

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**Condensed Consolidated Statements of Comprehensive Income**

	3 Months Ended		12 Months Ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	32,951	67,228	109,516	172,277
Operating Expenses	(34,705)	(55,996)	(117,311)	(153,997)
Other Expenses	(818)	8,507	(1,740)	(37,804)
Interest Income	220	659	1,106	1,643
Other Operating Income	2,383	7,584	4,123	18,479
Profit/(loss) from Operations	31	27,982	(4,306)	598
Finance costs	(146)	(66)	(494)	(351)
Investing Results	0	0	0	0
Profit/(loss) before tax	(115)	27,916	(4,800)	247
Tax	(1,467)	(11,982)	(2,254)	(5,970)
Net Profit/(loss) for the period	(1,582)	15,934	(7,054)	(5,723)
Other comprehensive income/(loss), net of tax				
- Exchange differences on translating foreign operations	12	(5,180)	1,248	(7,320)
- Fair value of available-for-sale financial assets	952	38	(455)	584
Other comprehensive income/(loss) for the period, net of tax	964	(5,142)	793	(6,736)
Total comprehensive income/(loss) for the period	(617)	10,792	(6,261)	(12,459)
Profit/(loss) attributable to:				
Owners of the parent	(54)	15,881	(5,679)	(6,282)
Minority Interests	(1,528)	53	(1,375)	559
	(1,582)	15,934	(7,054)	(5,723)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	860	11,341	(5,268)	(12,675)
Minority Interests	(1,478)	(549)	(993)	216
	(617)	10,792	(6,261)	(12,459)
Earnings/(loss) per share attributable to equity holders of the parent:				
Basic/Diluted (sen)	(0.03)	7.56	(2.71)	(2.99)

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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Condensed Consolidated Statements of Financial Position

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	53,361	54,519
Prepaid lease payments	1,066	1,107
Investment properties	29,153	29,153
Land held for property development	10,766	9,105
Available-for-sale financial assets	18,040	17,807
	112,386	111,691
Current assets		
Inventories	26,103	30,485
Trade and other receivables	60,315	72,049
Sinking fund account	-	1,457
Available-for-sale financial assets	-	3,470
Cash and cash equivalents	30,622	65,613
	117,040	173,074
TOTAL ASSETS	229,426	284,765
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	209,940	209,940
Reserves	(39,253)	(33,985)
Shareholders' Equity	170,687	175,955
Minority Interest	(1,842)	(849)
TOTAL EQUITY	168,845	175,106
LIABILITIES		
Non-current liabilities		
Borrowings	753	954
Deferred liabilities	1,794	2,814
	2,547	3,768
Current liabilities		
Trade and other payables	47,572	65,650
Borrowings	10,000	37,732
Taxation	462	2,509
	58,034	105,891
TOTAL LIABILITIES	60,581	109,659
TOTAL EQUITY AND LIABILITIES	229,426	284,765
Net assets per share (RM) attributable to ordinary equity holders of the parent	0.81	0.84

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent						Non-Controlling Interest	Total Equity	
	Share Capital	Share Premium	Foreign Exchange Reserve	Revaluation Reserve	Fair Value Reserve	Accumulated Losses			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
12 months ended 31.12.2011									
At 1.1.2011	209,940	34,299	14,272	1,168	697	(84,421)	175,955	(849)	175,106
Profit/(loss) for the period	-	-	-	-	-	(5,679)	(5,679)	(1,375)	(7,054)
Other comprehensive income/(loss)	-	-	866	-	(455)	-	411	382	793
Total comprehensive income/(loss) for the period	-	-	866	-	(455)	(5,679)	(5,268)	(993)	(6,261)
At 31.12.2011	209,940	34,299	15,138	1,168	242	(90,100)	170,687	(1,842)	168,845
12 months ended 31.12.2010									
At 1.1.2010	209,940	34,299	21,249	1,168	113	(78,139)	188,630	(1,065)	187,565
Profit/(loss) for the period	-	-	-	-	-	(6,282)	(6,282)	559	(5,723)
Other comprehensive income/(loss)	-	-	(6,977)	-	584	-	(6,393)	(343)	(6,736)
Total comprehensive income/(loss) for the period	-	-	(6,977)	-	584	(6,282)	(12,675)	216	(12,459)
At 31.12.2010	209,940	34,299	14,272	1,168	697	(84,421)	175,955	(849)	175,106

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011**Consolidated Statements of Cash Flow**

	12 Months Ended 31.12.2011 RM'000	12 Months Ended 31.12.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(4,800)	247
Adjustments for:		
Bad debts written off	47	35,022
Gain on disposal of assets held for sale	-	(6,976)
Depreciation & amortisation	4,126	4,841
Other non-cash items	(1,767)	670
Finance costs	494	351
Finance income	(1,106)	(1,643)
Operating profit/(loss) before working capital changes	<u>(3,006)</u>	<u>32,512</u>
Decrease/(increase) in property development cost	3,402	53,164
Decrease in inventories	1,968	18,584
Decrease/(increase) in trade and other receivables	14,366	(23,434)
Increase/(decrease) in trade and other payables	(19,269)	(14,079)
Cash generated from/(used in) operations	<u>(2,539)</u>	<u>66,747</u>
Interest paid	(494)	(351)
Tax paid	(6,271)	(5,251)
Net cash from/(used in) operating activities	<u>(9,304)</u>	<u>61,145</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,083	1,725
Expenditure on land held for property development	(623)	(226)
Acquisition of land for property development	(2,027)	-
Proceeds from disposal of available-for-sale financial assets	3,473	260
Purchase of available-for-sale financial assets	-	(293)
Purchase of property, plant and equipment	(1,476)	(25,975)
Proceeds from disposal of property, plant and equipment	162	182
Proceeds from disposal of assets held for sale	-	17,426
Proceeds from disposal of subsidiary	-	37,926
Net dividend received	8	31
Net cash from/(used in) investing activities	<u>600</u>	<u>31,056</u>

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

Consolidated Statements of Cash Flow

	12 Months Ended 31.12.2011 RM'000	12 Months Ended 31.12.2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Term loans, net drawdown/(repayment)	(30,729)	28,510
Bankers' acceptance, net drawdown	2,609	2,444
Repayments of hire purchase payables	(352)	(344)
Withdrawal from sinking fund account	1,457	3,695
Redemption of RCSLS 2002/2010	-	(115,075)
Net cash from/(used in) financing activities	<u>(27,015)</u>	<u>(80,770)</u>
Effects of exchange rate changes on cash and cash equivalents	728	(1,792)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL YEAR	<u>(34,991)</u>	<u>9,639</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	65,613	55,974
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	<u>30,622</u>	<u>65,613</u>

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NOTES TO THE INTERIM FINANCIAL REPORT

A1 Accounting Policies

The interim financial report is prepared in accordance with Financial Reporting Standards 134 - Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The figures have not been audited.

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2010. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those of the audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSs and IC Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standards
FRS 3 (Revised)	Business combinations
FRS 127 (Revised)	Consolidated & Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Improvements to FRSs (2010)	
- FRS 1 First-time Adoption of Financial Reporting Standards	
- FRS 3 Business Combinations	
- FRS 7 Financial Instruments: Disclosures	
- FRS 101 Presentation of Financial Statements	
- FRS 121 The Effects of Changes in Foreign Exchange Rates	
- FRS 128 Investments in Associates	
- FRS 131 Interest in Joint Ventures	
- FRS 132 Financial Instruments: Presentation	
- FRS 134 Interim Financial Reporting	
- FRS 139 Financial Instruments: Recognition and Measurement	
- Amendments to IC Interpretation 13 Customer Loyalty Programmes	

IC Interpretation 12 Service Cession Arrangements will also be effective for annual periods beginning on or after 1 July 2010. This IC Interpretation, is however, not applicable to the Group.

The adoption of the above FRSs, Amendments and IC Interpretation did not result in any significant changes in the accounting policies and presentations of the financial statement of the Group.

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NOTES TO THE INTERIM FINANCIAL REPORT

A2 Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 agriculture (“MFRS 141”) and IC Interpretation 15 Agreements for Construction of Real Estate (“IC 15”), including its parent, significant investor and venture (here in called “Transitioning Entities”). Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2013. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group will be reviewing its accounting policies to assess its quantification of the financial effects of the differences between the current FRS and accounting standards under the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

A2 Audit Report of the Previous Annual Financial Report

The audit report of the previous annual financial report was not qualified.

A3 Seasonality or Cyclicity of Interim Operations

The Group's operations were not significantly affected by any seasonal or cyclical factors.

A4 Unusual Items Affecting the Financial Statements

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their material effect in the current quarter under review.

A5 Changes in Accounting Estimates

There were no changes in estimates of amount reported in prior interim periods or prior financial years that have a material effect in the current quarter under review.

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NOTES TO THE INTERIM FINANCIAL REPORT

A6 Debt and Equity Securities

There were no issuance of debt and equity securities, share buy back, share cancellation, share held as treasury and resale of treasury share during the financial period ended 31 December 2011.

A7 Dividends Paid

No dividend has been paid during the financial period ended 31 December 2011.

A8 Segment Reporting

The Group is organised on a worldwide basis into four main business segments:

- (a) Property development - develop and sale of residential and commercial properties & car park operation
- (b) Investment Holding - investment in properties and holding company
- (c) Manufacturing & trading - manufacture of assorted wires and trading
- (d) Leisure and entertainment - cinema business

Other operations of the Group mainly comprise of dormant companies which are not of sufficient size to be reported separately

12 months ended 31.12.2011	Property Development RM'000	Investment Holding RM'000	Manufacturing & Trading RM'000	Leisure & Entertainment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment Revenue							
External revenue	56,504	1,248	49,417	2,346	-	-	109,516
Intersegment revenue	-	12,180	-	-	-	(12,180)	-
	<u>56,504</u>	<u>13,429</u>	<u>49,417</u>	<u>2,346</u>	<u>-</u>	<u>(12,180)</u>	<u>109,516</u>
Segment Results							
Profit/(loss) from operations	5,728	(3,693)	(534)	(1,684)	4	-	(180)
Finance costs	(89)	(31)	(373)	-	-	-	(494)
Depreciation & amortisation	(704)	(333)	(1,307)	(1,781)	-	-	(4,126)
Profit/(loss) before tax	<u>4,935</u>	<u>(4,058)</u>	<u>(2,215)</u>	<u>(3,465)</u>	<u>4</u>	<u>-</u>	<u>(4,800)</u>
Tax	(2,694)	2	617	(178)	(3)	-	(2,254)
Profit/(loss) from ordinary activities after tax	<u>2,242</u>	<u>(4,056)</u>	<u>(1,597)</u>	<u>(3,643)</u>	<u>0</u>	<u>-</u>	<u>(7,054)</u>
Minority interests	-	-	-	1,375	-	-	1,375
Net profit/(loss) attributable to shareholders	<u>2,242</u>	<u>(4,056)</u>	<u>(1,597)</u>	<u>(2,269)</u>	<u>0</u>	<u>-</u>	<u>(5,680)</u>
Assets and Liabilities							
Segment assets	115,505	60,414	34,893	17,520	1,095	-	229,426
Segment liabilities	30,308	726	13,009	16,245	292	-	60,581

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12 months ended 31.12.2010	Property Development RM'000	Investment Holding RM'000	Manufacturing & Trading RM'000	Leisure & Entertainment RM'000	Others RM'000	Elimination RM'000	Total RM'000
Segment Revenue							
External revenue	117,553	1,312	50,563	2,849	-	-	172,277
Intersegment revenue	-	1,092	-	-	-	(1,092)	-
	117,553	2,404	50,563	2,849	-	(1,092)	172,277
Segment Results							
Profit/(loss) from operations	27,862	(37,346)	1,241	13,685	4	-	5,446
Finance costs	(114)	-	(237)	-	-	-	(351)
Depreciation & amortisation	(1,605)	(15)	(1,744)	(1,484)	-	-	(4,848)
Profit/(loss) before tax	26,143	(37,361)	(740)	12,201	4	-	247
Tax	(6,438)	(3)	500	(25)	(3)	-	(5,969)
Profit/(loss) from ordinary activities after tax	19,705	(37,364)	(240)	12,176	1	-	(5,722)
Minority interests	-	-	-	(559)	-	-	(559)
Net profit/(loss) attributable to shareholders	19,705	(37,364)	(240)	11,617	1	-	(6,281)
Assets and Liabilities							
Segment assets	156,192	61,986	35,693	29,818	1,076	-	284,765
Segment liabilities	58,662	23,675	12,209	14,820	293	-	109,659

A9 Valuation of Property, Plant & Equipment

The valuation of property, plant and equipment have been brought forward, without amendments from the previous annual financial report.

A10 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current financial period ended 31 December 2011 up to date of this report.

A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 31 December 2011.

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NOTES TO THE INTERIM FINANCIAL REPORT

A12 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since 30 September 2011.

A13 Outstanding Commitments

There were no outstanding commitments for the financial period under review.

A14 Significant Known Related Party Disclosures

There is no significant known related party transaction during the financial period.

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NOTES TO THE INTERIM FINANCIAL REPORT

ADDITIONAL INFORMATION REQUIRED PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Review of Performance of the Company and its Principal Subsidiaries

For the Quarter

The Group registered a revenue of RM32.95 million and a loss before tax of RM0.12 million in the fourth quarter ended 31 December 2011 as compared to a revenue of RM67.22 million and a profit before tax of RM27.92 million in the preceding year fourth quarter. Revenue of the property division decreased significantly as a result of completion of Zenith shop-offices and Zenith Retail projects in Kelana Jaya. These two projects which contributed significantly to the Group's profit in the Fourth Quarter 2010 was completed at the end of 2010. The Group's exceptional profit in the Fourth Quarter 2010 was mainly due to a foreign exchange gain on liquidation of a foreign subsidiary and reversal of an impairment of land in a subsidiary disposed off.

For the Twelve months period

The Group's revenue of RM109.5 million for the financial year ended 31 December 2011 represents a 36% or RM62.76 million decrease from RM172.28 million in the corresponding year ended 31 December 2010. The property division recorded a decrease of RM61.05 million due to lower sale of stocks and the absence of revenue from Zenith commercial developments, while the manufacturing and trading division recorded a decrease of RM1.15 million as a result of lower domestic demand.

GP margin decreased from 23.6% for the financial year ended 31 December 2010 to 12.2% in the financial year ended 31 December 2011 due to lower margin of residential development in 2011 as compared to commercial development in 2010 and lower manufacturing margin.

Operating loss before tax of the Group for the financial year ended 31 December 2011 was RM4.8 million as compared with a profit of RM247k in the corresponding financial year ended 31 December 2010. The loss in the current year ended was due to lower property development profit as a result of completion of two commercial projects and lower sale of property stocks and rental income.

The Group's investment holding division's result in 2010 was affected by a RM35 million write-off of amount owing by a subsidiary on its disposal while the leisure and entertainment division's profit in 2010 was mainly due to a gain on disposal of assets held-for-sale and foreign exchange gain on liquidation of a subsidiary company.

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B2 Explanatory comments on Any Material Change in the Profit Before Taxation for the Quarter Reported on as Compared with the Immediate Preceding Quarter

Fourth Quarter vs Third Quarter

During the 3 months ended 31 December 2011, the Group recorded a total revenue of RM32.95 million, an increase of RM1.63 million from RM31.32 million in the preceding 3 months ended 30 Septemebr 2011. The increase in revenue was mainly due to higher contribution from the property division.

The manufacturing and trading division recorded a 3% increase in revenue from RM11.95 million in the Third Quarter 2011 to RM12.35 million in the Fourth Quarter 2011. Sales in the Fourth Quarter was higher than the Third Quarter due to higher domestic sales.

The property division recorded a 8% increase in revenue from RM18.37 million in the Third Quarter 2011 to RM19.76 million in the Fourth Quarter 2011 mainly due to higher revenue from Taman Saikat and Bandar Meru Raya, Ipoh. Zenith Condominium project has also contributed RM0.5m increase in revenue in the Fourth Quarter 2011.

Loss before tax was lower at RM115k in the Fourth Quarter 2011 as compared to RM1.56 million in the Third Quarter 2011 mainly due to a reversal of doubtful debts provision of RM1.75m in a subsidiary company.

B3 Commentary on Prospects

The worsening economic conditions in Europe and the United States have resulted in the drop in the country's external demand. After expanding 7.2% in 2010, Malaysia's growth in 2011 has slowed to 5.1%, only to be supported by favourable domestic demand. The uncertainty over the sustainability of the upward trend in domestic demand has created greater downside risks to GDP growth forecast of 5% to 6% in 2012. The economic environment and external factors are expected to exert pressure on the Group's profit.

The property division is expected to contribute significantly to the Group's results in 2012 from its on-going development projects and new property launches. Faced with intense competition and low demand for wires, the Group expects the manufacturing division's operating environment in 2012 to be broadly similar to 2011. Hence, efforts are focused on minimizing losses and retaining its core customers. The Group is expected to return to profitability in 2012.

B4 Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable.

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B5 Taxation	3 months Ended 31.12.2011 RM'000	12 months Ended 31.12.2011 RM'000
Taxation based on the results for the period:		
Malaysian taxation	475	1,479
Overseas taxation	100	178
Transfer to/(from) deferred taxation	(712)	(1,019)
	<u>(137)</u>	<u>638</u>
Under/(over) provision of taxation in respect of prior periods	1,604	1,616
	<u>1,467</u>	<u>2,254</u>

The disproportionate tax charge in the current period was mainly due to non availability of group relief in respect of losses incurred by certain subsidiary companies, certain expenses which are not deductible for tax purposes certain income which are not subject to tax.

B6 Status of Corporate Proposals

No corporate proposal was undertaken by the Group in the financial period ended 31 December 2011.

B7 Group Borrowings

	As at 31.12.2011 RM'000
Current	
Secured:-	
RM denominated	<u>10,000</u>
Non-current	
Secured:-	
RM denominated	<u>753</u>
Borrowings maturity:	
Less than one year	10,000
Later than one year and not later than two years	312
Later than two years and not later than five years	433
Later than five years	8
	<u>10,753</u>

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B8 Realised and Unrealised Losses

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total accumulated losses of South Malaysia Industries Berhad and its subsidiaries		
- Realised	(119,791)	(117,747)
- Unrealised	(2,787)	(3,696)
	<u>(122,578)</u>	<u>(121,443)</u>
Less: consolidated adjustments	32,478	37,022
Total Group accumulated losses	<u>(90,100)</u>	<u>(84,421)</u>

B9 Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at the date of this report.

B10 Material Litigation

As at the date of this report, there is no pending material litigation for the Group.

B11 Dividends

The Directors do not recommend any payment of dividend for the financial period ended 31 December 2011.

B12 Profit/(Loss) From Operations

The following items have been charged/(credited) in arriving at profit/(loss) from operations:

	3 Months Ended		12 Months Ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
(a) Other income including investment income	(2,366)	(1,670)	(3,907)	(5,462)
(b) Depreciation and amortisation	1,055	(887)	4,126	4,841
(c) Provision for and write-off of receivables	115	35,040	115	35,043
(d) Loss/(gain) on disposal of quoted investments	(17)	(8)	(216)	(76)
(e) Foreign exchange loss/(gain)	33	(5,558)	188	(5,486)
(f) Gain on disposal of asset held-for-sale	-	-	-	(6,976)

Other than the above, there were no impairment of assets, gain or loss on derivative, provision for and write off of inventories and exceptional items for the current quarter and financial year ended 31 December 2011.

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2011

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Earnings per Share

	3 Months Ended		12 Months Ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
(a) Basic Earnings per Share				
Net Profit/(loss) attributable to shareholders	(54)	15,881	(5,679)	(6,282)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	<u>(0.03)</u>	<u>7.56</u>	<u>(2.71)</u>	<u>(2.99)</u>

(b) Diluted Earnings per Share

There is no dilutive event as at 31 December 2011 and 31 December 2010. Therefore, the diluted EPS is the same as basic EPS.

By Order of the Board

Tan Siew Chin
Company Secretary
Kuala Lumpur
Date: 27 February 2012