

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	3 Months Ended		6 Months Ended	
	30.6.2014 RM'000	30.6.2013 RM'000	30.6.2014 RM'000	30.6.2013 RM'000
Revenue	16,633	28,790	30,251	46,694
Operating Expenses	(19,330)	(30,829)	(36,675)	(51,815)
Other Expenses	(268)	(428)	(533)	(687)
Interest Income	417	192	744	432
Other Operating Income	698	973	1,127	1,995
Profit/(loss) from Operations	(1,850)	(1,302)	(5,086)	(3,381)
Finance costs	(462)	(446)	(908)	(985)
Investing Results	-	-	-	-
Profit/(loss) before tax	(2,312)	(1,748)	(5,994)	(4,366)
Tax	(30)	(121)	(55)	(209)
Net Profit/(loss) for the period	(2,342)	(1,869)	(6,049)	(4,575)
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
- Exchange differences on translating foreign operations	(101)	(579)	512	(15)
- Fair value of available-for-sale financial assets	4,351	1,207	5,318	1,487
Other comprehensive income for the period, net of tax	4,250	628	5,830	1,472
Total comprehensive income for the period	1,908	(1,241)	(219)	(3,103)
Profit/(loss) attributable to:				
Owners of the parent	(2,279)	(1,785)	(5,772)	(4,283)
Minority Interests	(63)	(84)	(277)	(292)
	(2,342)	(1,869)	(6,049)	(4,575)
Total comprehensive income attributable to:				
Owners of the parent	1,904	(1,160)	16	(2,794)
Minority Interests	4	(81)	(235)	(309)
	1,908	(1,241)	(219)	(3,103)
Earnings/(loss) per share attributable to equity holders of the parent:				
Basic/Diluted (sen)	(1.09)	(0.85)	(2.75)	(2.04)

(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 2013)

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014**Condensed Consolidated Statements of Financial Position**

	As at 30.6.2014 RM'000	As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	45,759	47,355
Prepaid lease payments	757	854
Investment properties	29,153	29,153
Land held for property development	7,063	9,084
Available-for-sale financial assets	29,104	23,201
Trade and other receivables	7,010	7,010
	118,846	116,657
Current assets		
Inventories	25,065	21,321
Trade and other receivables	29,203	36,062
Cash and cash equivalents	45,039	46,288
	99,307	103,671
TOTAL ASSETS	218,153	220,328
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	209,940	209,940
Reserves	(55,747)	(55,763)
Shareholders' equity	154,193	154,177
Minority Interest	(5,039)	(4,804)
TOTAL EQUITY	149,154	149,373
LIABILITIES		
Non-current liabilities		
Borrowings	15,941	16,961
Deferred liabilities	802	809
	16,743	17,770
Current liabilities		
Trade and other payables	37,850	40,195
Borrowings	14,378	12,943
Taxation	28	47
	52,256	53,185
TOTAL LIABILITIES	68,999	70,955
TOTAL EQUITY AND LIABILITIES	218,153	220,328
Net assets per share (RM) attributable to ordinary equity holders of the parent	0.73	0.73

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014
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	
6 months ended 30.06.2014									
At 1.1.2014	209,940	34,299	17,567	1,168	4,109	(112,906)	154,177	(4,804)	149,373
Profit/(loss) for the period	-	-	-	-	-	(5,772)	(5,772)	(277)	(6,049)
Other comprehensive income	-	-	470	-	5,318	-	5,788	42	5,830
Total comprehensive income for the period	-	-	470	-	5,318	(5,772)	16	(235)	(219)
At 30.06.2014	209,940	34,299	18,037	1,168	9,427	(118,678)	154,193	(5,039)	149,154
6 months ended 30.06.2013									
At 1.1.2013	209,940	34,299	16,367	1,168	434	(96,455)	165,753	(3,590)	162,163
Profit/(loss) for the period	-	-	-	-	-	(4,283)	(4,283)	(292)	(4,575)
Other comprehensive income	-	-	2	-	1,487	-	1,489	(17)	1,472
Total comprehensive income for the period	-	-	2	-	1,487	(4,283)	(2,794)	(309)	(3,103)
At 30.06.2013	209,940	34,299	16,369	1,168	1,921	(100,738)	162,959	(3,899)	159,060

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013)

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014**Consolidated Statements of Cash Flow**

	6 Months Ended 30.6.2014 RM'000	6 Months Ended 30.6.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(5,994)	(4,366)
Adjustments for:		
Depreciation & amortisation	1,795	2,011
Other non-cash items	(14)	(969)
Finance costs	908	985
Finance income	(744)	(432)
Operating profit/(loss) before working capital changes	<u>(4,049)</u>	<u>(2,771)</u>
Decrease/(increase) in property development cost	(1,290)	1,812
Decrease/(increase) in inventories	(331)	(1,441)
Decrease/(increase) in trade and other receivables	6,714	4,961
Increase/(decrease) in trade and other payables	(1,978)	551
Cash generated from/(used in) operations	<u>(934)</u>	<u>3,112</u>
Interest paid	(871)	(993)
Tax paid	56	(453)
Net cash from/(used in) operating activities	<u>(1,749)</u>	<u>1,666</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	747	455
Expenditure on land held for property development	(101)	(325)
Proceeds from disposal of available-for-sale financial assets	-	2,077
Purchase of available-for-sale financial assets	-	(39)
Purchase of property, plant and equipment	(436)	(168)
Proceeds from disposal of property, plant and equipment	63	-
Net dividend received	-	39
Net cash from/(used in) investing activities	<u>273</u>	<u>2,039</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans and borrowings, net drawdown/(repayment)	613	926
Repayments of hire purchase payables	(198)	(24)
Net cash from/(used in) financing activities	<u>415</u>	<u>902</u>
Effects of exchange rate changes on cash and cash equivalents	(188)	248
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	<u>(1,249)</u>	<u>4,855</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	<u>46,288</u>	<u>42,848</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u>45,039</u>	<u>47,703</u>

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INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014

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 2013. 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 2013.

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 2013, 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 or after 1 January 2014:

Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 10, 12 & 127	Investment Entities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

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 beginning on or after
Amendments to FRS 119	Define Benefits Plans: Employee Contributions	1 July 2014
Amendments to FRSs contained in the documents entitled "Annual Improvements 2010 - 2012 Cycle"		1 July 2014
Amendments to FRSs contained in the documents entitled "Annual Improvements 2011 - 2013 Cycle"		1 July 2014
FRS 14	Regulatory Deferral Accounts	1 Jan 2016
Amendments to FRS 116 and 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 Jan 2016
Amendments to FRS 7	Mandatory Effective Date of FRS 9 and Transition Disclosures	To be announced
FRS 9 (IFRS 9 (2009))	Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 (IFRS 9 (2010))	Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 (IFRS 9 (2013))	Financial Instruments (IFRS 9 issued by IASB in February 2014)	To be announced

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”).

Adoption of the new MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope 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 2014 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 30 June 2014.

A8 Dividends Paid

No dividend has been paid during the financial period ended 30 June 2014.

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.

6 months ended	Property	Investment	Manufacturing	Leisure &	Others	Elimination	Total
30.06.2014	Development	Holding	& Trading	Entertainment	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment Revenue							
External revenue	4,677	562	25,012	-	-	-	30,251
Intersegment revenue	-	57	-	-	-	(57)	-
	<u>4,677</u>	<u>619</u>	<u>25,012</u>	<u>-</u>	<u>-</u>	<u>(57)</u>	<u>30,251</u>
Segment Results							
Profit/(loss) from operations	(1,230)	(1,670)	(57)	(308)	(26)	-	(3,291)
Finance costs	(21)	(605)	(282)	-	-	-	(908)
Depreciation & amortisation	(317)	(93)	(662)	(723)	-	-	(1,795)
Profit/(loss) before tax	<u>(1,568)</u>	<u>(2,368)</u>	<u>(1,001)</u>	<u>(1,031)</u>	<u>(26)</u>	<u>-</u>	<u>(5,994)</u>
Tax	(45)	-	7	(17)	(0)	-	(55)
Profit/(loss) from ordinary activities after tax	<u>(1,613)</u>	<u>(2,368)</u>	<u>(994)</u>	<u>(1,048)</u>	<u>(26)</u>	<u>-</u>	<u>(6,049)</u>
Minority interests	-	-	-	277	-	-	277
Net profit/(loss) attributable to shareholders	<u>(1,613)</u>	<u>(2,368)</u>	<u>(994)</u>	<u>(771)</u>	<u>(26)</u>	<u>-</u>	<u>(5,772)</u>
Assets and Liabilities							
Segment assets	83,812	83,507	36,567	13,559	708	-	218,153
Segment liabilities	<u>20,359</u>	<u>17,421</u>	<u>15,615</u>	<u>15,603</u>	<u>1</u>	<u>-</u>	<u>68,999</u>

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6 months ended 30.6.2013	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	19,085	556	26,309	744	-	-	46,694
Intersegment revenue	-	26	-	-	-	(26)	-
	<u>19,085</u>	<u>582</u>	<u>26,309</u>	<u>744</u>	<u>-</u>	<u>(26)</u>	<u>46,694</u>
Segment Results							
Profit/(loss) from operations	109	(1,659)	145	55	(20)	-	(1,370)
Finance costs	(57)	(660)	(268)	-	-	-	(985)
Depreciation & amortisation	(320)	(168)	(636)	(887)	-	-	(2,011)
Profit/(loss) before tax	<u>(268)</u>	<u>(2,487)</u>	<u>(759)</u>	<u>(832)</u>	<u>(20)</u>	<u>-</u>	<u>(4,366)</u>
Tax	(197)	-	7	(17)	(2)	-	(209)
Profit/(loss) from ordinary activities after tax	<u>(465)</u>	<u>(2,487)</u>	<u>(752)</u>	<u>(849)</u>	<u>(22)</u>	<u>-</u>	<u>(4,575)</u>
Minority interests	-	-	-	292	-	-	292
Net profit/(loss) attributable to shareholders	<u>(465)</u>	<u>(2,487)</u>	<u>(752)</u>	<u>(557)</u>	<u>(22)</u>	<u>-</u>	<u>(4,283)</u>
Assets and Liabilities							
Segment assets	111,134	70,032	35,556	15,477	1,290	-	233,489
Segment liabilities	25,131	19,241	14,208	15,844	5	-	74,429

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 30 June 2014 up to the date of this report other than as mentioned in Note B10.

A12 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 June 2014.

A13 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since 31 March 2014.

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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.

	6 months ended 30.6.2014 RM'000
Rental income received / receivable from related party	<u>59</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 RM16.63 million and a loss before tax of RM2.31 million in the second quarter ended 30 June 2014 as compared to a revenue of RM28.79 million and a loss before tax of RM1.75 million in the preceding year second quarter. The manufacturing and trading division recorded an increase of RM2.68 million in revenue and a lower loss of RM0.4 million due to increase in demand as a result of competitive pricing. The property division recorded a RM12.46 million decrease in revenue and RM1.02 million higher in loss due to completion of the Zenith condominium project. The higher loss in the current year quarter was mainly due to the loss recorded by the property division.

For the Six Months Period

The Group's revenue of RM30.25 million for the financial period ended 30 June 2014 represents a 35% or RM16.44 million decrease from RM46.69 million in the corresponding period ended 30 June 2013. The property division recorded a decrease of RM14.41 million due to lower contribution from the Zenith condominium project upon its completion. However, the manufacturing and trading division has recorded a RM3.48 million increase in revenue, offset by decrease of RM4.78 million revenue from its trading activity. The leisure and entertainment division recorded a decrease in revenue of RM0.43 million due to cessation of cinema business in the third quarter of 2013.

Gross Profit margin of the Group decreased from 10.4% for the financial period ended 30 June 2013 to 8.6% in the financial period ended 30 June 2014 mainly due to lower margin of the manufacturing division.

Operating loss before tax of the Group for the financial period ended 30 June 2014 was higher at RM5.99 million as compared to RM4.37 million in the corresponding period ended 30 June 2013. Lower contributions were recorded from the property and manufacturing divisions and there was a RM0.9 million write-back of liabilities in the corresponding financial period ended 30 June 2013.

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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

Second Quarter 2014 vs First Quarter 2014

During the 3 months ended 30 June 2014, the Group recorded a total revenue of RM16.63 million, an increase of RM3.01 million from RM13.62 million in the preceding 3 months ended 31 March 2014. The increase in revenue was mainly due to higher contribution from the property and manufacturing and trading divisions in the second quarter.

The property division recorded a 74% increase in revenue from RM1.71 million in the first quarter 2014 to RM2.97 million in the second quarter 2014 mainly due to higher contribution from the Group's projects in Ipoh. The manufacturing and trading division recorded an increase in revenue of RM1.58 million in the second quarter 2014 due higher demand as a result of competitive pricing.

Loss before tax was lower at RM2.31 million in the second quarter 2014 as compared to RM3.68 million in the first quarter 2014 mainly due to lower losses recorded by the property and manufacturing and trading and leisure and entertainment divisions.

B3 Commentary on Prospects

The Group's results are expected to be affected by the delay in project launches. Faced with intense competition, the Group expects the manufacturing division's operating environment in 2014 to be similar to 2013. Hence, the focus are on improving operating margin and retaining core customers.

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

Not applicable.

B5 Taxation

	3 months Ended 30.6.2014 RM'000	6 months Ended 30.6.2014 RM'000
Taxation based on the results for the period:		
Malaysian taxation	25	45
Overseas taxation	8	17
Transfer to/(from) deferred taxation	(3)	(7)
	<u>30</u>	<u>55</u>
Under/(over) provision of taxation in respect of prior periods	0	0
	<u>30</u>	<u>55</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 and certain income which are not subject to tax.

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NOTES TO THE INTERIM FINANCIAL REPORT

B6 Status of Corporate Proposals

No corporate proposal was undertaken by the Group in the financial period ended 30 June 2014.

B7 Group Borrowings

	As at 30.6.2014 RM'000
Current	
Secured:-	
RM denominated	<u>14,378</u>
Non-current	
Secured:-	
RM denominated	<u>15,941</u>
Borrowings maturity:	
Less than one year	14,378
Later than one year and not later than two years	2,123
Later than two years and not later than five years	8,999
Later than five years	<u>4,819</u>
	<u>30,319</u>

B8 Realised and Unrealised Losses

	As at 30.6.2014 RM'000	As at 31.12.2013 RM'000
Total accumulated losses of South Malaysia Industries Berhad and its subsidiaries		
- Realised	(146,842)	(144,473)
- Unrealised	(1,631)	(1,916)
	<u>(148,473)</u>	<u>(146,389)</u>
Less: consolidated adjustments	29,795	33,483
Total Group accumulated losses	<u>(118,678)</u>	<u>(112,906)</u>

B9 Derivative Financial Instruments

There were no derivative financial instruments as at the financial period ended 30 June 2014.

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B10 Material Litigation

A wholly owned subsidiary of the Company, Perantara Properties Sdn Bhd ("PPSB"), has, since year 2010, been involved in a dispute with the Joint Management Body ("JMB") of Kelana Square, Petaling Jaya (a commercial project undertaken and completed in year 2000 by PPSB) involving the car parks of the said project ("Car Parks"), which has a carrying value of RM2 million in the books of PPSB. Prior to the trial of the case, PPSB has successfully applied to have the case struck out at the Kuala Lumpur High Court ("the Court"). However, the Court of Appeal has reinstated the case resulting in the trial of the actions.

The Court had on 18 July 2014 decided in favour of the JMB that the Car Parks is a common property of Kelana Square. However, PPSB has since filed an appeal to the Court of Appeal and its Stay of Execution Application has also been filed and it is scheduled to be heard on 18 September 2014.

The Company and PPSB are of the view that all steps and actions were taken in accordance with the terms and conditions of the sale and purchase agreements executed between PPSB and all the purchasers of Kelana Square and in light of this, the decision of the Court should be appealed against for determination of the Court of Appeal.

B11 Dividends

The Directors do not recommend any payment of dividend for the financial period ended 30 June 2014.

B12 Profit/(Loss) From Operations

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

	3 Months Ended		6 Months Ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
(a) Other income including investment income	(695)	(971)	(1,098)	(1,962)
(b) Depreciation and amortisation	901	1,022	1,795	2,011
(c) Provision for and write-off of receivables	-	-	18	-
(d) Loss/(gain) on disposal of quoted investments	-	(3)	-	(3)
(e) Foreign exchange loss/(gain)	5	136	(15)	168
(f) Loss/(gain) on derivatives	-	-	-	(30)

Other than the above, there were no impairment of assets, gain or loss on disposal of quoted investment, derivative, provision for and write off of inventories and exceptional items for the current quarter and financial period ended 30 June 2014.

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Earnings per Share

	3 Months Ended		6 Months Ended	
	30.6.2014	30.6.2013	30.6.2014	30.6.2013
	RM'000	RM'000	RM'000	RM'000
(a) Basic Earnings per Share				
Net Profit/(loss) attributable to shareholders	(2,279)	(1,785)	(5,772)	(4,283)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	<u>(1.09)</u>	<u>(0.85)</u>	<u>(2.75)</u>	<u>(2.04)</u>

(b) Diluted Earnings per Share

There is no dilutive event as at 30 June 2014 and 30 June 2013. Therefore, the diluted EPS is the same as the basic EPS.

By Order of the Board

Tan Siew Chin
Company Secretary
Kuala Lumpur
Date: 29 August 2014