

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

Condensed Consolidated Statements of Comprehensive Income

	3 Months Ended		3 Months Ended	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	43,553	27,442	43,553	27,442
Operating Expenses	(41,153)	(27,636)	(41,153)	(27,636)
Other Expenses	(843)	(1,370)	(843)	(1,370)
Interest Income	380	338	380	338
Other Operating Income	1,030	2,136	1,030	2,136
Profit from Operations	2,967	910	2,967	910
Finance costs	(92)	(83)	(92)	(83)
Investing Results	0	0	0	0
Profit before tax	2,875	827	2,875	827
Tax	(1,122)	(387)	(1,122)	(387)
Net Profit for the period	1,753	440	1,753	440
Other comprehensive (expenses)/income, net of tax				
- Exchange differences on translating foreign operations	(1,547)	730	(1,547)	730
- Fair value of available-for-sale financial assets	(210)	0	(210)	0
Other comprehensive (expenses)/income for the year, net of tax	(1,757)	730	(1,757)	730
Total comprehensive (expenses)/income for the year	(4)	1,170	(4)	1,170
Profit attributable to:				
Owners of the parent	1,736	407	1,736	407
Minority Interests	17	33	17	33
	1,753	440	1,753	440
Total comprehensive expenses/income attributable to:				
Owners of the parent	(99)	825	(99)	825
Minority Interests	95	345	95	345
	(4)	1,170	(4)	1,170
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	0.83	0.19	0.83	0.19
Diluted (sen)	0.57	0.13	0.57	0.13

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

Condensed Consolidated Statements of Financial Position

	As at 31.3.2010 RM'000	As at 31.12.2009 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	31,657	33,293
Prepaid lease payments	1,231	1,337
Investment properties	29,153	29,393
Land held for property development	89,091	90,531
Available-for-sale financial assets	16,984	18,261
Intangible assets	2,907	3,161
	171,023	175,976
Current assets		
Inventories	90,056	100,685
Trade and other receivables	61,302	49,381
Assets held for sale	10,421	11,024
Sinking fund account	7,373	5,152
Available-for-sale financial assets	3,086	2,964
Cash and cash equivalents	59,284	56,957
	231,522	226,163
TOTAL ASSETS	402,545	402,139
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	209,940	209,940
Reserves	(21,409)	(21,423)
Shareholders' Equity	188,531	188,517
Minority Interest	(970)	(1,065)
TOTAL EQUITY	187,561	187,452
LIABILITIES		
Non-current liabilities		
Borrowings	973	1,349
Deferred liabilities	13,990	14,502
	14,963	15,851
Current liabilities		
Trade and other payables	73,869	76,597
Borrowings	10,124	6,745
Zero-coupon RCSLS 2002/2010	115,075	115,075
Taxation	953	419
	200,021	198,836
TOTAL LIABILITIES	214,984	214,687
TOTAL EQUITY AND LIABILITIES	402,545	402,139
Net assets per share (RM) attributable to ordinary equity holders of the parent	0.90	0.90

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010

Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent					Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Reserve attributable to Capital RM'000	Reserve attributable to Revenue RM'000	Accumulated Losses RM'000	Total RM'000		
<u>3 months ended 31.3.2010</u>							
At 1.1.2010							
As previously stated	209,940	34,299	22,417	(78,139)	188,517	(1,065)	187,452
Effect of adopting FRS 139			113		113		113
Restated	209,940	34,299	22,530	(78,139)	188,630	(1,065)	187,565
Profit for the period	0	0	0	1,736	1,736	17	1,753
Other comprehensive income/(expense)	0	0	(1,835)	0	(1,835)	78	(1,757)
Total comprehensive income/(expense) for the period	0	0	(1,835)	1,736	(99)	95	(4)
At 31.3.2010	209,940	34,299	20,695	(76,403)	188,531	(970)	187,561
<u>3 months ended 31.3.2009</u>							
At 1.1.2009	209,940	34,299	23,204	(93,773)	173,670	(1,100)	172,570
Profit for the period	0	0	0	407	407	33	440
Other comprehensive income	0	0	418	0	418	312	730
Total recognised income and expense for the period	0	0	418	407	825	345	1,170
Realisation of capital reserve	0	0	(450)	450	0	0	0
At 31.3.2009	209,940	34,299	23,172	(92,916)	174,495	(755)	173,740

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2010**Condensed Consolidated Cash Flow Statements**

	3 Months Ended 31.3.2010 RM'000	3 Months Ended 31.3.2009 RM'000
Cash flows from operating activities		
Profit before tax	2,875	827
Adjustments for:		
Non-cash items	1,431	1,452
Non-operating items	(463)	(20)
Operating profit before working capital changes	<u>3,843</u>	<u>2,259</u>
Changes in working capital		
Net change in current assets	260	171
Net change in current liabilities	(536)	832
Cash flow generated from operations	<u>3,567</u>	<u>3,262</u>
Interest received	379	352
Taxation paid	(1,057)	(1,489)
Net cash generated from operations	<u>2,889</u>	<u>2,125</u>
Investing Activities		
Available-for-sale financial assets	21	(2,000)
Net cash flow used in investing activities	<u>21</u>	<u>(2,000)</u>
Financing Activities		
Borrowings	2,873	(6,188)
Sinking fund account	(2,221)	(20)
Net cash flow used in financing activities	<u>652</u>	<u>(6,208)</u>
Currency translation differences	<u>(1,235)</u>	<u>187</u>
Changes in Cash and Cash Equivalents	2,327	(5,896)
Cash and Cash Equivalents at the beginning of year	56,957	61,116
Cash and Cash Equivalents at the end of year	<u>59,284</u>	<u>55,220</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2009)