

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	3 Months Ended		12 Months Ended	
	31.12.2013 RM'000	31.12.2012 RM'000	31.12.2013 RM'000	31.12.2012 RM'000
Revenue	17,520	26,477	77,629	109,121
Operating Expenses	(20,658)	(29,482)	(90,333)	(117,250)
Other Expenses	(5,510)	(696)	(7,804)	(1,996)
Interest Income	463	278	1,236	1,040
Other Operating Income	790	1,100	3,700	3,003
Profit/(loss) from Operations	(7,395)	(2,323)	(15,572)	(6,083)
Finance costs	(460)	(456)	(1,886)	(1,626)
Investing Results	-	-	-	-
Profit/(loss) before tax	(7,855)	(2,779)	(17,458)	(7,709)
Tax	30	731	(225)	(77)
Net Profit/(loss) for the period	(7,825)	(2,049)	(17,683)	(7,786)
Other comprehensive income/(expenses), net of tax				
Items that may be reclassified subsequently to profit or loss				
- Exchange differences on translating foreign operations	132	(166)	1,219	911
- Fair value of available-for-sale financial assets	1,450	(270)	3,675	192
Other comprehensive income/(expenses) for the period, net of tax	1,582	(436)	4,894	1,103
Total comprehensive income/(expenses) for the period	(6,243)	(2,484)	(12,789)	(6,683)
Profit/(loss) attributable to:				
Owners of the parent	(7,767)	(1,741)	(16,450)	(6,356)
Minority Interests	(58)	(307)	(1,233)	(1,430)
	(7,825)	(2,049)	(17,683)	(7,786)
Total comprehensive income/(expenses) attributable to:				
Owners of the parent	(6,212)	(2,251)	(11,575)	(4,935)
Minority Interests	(31)	(233)	(1,214)	(1,748)
	(6,243)	(2,484)	(12,789)	(6,683)
Earnings/(loss) per share attributable to equity holders of the parent:				
Basic/Diluted (sen)	(3.70)	(0.83)	(7.84)	(3.03)

(The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**Condensed Consolidated Statements of Financial Position**

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,355	50,180
Prepaid lease payments	854	915
Investment properties	29,153	29,153
Land held for property development	9,084	9,610
Available-for-sale financial assets	23,201	18,770
Trade and other receivables	7,010	-
	116,657	108,628
Current assets		
Inventories	21,321	22,485
Trade and other receivables	36,062	57,509
Available-for-sale financial assets	-	4,114
Cash and cash equivalents	46,288	42,848
	103,671	126,956
TOTAL ASSETS	220,328	235,584
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	209,940	209,940
Reserves	(55,763)	(44,188)
Shareholders' equity	154,177	165,752
Minority Interest	(4,804)	(3,590)
TOTAL EQUITY	149,373	162,162
LIABILITIES		
Non-current liabilities		
Borrowings	16,961	18,115
Deferred liabilities	809	876
	17,770	18,991
Current liabilities		
Trade and other payables	40,195	42,713
Borrowings	12,943	11,572
Derivative liabilities	-	23
Taxation	47	123
	53,185	54,431
TOTAL LIABILITIES	70,955	73,421
TOTAL EQUITY AND LIABILITIES	220,328	235,583
Net assets per share (RM) attributable to ordinary equity holders of the parent	0.73	0.79

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013
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 31.12.2013									
At 1.1.2013	209,940	34,299	16,367	1,168	434	(96,456)	165,752	(3,590)	162,162
Profit/(loss) for the period	-	-	-	-	-	(16,450)	(16,450)	(1,233)	(17,683)
Other comprehensive income/(expenses)	-	-	1,200	-	3,675	-	4,875	19	4,894
Total comprehensive income/(expenses) for the period	-	-	1,200	-	3,675	(16,450)	(11,575)	(1,214)	(12,789)
At 31.12.2013	209,940	34,299	17,567	1,168	4,109	(112,906)	154,177	(4,804)	149,373
12 months ended 31.12.2012									
At 1.1.2012	209,940	34,299	15,138	1,168	242	(90,100)	170,687	(1,842)	168,845
Profit/(loss) for the period	-	-	-	-	-	(6,356)	(6,356)	(1,430)	(7,786)
Other comprehensive income/(expenses)	-	-	1,229	-	192	-	1,421	(318)	1,103
Total comprehensive income/(expenses) for the period	-	-	1,229	-	192	(6,356)	(4,935)	(1,748)	(6,683)
At 31.12.2012	209,940	34,299	16,367	1,168	434	(96,456)	165,752	(3,590)	162,162

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2012)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013**Consolidated Statements of Cash Flow**

	12 Months Ended 31.12.2013 RM'000	12 Months Ended 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(17,458)	(7,709)
Adjustments for:		
Depreciation & amortisation	3,979	4,016
Other non-cash items	2,117	(514)
Finance costs	1,886	1,626
Finance income	(1,236)	(1,040)
Operating profit/(loss) before working capital changes	<u>(10,712)</u>	<u>(3,621)</u>
Decrease/(increase) in property development cost	1,972	3,318
Decrease/(increase) in inventories	175	1,885
Decrease/(increase) in trade and other receivables	12,392	2,902
Increase/(decrease) in trade and other payables	<u>(2,170)</u>	<u>(4,040)</u>
Cash generated from/(used in) operations	1,657	444
Interest paid	(1,895)	(1,511)
Tax paid	<u>(290)</u>	<u>(1,399)</u>
Net cash from/(used in) operating activities	<u>(528)</u>	<u>(2,466)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,245	1,031
Expenditure on land held for property development	(547)	(525)
Proceeds from disposal of available-for-sale financial assets	4,181	-
Purchase of available-for-sale financial assets	(39)	(4,163)
Purchase of property, plant and equipment	(1,194)	(642)
Proceeds from disposal of property, plant and equipment	777	204
Net dividend received	39	163
Net cash from/(used in) investing activities	<u>4,462</u>	<u>(3,932)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans and borrowings, net drawdown/(repayment)	(432)	19,012
Repayments of hire purchase payables	<u>(444)</u>	<u>(310)</u>
Net cash from/(used in) financing activities	<u>(876)</u>	<u>18,702</u>
Effects of exchange rate changes on cash and cash equivalents	382	(78)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	<u>3,440</u>	<u>12,226</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	42,848	30,622
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>46,288</u>	<u>42,848</u>

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013

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 2012. 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 2012.

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 2012, except for the adoption of the following Financial Reporting Standards ("FRS"), amendments to FRSS and IC Interpretations which are effective for the financial period beginning on 1 January 2013.

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of interests in Other Entities
FRS 13	Fair Value Measurement
FRS 119 (2011)	Employee Benefits
FRS 127 (2011)	Separate Financial Statements
FRS 128 (2011)	Investments in Associates and Joint Ventures
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to FRS 1	Government Loans
Amendments to FRS 7	Disclosure - Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, 11 & 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
Amendments to FRSS "Improvement to FRSS (2012)".	

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.

The Group has not early adopted the following FRSS and amendments to FRSS that have been issued but not yet effective:

		Effective for financial periods <u>beginning on or after</u>
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, 12 & 127	Investment Entities	1 January 2014
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21	Levies	1 January 2014
FRS 9	Financial Instruments	1 January 2015
Amendments to FRS 9 and FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures	1 January 2015

These new and amended standards will have no significant changes on the financial statements of the Group upon their initial application.

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 (herein called “Transitioning Entities”).

On 30 June 2012, MASB announced that the mandatory effective date for adoption of the new MFRS by Transitioning Entities is deferred from 1 January 2013 to 1 January 2014. Subsequently on 7 August 2013, MASB announced an additional one year deferral of the adoption of the new MFRS Framework from 1 January 2014 to 1 January 2015 for all Transitioning Entities.

Financial statements that are drawn up in accordance with the new MFRS Framework will be equivalent to financial statements prepared by other jurisdictions which adopt IFRSs (“International Financial Reporting Standards”).

The Group is subject to the application of IC Interpretation 15, therefore falls within the scope definition of Transitioning Entities and has 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 financial year ending 31 December 2015. In presenting the Group's 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 is currently assessing the implications and financial impact of transition to the MFRS Framework. Accordingly, the consolidated financial performance and financial position as disclosed in these financial statements for the financial year ended 31 December 2013 could be different if prepared under the MFRS Framework.

A3 Audit Report of the Previous Annual Financial Report

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

A4 Seasonality or Cyclicity of Interim Operations

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

A5 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.

A6 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

A7 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 2013.

A8 Dividends Paid

No dividend has been paid during the financial period ended 31 December 2013.

A9 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 31.12.2013	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	26,779	1,114	48,143	1,593	-	-	77,629
Intersegment revenue	-	20,871	-	-	-	(20,871)	-
	<u>26,779</u>	<u>21,985</u>	<u>48,143</u>	<u>1,593</u>	<u>-</u>	<u>(20,871)</u>	<u>77,629</u>
Segment Results							
Profit/(loss) from operations	(3,552)	(6,224)	92	(1,644)	(13)	-	(11,341)
Finance costs	(75)	(1,304)	(507)	-	-	-	(1,886)
Depreciation & amortisation	(621)	(295)	(1,561)	(1,754)	-	-	(4,231)
Profit/(loss) before tax	<u>(4,248)</u>	<u>(7,823)</u>	<u>(1,976)</u>	<u>(3,398)</u>	<u>(13)</u>	<u>-</u>	<u>(17,458)</u>
Tax	(500)	225	25	28	(3)	-	(225)
Profit/(loss) from ordinary activities after tax	<u>(4,748)</u>	<u>(7,598)</u>	<u>(1,951)</u>	<u>(3,370)</u>	<u>(16)</u>	<u>-</u>	<u>(17,683)</u>
Minority interests	-	-	-	1,233	-	-	1,233
Net profit/(loss) attributable to shareholders	<u>(4,748)</u>	<u>(7,598)</u>	<u>(1,951)</u>	<u>(2,137)</u>	<u>(16)</u>	<u>-</u>	<u>(16,450)</u>
Assets and Liabilities							
Segment assets	100,581	69,218	34,677	14,631	1,221	-	220,328
Segment liabilities	21,765	18,952	14,665	15,567	6	-	70,955

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12 months ended 31.12.2012	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	54,976	1,204	51,253	1,688	-	-	109,121
Intersegment revenue	-	13,071	-	-	-	(13,071)	-
	<u>54,976</u>	<u>14,275</u>	<u>51,253</u>	<u>1,688</u>	<u>-</u>	<u>(13,071)</u>	<u>109,121</u>
Segment Results							
Profit/(loss) from operations	3,570	(4,160)	37	(1,804)	291	-	(2,066)
Finance costs	(57)	(1,070)	(498)	-	-	-	(1,625)
Depreciation & amortisation	(634)	(343)	(1,277)	(1,763)	-	-	(4,017)
Profit/(loss) before tax	<u>2,879</u>	<u>(5,573)</u>	<u>(1,738)</u>	<u>(3,567)</u>	<u>291</u>	<u>-</u>	<u>(7,708)</u>
Tax	(571)	2	480	15	(3)	-	(77)
Profit/(loss) from ordinary activities after tax	<u>2,308</u>	<u>(5,571)</u>	<u>(1,258)</u>	<u>(3,552)</u>	<u>288</u>	<u>-</u>	<u>(7,785)</u>
Minority interests	-	-	-	1,430	-	-	1,430
Net profit/(loss) attributable to shareholders	<u>2,308</u>	<u>(5,571)</u>	<u>(1,258)</u>	<u>(2,122)</u>	<u>288</u>	<u>-</u>	<u>(6,355)</u>
Assets and Liabilities							
Segment assets	108,273	75,365	35,135	15,515	1,296	-	235,584
Segment liabilities	24,519	20,136	13,478	15,281	8	-	73,422

A10 Valuation of Property, Plant & Equipment

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

A11 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current financial period ended 31 December 2013 up to date of this report.

A12 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 2013.

A13 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since 30 September 2013.

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NOTES TO THE INTERIM FINANCIAL REPORT

A14 Outstanding Commitments

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

A15 Related Party Transactions

The following related party transactions were carried out in the ordinary course of business and were established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

	12 months ended 31.12.2013 RM'000
Rental income received / receivable from related party	118
Progress billings charged to Directors or key management personnel of the Group	<u>226</u>

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 RM17.52 million and a loss before tax of RM7.85 million in the fourth quarter ended 31 December 2013 as compared to a revenue of RM26.48 million and a loss before tax of RM2.78 million in the preceding year fourth quarter. The property division recorded a decrease of RM8.3 million in revenue and RM0.25 million increase in loss due to completion of the Zenith condominium project. The higher loss in the current year quarter was mainly due to fair value adjustment of receivables and impairment of assets of RM2.3 million and additional project expenses incurred.

For the Twelve months period

The Group's revenue of RM77.63 million for the financial year ended 31 December 2013 represents a 29% or RM31.49 million decrease from RM109.12 million in the corresponding year ended 31 December 2012. The property division recorded a decrease of RM28.2 million due to lower contribution from the Zenith condominium project upon its completion. The manufacturing and trading division has also recorded a RM7.88 million decrease in revenue, offset by an increase of RM4.77 million revenue from its trading activity.

Gross Profit margin of the Group decreased slightly from 11.5% for the financial year ended 31 December 2012 to 11.3% in the financial year ended 31 December 2013 mainly due to lower margin of the property division.

Operating loss before tax of the Group for the financial year ended 31 December 2013 was higher at RM17.46 million as compared to RM7.71 million in the corresponding financial year ended 31 December 2012. This was mainly due to lower contribution from the property division, impairment of assets and fair value adjustment of receivables of RM2.3 million and additional project expenses incurred in the financial period under review.

NOTES TO THE INTERIM FINANCIAL REPORT

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 2013 vs Third Quarter 2013

During the 3 months ended 31 December 2013, the Group recorded a total revenue of RM17.52 million, an increase of RM4.22 million from RM13.3 million in the preceding 3 months ended 30 September 2013. The increase in revenue was mainly due to higher contribution from the property and manufacturing divisions.

The property division recorded a 74% increase in revenue from RM2.76 million in the third quarter 2013 to RM4.81 million in the fourth quarter 2013 mainly due to higher contribution from Bandar Meru Raya project upon completion of a development phase.

The manufacturing and trading division recorded a 19% increase in revenue from RM9.76 million in the third quarter 2013 to RM11.6 million in the fourth quarter 2013 due to higher demand in anticipation of price increase in 2014.

Loss before tax was higher at RM7.86 million in the fourth quarter 2013 as compared to RM5.24 million in the third Quarter 2013 mainly due to fair value adjustment of receivables and additional project expenses incurred.

B3 Commentary on Prospects

The Group's results are expected to improve in 2014 from its on-going projects. Faced with intense competition, the Group expects the manufacturing division's operating environment in 2014 to be similar to 2013. Hence, efforts are focused on improving operating margin and retaining core customers. The exit of the cinema business in the third quarter 2013 and the leasing of the existing premises for rental income are expected to improve the Group's results in 2014.

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

Not applicable.

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B5 Taxation	3 months	12 months
	Ended	Ended
	31.12.2013	31.12.2013
	RM'000	RM'000
Taxation based on the results for the period:		
Malaysian taxation	50	423
Overseas taxation	27	53
Transfer to/(from) deferred taxation	73	(67)
	<u>150</u>	<u>409</u>
Under/(over) provision of taxation in respect of prior periods	(180)	(184)
	<u>(30)</u>	<u>225</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 2013.

B7 Group Borrowings

	As at
	31.12.2013
	RM'000
Current	
Secured:-	
RM denominated	<u>12,943</u>
Non-current	
Secured:-	
RM denominated	<u>16,961</u>
Borrowings maturity:	
Less than one year	12,943
Later than one year and not later than two years	2,073
Later than two years and not later than five years	8,866
Later than five years	6,022
	<u>29,904</u>

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	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Total accumulated losses of South Malaysia Industries Berhad and its subsidiaries		
- Realised	(144,473)	(137,504)
- Unrealised	(1,916)	(1,910)
	<u>(146,389)</u>	<u>(139,414)</u>
Less: consolidated adjustments	33,483	42,958
Total Group accumulated losses	<u>(112,906)</u>	<u>(96,456)</u>

B9 Derivative Financial Instruments

There were no derivative financial instruments as at financial period ended 31 December 2013.

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 2013.

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
(a) Other income including investment income	(791)	(1,106)	(3,691)	(2,964)
(b) Depreciation and amortisation	959	1,011	3,979	4,016
(c) Provision for and write-off of receivables	48	23	67	30
(d) Loss/(gain) on disposal of quoted investments	-	-	21	-
(e) Foreign exchange loss/(gain)	83	64	254	452
(f) Loss/(gain) on derivatives	-	-	(30)	-
(g) Impairment of assets	(19)	-	810	-
(h) Inventories write-down	88	97	88	97
(i) Fair value adjustment of receivables	2,000	-	2,000	-

Other than the above, there were no gain or loss on derivative and exceptional items for the current quarter and financial period ended 31 December 2013.

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2013

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Earnings per Share

	3 Months Ended		12 Months Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	RM'000	RM'000	RM'000	RM'000
(a) Basic Earnings per Share				
Net Profit/(loss) attributable to shareholders	(7,767)	(1,741)	(16,450)	(6,356)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	<u>(3.70)</u>	<u>(0.83)</u>	<u>(7.84)</u>	<u>(3.03)</u>

(b) Diluted Earnings per Share

There is no dilutive event as at 31 December 2013 and 31 December 2012. Therefore, the diluted EPS is the same as the basic EPS.

By Order of the Board

Tan Siew Chin
Company Secretary
Kuala Lumpur
Date: 26 February 2014