

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

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

	3 Months Ended		9 Months Ended	
	30.9.2014 RM'000	30.9.2013 RM'000	30.9.2014 RM'000	30.9.2013 RM'000
Revenue	16,125	13,246	46,376	59,941
Operating Expenses	(19,074)	(17,693)	(55,751)	(69,507)
Other Expenses	(296)	(1,607)	(829)	(2,294)
Interest Income	361	342	1,106	774
Other Operating Income	722	915	1,849	2,910
Profit/(loss) from Operations	(2,162)	(4,797)	(7,249)	(8,177)
Finance costs	(457)	(441)	(1,364)	(1,426)
Investing Results	-	-	-	-
Profit/(loss) before tax	(2,619)	(5,238)	(8,613)	(9,603)
Tax	(157)	(46)	(212)	(255)
Net Profit/(loss) for the period	(2,776)	(5,284)	(8,825)	(9,858)
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
- Exchange differences on translating foreign operations	(1,383)	1,102	(872)	1,085
- Fair value of available-for-sale financial assets	725	737	6,043	2,225
Other comprehensive income for the period, net of tax	(658)	1,839	5,171	3,310
Total comprehensive income for the period	(3,434)	(3,445)	(3,654)	(6,548)
Profit/(loss) attributable to:				
Owners of the parent	(2,709)	(4,401)	(8,481)	(8,683)
Minority Interests	(67)	(883)	(344)	(1,175)
	(2,776)	(5,284)	(8,825)	(9,858)
Total comprehensive income attributable to:				
Owners of the parent	(3,286)	(2,571)	(3,271)	(5,364)
Minority Interests	(148)	(874)	(383)	(1,184)
	(3,434)	(3,445)	(3,654)	(6,548)
Earnings/(loss) per share attributable to equity holders of the parent:				
Basic/Diluted (sen)	(1.29)	(2.10)	(4.04)	(4.14)

(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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**Condensed Consolidated Statements of Financial Position**

	As at 30.9.2014 RM'000	As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	46,360	47,355
Prepaid lease payments	739	854
Investment properties	29,153	29,153
Land held for property development	7,089	9,084
Available-for-sale financial assets	28,446	23,201
Trade and other receivables	7,010	7,010
	118,797	116,657
Current assets		
Inventories	25,992	21,321
Trade and other receivables	27,494	36,062
Available-for-sale financial assets	1,002	-
Cash and cash equivalents	38,604	46,288
	93,092	103,671
TOTAL ASSETS	211,889	220,328
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	209,940	209,940
Reserves	(59,034)	(55,763)
Shareholders' equity	150,906	154,177
Minority Interest	(5,187)	(4,804)
TOTAL EQUITY	145,719	149,373
LIABILITIES		
Non-current liabilities		
Borrowings	15,933	16,961
Deferred liabilities	799	809
	16,732	17,770
Current liabilities		
Trade and other payables	37,681	40,195
Borrowings	11,730	12,943
Taxation	27	47
	49,438	53,185
TOTAL LIABILITIES	66,170	70,955
TOTAL EQUITY AND LIABILITIES	211,889	220,328
Net assets per share (RM) attributable to ordinary equity holders of the parent	0.72	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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	
9 months ended 30.09.2014									
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	-	-	-	-	-	(8,481)	(8,481)	(344)	(8,825)
Other comprehensive income	-	-	(832)	-	6,043	-	5,211	(40)	5,171
Total comprehensive income for the period	-	-	(832)	-	6,043	(8,481)	(3,270)	(384)	(3,654)
At 30.09.2014	209,940	34,299	16,735	1,168	10,152	(121,387)	150,907	(5,188)	145,719
9 months ended 30.09.2013									
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	-	-	-	-	-	(8,683)	(8,683)	(1,175)	(9,858)
Other comprehensive income	-	-	1,094	-	2,225	-	3,319	(9)	3,310
Total comprehensive income for the period	-	-	1,094	-	2,225	(8,683)	(5,364)	(1,184)	(6,548)
At 30.09.2013	209,940	34,299	17,461	1,168	2,659	(105,138)	160,389	(4,774)	155,615

(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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014**Consolidated Statements of Cash Flow**

	9 Months Ended 30.9.2014 RM'000	9 Months Ended 30.9.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(8,613)	(9,604)
Adjustments for:		
Depreciation & amortisation	2,814	3,020
Other non-cash items	40	164
Finance costs	1,364	1,426
Finance income	(1,106)	(774)
Operating profit/(loss) before working capital changes	<u>(5,501)</u>	<u>(5,768)</u>
Decrease/(increase) in property development cost	(1,254)	1,979
Decrease/(increase) in inventories	(1,361)	(449)
Decrease/(increase) in trade and other receivables	8,384	7,820
Increase/(decrease) in trade and other payables	(2,514)	(2,915)
Cash generated from/(used in) operations	<u>(2,246)</u>	<u>667</u>
Interest paid	(1,245)	(1,436)
Tax paid	(82)	(626)
Net cash from/(used in) operating activities	<u>(3,573)</u>	<u>(1,395)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,124	804
Expenditure on land held for property development	(127)	(408)
Proceeds from disposal of available-for-sale financial assets	-	4,181
Purchase of available-for-sale financial assets	(1,001)	(39)
Purchase of property, plant and equipment	(1,316)	(1,818)
Proceeds from disposal of property, plant and equipment	63	764
Net dividend received	1	39
Net cash from/(used in) investing activities	<u>(1,256)</u>	<u>3,523</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans and borrowings, net drawdown/(repayment)	(2,478)	(1,776)
Repayments of hire purchase payables	(311)	(83)
Net cash from/(used in) financing activities	<u>(2,789)</u>	<u>(1,859)</u>
Effects of exchange rate changes on cash and cash equivalents	(66)	299
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	<u>(7,684)</u>	<u>568</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>38,604</u>	<u>43,416</u>

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INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 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	Defined 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.

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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 (herein called “Transitioning Entities”).

MASB has further announced 2 September 2014 that, Transitioning Entities shall be required to apply the MFRS framework for annual periods beginning on or after 1 January 2017.

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 2017. 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.

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 September 2014.

A8 Dividends Paid

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

9 months ended 30.09.2014	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	8,374	859	37,143	-	-	-	46,376
Intersegment revenue	-	114	-	-	-	(114)	-
	<u>8,374</u>	<u>973</u>	<u>37,143</u>	<u>-</u>	<u>-</u>	<u>(114)</u>	<u>46,376</u>
Segment Results							
Profit/(loss) from operations	(1,369)	(2,693)	(52)	(282)	(38)	-	(4,434)
Finance costs	(30)	(914)	(421)	-	-	-	(1,365)
Depreciation & amortisation	(562)	(152)	(992)	(1,108)	-	-	(2,814)
Profit/(loss) before tax	<u>(1,961)</u>	<u>(3,759)</u>	<u>(1,465)</u>	<u>(1,390)</u>	<u>(38)</u>	<u>-</u>	<u>(8,613)</u>
Tax	(197)	-	10	(25)	(0)	-	(212)
Profit/(loss) from ordinary activities after tax	<u>(2,157)</u>	<u>(3,759)</u>	<u>(1,455)</u>	<u>(1,415)</u>	<u>(38)</u>	<u>-</u>	<u>(8,825)</u>
Minority interests	-	-	-	344	-	-	344
Net profit/(loss) attributable to shareholders	<u>(2,157)</u>	<u>(3,759)</u>	<u>(1,455)</u>	<u>(1,072)</u>	<u>(38)</u>	<u>-</u>	<u>(8,481)</u>
Assets and Liabilities							
Segment assets	81,623	76,355	39,440	13,767	704	-	211,889
Segment liabilities	<u>19,379</u>	<u>17,616</u>	<u>12,993</u>	<u>16,180</u>	<u>1</u>	<u>-</u>	<u>66,169</u>

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9 months ended 30.9.2013	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	21,797	836	36,410	898	-	-	59,941
Intersegment revenue	-	12,039	-	-	-	(12,039)	-
	<u>21,797</u>	<u>12,875</u>	<u>36,410</u>	<u>898</u>	<u>-</u>	<u>(12,039)</u>	<u>59,941</u>
Segment Results							
Profit/(loss) from operations	(392)	(2,696)	(238)	(1,798)	(32)	-	(5,156)
Finance costs	(67)	(985)	(374)	-	-	-	(1,426)
Depreciation & amortisation	(484)	(243)	(955)	(1,339)	-	-	(3,021)
Profit/(loss) before tax	(943)	(3,924)	(1,567)	(3,137)	(32)	-	(9,603)
Tax	(237)	-	10	(26)	(2)	-	(255)
Profit/(loss) from ordinary activities after tax	(1,180)	(3,924)	(1,557)	(3,163)	(34)	-	(9,858)
Minority interests	-	-	-	1,175	-	-	1,175
Net profit/(loss) attributable to shareholders	<u>(1,180)</u>	<u>(3,924)</u>	<u>(1,557)</u>	<u>(1,988)</u>	<u>(34)</u>	<u>-</u>	<u>(8,683)</u>
Assets and Liabilities							
Segment assets	104,409	69,683	32,942	15,560	1,246	-	223,840
Segment liabilities	19,668	18,573	11,803	18,178	3	-	68,225

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 September 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 September 2014.

A13 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since 30 June 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.

	9 months ended 30.9.2014 RM'000
Rental income received / receivable from related party	<u>89</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 RM16.13 million and a loss before tax of RM2.62 million in the third quarter ended 30 September 2014 as compared to a revenue of RM13.25 million and a loss before tax of RM5.24 million in the preceding year third quarter. The manufacturing and trading division recorded an increase of RM2.22 million in revenue and a lower loss of RM0.31 million due to increase in demand as a result of competitive pricing. The property division recorded a RM0.99 million increase in revenue and a lower loss of RM0.24 million due to higher contribution from Bandar Meru Raya and Taman Saikat projects. The lower loss of the Group in the current year quarter was mainly due to the lower losses recorded by the manufacturing and trading, property and leisure and entertainment divisions.

For the Nine Months Period

The Group's revenue of RM46.38 million for the financial period ended 30 September 2014 represents a 23% or RM13.57 million decrease from RM59.94 million in the corresponding period ended 30 September 2013. The property division recorded a decrease of RM13.42 million due to lower contribution from the Zenith condominium project upon its completion. However, the manufacturing and trading division has recorded a RM5.7 million increase in revenue, offset by a decrease of RM4.97 million revenue from its trading activity. The leisure and entertainment division recorded a decrease in revenue of RM0.9 million due to the cessation of cinema business in the third quarter of 2013.

Gross Profit margin of the Group decreased from 9.8% for the financial period ended 30 September 2013 to 9.6% in the financial period ended 30 September 2014 mainly due to lower margin of the property division and the cessation of cinema business.

Operating loss before tax of the Group for the financial period ended 30 September 2014 was lower at RM8.61 million as compared to RM9.6 million in the corresponding period ended 30 September 2013 mainly due to lower loss incurred by the leisure and entertainment division on cessation of the cinema business.

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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

Third Quarter 2014 vs Second Quarter 2014

During the 3 months ended 30 September 2014, the Group recorded a total revenue of RM16.13 million, a decrease of RM0.50 million from RM16.63 million in the preceding 3 months ended 30 June 2014. The decrease in revenue was mainly due to lower contribution from the manufacturing and trading division in the third quarter due to lower domestic demand in the third quarter 2014.

The property division recorded a 25% increase in revenue from RM2.97 million in the second quarter 2014 to RM3.7 million in the third quarter 2014 mainly due to higher contribution from the Group's projects in Ipoh.

Loss before tax was higher at RM2.62 million in the third quarter 2014 as compared to RM2.31 million in the second quarter 2014 mainly due to higher loss recorded by the manufacturing and trading division as a result of depressed margins and increase in operating expenses of the investment holding division.

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 will be 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 30.9.2014 RM'000	9 months Ended 30.9.2014 RM'000
Taxation based on the results for the period:		
Malaysian taxation	152	197
Overseas taxation	8	25
Transfer to/(from) deferred taxation	(3)	(10)
	<u>157</u>	<u>212</u>
Under/(over) provision of taxation in respect of prior periods	(0)	(0)
	<u>157</u>	<u>212</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 September 2014.

B7 Group Borrowings

	As at 30.9.2014 RM'000
Current	
Secured:-	
RM denominated	11,730
Non-current	
Secured:-	
RM denominated	15,933
Borrowings maturity:	
Less than one year	11,730
Later than one year and not later than two years	2,179
Later than two years and not later than five years	9,259
Later than five years	4,495
	<u>27,663</u>

B8 Realised and Unrealised Losses

	As at 30.9.2014 RM'000	As at 31.12.2013 RM'000
Total accumulated losses of South Malaysia Industries Berhad and its subsidiaries		
- Realised	(147,091)	(144,473)
- Unrealised	(1,627)	(1,916)
	<u>(148,718)</u>	<u>(146,389)</u>
Less: consolidated adjustments	27,331	33,483
Total Group accumulated losses	<u>(121,387)</u>	<u>(112,906)</u>

B9 Derivative Financial Instruments

There were no derivative financial instruments as at the financial period ended 30 September 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 the Court has granted the Stay of Execution pending the hearing of the appeal on 4 February 2015.

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 September 2014.

B12 Profit/(Loss) From Operations

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

	3 Months Ended		9 Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
(a) Other income including investment income	(732)	(939)	(1,829)	(2,901)
(b) Depreciation and amortisation	1,018	1,010	2,814	3,020
(c) Provision for and write-off of receivables	-	20	18	20
(d) Loss/(gain) on disposal of quoted investments	-	25	-	21
(e) Foreign exchange loss/(gain)	41	4	26	171
(f) Loss/(gain) on derivatives	-	-	-	(30)
(g) Inventories write-down	66	-	66	-

Other than the above, there were no impairment of assets, derivative and exceptional items for the current quarter and financial period ended 30 September 2014.

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2014

NOTES TO THE INTERIM FINANCIAL REPORT**B13 Earnings per Share**

	3 Months Ended		9 Months Ended	
	30.9.2014	30.9.2013	30.9.2014	30.9.2013
	RM'000	RM'000	RM'000	RM'000
(a) Basic Earnings per Share				
Net Profit/(loss) attributable to shareholders	(2,709)	(4,401)	(8,481)	(8,683)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	<u>(1.29)</u>	<u>(2.10)</u>	<u>(4.04)</u>	<u>(4.14)</u>

(b) Diluted Earnings per Share

There is no dilutive event as at 30 September 2014 and 30 September 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: 26 November 2014