

Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

	3 Months Ended		12 Months Ended	
	31.12.2014 RM'000	31.12.2013 RM'000	31.12.2014 RM'000	31.12.2013 RM'000
Revenue	18,272	17,466	64,648	77,406
Operating Expenses	(21,472)	(20,604)	(77,222)	(90,110)
Other Expenses	(138)	(5,510)	(967)	(7,804)
Interest Income	260	463	1,366	1,236
Other Operating Income	2,443	790	4,292	3,700
Profit/(loss) from Operations	(635)	(7,395)	(7,883)	(15,572)
Finance costs	(422)	(460)	(1,787)	(1,886)
Investing Results	-	-	-	-
Profit/(loss) before tax	(1,057)	(7,855)	(9,670)	(17,458)
Tax	(200)	30	(412)	(225)
Net Profit/(loss) for the period	(1,257)	(7,825)	(10,082)	(17,683)
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
- Exchange differences on translating foreign operations	967	132	95	1,218
- Fair value of available-for-sale financial assets	(4,108)	1,450	1,935	3,675
Other comprehensive income for the period, net of tax	(3,141)	1,582	2,030	4,893
Total comprehensive income for the period	(4,398)	(6,243)	(8,052)	(12,790)
Profit/(loss) attributable to:				
Owners of the parent	(1,181)	(7,767)	(9,662)	(16,451)
Minority Interests	(76)	(58)	(420)	(1,232)
	(1,257)	(7,825)	(10,082)	(17,683)
Total comprehensive income attributable to:				
Owners of the parent	(4,021)	(6,212)	(7,291)	(11,576)
Minority Interests	(377)	(31)	(760)	(1,214)
	(4,398)	(6,243)	(8,052)	(12,790)
Earnings/(loss) per share attributable to equity holders of the parent:				
Basic/Diluted (sen)	(0.56)	(3.70)	(4.60)	(7.84)

(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)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014**Condensed Consolidated Statements of Financial Position**

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	47,189	47,355
Prepaid lease payments	756	854
Investment properties	30,553	29,153
Land held for property development	6,349	9,084
Available-for-sale financial assets	25,316	23,201
Trade and other receivables	7,310	7,010
	117,473	116,657
Current assets		
Inventories	28,078	21,321
Trade and other receivables	27,574	36,062
Available-for-sale financial assets	1,010	-
Cash and cash equivalents	37,922	46,288
	94,584	103,671
TOTAL ASSETS	212,057	220,328
EQUITY		
Capital and reserves attributable to the Company's equity holders		
Share capital	209,940	209,940
Reserves	(63,055)	(55,763)
Shareholders' equity	146,885	154,177
Minority Interest	(5,564)	(4,804)
TOTAL EQUITY	141,321	149,373
LIABILITIES		
Non-current liabilities		
Borrowings	15,393	16,961
Deferred liabilities	804	809
	16,197	17,770
Current liabilities		
Trade and other payables	43,218	40,195
Borrowings	11,292	12,943
Taxation	29	47
	54,539	53,185
TOTAL LIABILITIES	70,736	70,955
TOTAL EQUITY AND LIABILITIES	212,057	220,328
Net assets per share (RM) attributable to ordinary equity holders of the parent	0.70	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)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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	
12 months ended 31.12.2014									
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	-	-	-	-	-	(9,662)	(9,662)	(420)	(10,082)
Other comprehensive income	-	-	435	-	1,935	-	2,370	(340)	2,030
Total comprehensive income for the period	-	-	435	-	1,935	(9,662)	(7,292)	(760)	(8,052)
At 31.12.2014	209,940	34,299	18,002	1,168	6,044	(122,568)	146,885	(5,564)	141,321
12 months ended 31.12.2013									
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	-	-	-	-	-	(16,451)	(16,451)	(1,232)	(17,683)
Other comprehensive income	-	-	1,200	-	3,675	-	4,875	18	4,893
Total comprehensive income for the period	-	-	1,200	-	3,675	(16,451)	(11,576)	(1,214)	(12,790)
At 31.12.2013	209,940	34,299	17,567	1,168	4,109	(112,906)	154,177	(4,804)	149,373

(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)

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014**Consolidated Statements of Cash Flow**

	12 Months Ended 31.12.2014 RM'000	12 Months Ended 31.12.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	(9,670)	(17,458)
Adjustments for:		
Depreciation & amortisation	3,832	3,979
Other non-cash items	(1,972)	2,117
Finance costs	1,786	1,886
Finance income	(1,366)	(1,236)
Operating profit/(loss) before working capital changes	<u>(7,390)</u>	<u>(10,712)</u>
Decrease/(increase) in property development cost	276	1,972
Decrease/(increase) in inventories	(4,182)	175
Decrease/(increase) in trade and other receivables	7,640	12,392
Increase/(decrease) in trade and other payables	1,876	(2,170)
Cash generated from/(used in) operations	<u>(1,781)</u>	<u>1,657</u>
Interest paid	(1,544)	(1,895)
Tax paid	381	(290)
Net cash from/(used in) operating activities	<u>(2,944)</u>	<u>(528)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,381	1,245
Expenditure on land held for property development	(123)	(547)
Proceeds from disposal of available-for-sale financial assets	-	4,181
Purchase of available-for-sale financial assets	(1,009)	(39)
Purchase of property, plant and equipment	(2,640)	(1,194)
Proceeds from disposal of property, plant and equipment	264	777
Net dividend received	105	39
Net cash from/(used in) investing activities	<u>(2,022)</u>	<u>4,462</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans and borrowings, net drawdown/(repayment)	(3,343)	(432)
Repayments of hire purchase payables	(425)	(444)
Net cash from/(used in) financing activities	<u>(3,768)</u>	<u>(876)</u>
Effects of exchange rate changes on cash and cash equivalents	368	382
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD	<u>(8,366)</u>	<u>3,440</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>37,922</u>	<u>46,288</u>

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 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 101	Disclosure Initiative	1 Jan 2016
Amendments to FRS 10, 12 and 128	Investment Entities: Applying the Consolidated Exception	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”).

MASB has further announced on 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 31 December 2014.

A8 Dividends Paid

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

12 months ended 31.12.2014	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	13,452	1,234	49,939	22	-	-	64,648
Intersegment revenue	-	10,216	-	-	-	(10,216)	-
	<u>13,452</u>	<u>11,450</u>	<u>49,939</u>	<u>22</u>	<u>-</u>	<u>(10,216)</u>	<u>64,648</u>
Segment Results							
Profit/(loss) from operations	(1,781)	(2,266)	270	(216)	(57)	-	(4,051)
Finance costs	(37)	(1,219)	(531)	-	-	-	(1,787)
Depreciation & amortisation	(749)	(175)	(1,323)	(1,585)	-	-	(3,832)
Profit/(loss) before tax	<u>(2,567)</u>	<u>(3,660)</u>	<u>(1,584)</u>	<u>(1,802)</u>	<u>(57)</u>	<u>-</u>	<u>(9,670)</u>
Tax	(395)	6	13	(36)	(0)	-	(412)
Profit/(loss) from ordinary activities after tax	<u>(2,962)</u>	<u>(3,654)</u>	<u>(1,571)</u>	<u>(1,838)</u>	<u>(57)</u>	<u>-</u>	<u>(10,082)</u>
Minority interests	-	-	-	420	-	-	420
Net profit/(loss) attributable to shareholders	<u>(2,962)</u>	<u>(3,654)</u>	<u>(1,571)</u>	<u>(1,418)</u>	<u>(57)</u>	<u>-</u>	<u>(9,662)</u>
Assets and Liabilities							
Segment assets	79,921	72,886	44,252	14,294	704	-	212,057
Segment liabilities	20,267	17,930	16,906	15,627	6	-	70,736

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014**NOTES TO THE INTERIM FINANCIAL REPORT**

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	26,556	1,114	48,143	1,593	-	-	77,406
Intersegment revenue	-	20,871	-	-	-	(20,871)	-
	<u>26,556</u>	<u>21,985</u>	<u>48,143</u>	<u>1,593</u>	<u>-</u>	<u>(20,871)</u>	<u>77,406</u>
Segment Results							
Profit/(loss) from operations	(3,529)	(6,224)	(184)	(1,644)	(13)	-	(11,594)
Finance costs	(75)	(1,304)	(507)	-	-	-	(1,886)
Depreciation & amortisation	(644)	(295)	(1,285)	(1,754)	-	-	(3,978)
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	-	-	-	1,232	-	-	1,232
Net profit/(loss) attributable to shareholders	<u>(4,748)</u>	<u>(7,598)</u>	<u>(1,951)</u>	<u>(2,138)</u>	<u>(16)</u>	<u>-</u>	<u>(16,451)</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

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 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 31 December 2014.

A13 Changes in Contingent Liabilities and Contingent Assets

There were no contingent liabilities and contingent assets since 30 September 2014.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

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 31.12.2014 RM'000
Rental income received / receivable from related party	<u>193</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 RM18.27 million and a loss before tax of RM1.06 million in the fourth quarter ended 31 December 2014 as compared to a revenue of RM17.47 million and a loss before tax of RM7.85 million in the preceding year fourth quarter. The manufacturing and trading division recorded an increase of RM1.26 million in revenue and a lower loss of RM0.45 million due to increase in demand as a result of competitive pricing. The property division recorded a RM0.32 million increase in revenue 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 fair value adjustments of the Group's investment property and receivables of RM1.7 million and the absence of impairment of assets and fair value adjustment of receivables of RM2.3 million and additional project expenses incurred in the preceding year quarter.

For the Twelve Months Period

The Group's revenue of RM64.65 million for the financial year ended 31 December 2014 represents a 16% or RM12.76 million decrease from RM77.41 million in the corresponding year ended 31 December 2013. The property division recorded a decrease of RM13.1 million due to completion of the Zenith condominium project. However, the manufacturing and trading division has recorded a RM6.96 million increase in revenue, offset by a decrease of RM5.16 million revenue from its trading activity. The leisure and entertainment division recorded a decrease in revenue of RM1.57 million due to the cessation of cinema business in the third quarter of 2013.

Gross Profit margin of the Group remained at 11.4% for both financial years ended 31 December 2014 and 31 December 2013.

Operating loss before tax of the Group for the financial year ended 31 December 2014 was lower at RM9.67 million as compared to RM17.46 million in the corresponding year ended 31 December 2013 mainly due to fair value adjustments of the Group investment property and reversal of fair value adjustment of receivables of RM1.7 million in the current financial year and the absence of impairment of assets and fair value adjustment of receivables of RM2.3 million and additional project expenses incurred in the corresponding financial year.

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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

Fourth Quarter 2014 vs Third Quarter 2014

During the 3 months ended 31 December 2014, the Group recorded a total revenue of RM18.27 million, an increase of RM2.15 million from RM16.13 million in the preceding 3 months ended 30 September 2014. The increase in revenue was mainly due to higher contribution from the property and manufacturing and trading divisions in the fourth quarter 2014.

The property division recorded a 37% increase in revenue from RM3.7 million in the third quarter 2014 to RM5.08 million in the fourth quarter 2014 mainly due to higher contribution from the Group's projects in Ipoh. Higher revenue was recorded by the manufacturing division as a result of higher domestic demand.

Loss before tax was lower at RM1.06 million in the fourth quarter 2014 as compared to RM2.62 million in the third quarter 2014 mainly due to fair value adjustments of the Group's investment property and receivables.

B3 Commentary on Prospects

The Group's results are expected to improve with new property projects undertaken in 2015. Faced with intense competition, the Group expects the manufacturing division's operating environment in 2015 to be similar to 2014. 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 31.12.2014 RM'000	12 months Ended 31.12.2014 RM'000
Taxation based on the results for the period:		
Malaysian taxation	191	388
Overseas taxation	11	36
Transfer to/(from) deferred taxation	5	(5)
	<u>207</u>	<u>419</u>
Under/(over) provision of taxation in respect of prior periods	(7)	(7)
	<u>200</u>	<u>412</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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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE INTERIM FINANCIAL REPORT

B6 Status of Corporate Proposals

No corporate proposal was undertaken by the Group in the financial period ended 31 December 2014.

B7 Group Borrowings

	As at 31.12.2014 RM'000
Current	
Secured:-	
RM denominated	11,292
Non-current	
Secured:-	
RM denominated	15,393
Borrowings maturity:	
Less than one year	11,292
Later than one year and not later than two years	2,196
Later than two years and not later than five years	9,347
Later than five years	3,850
	<u>26,685</u>

B8 Realised and Unrealised Losses

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total accumulated losses of South Malaysia Industries Berhad and its subsidiaries		
- Realised	(145,936)	(144,473)
- Unrealised	277	(1,916)
	<u>(145,658)</u>	<u>(146,389)</u>
Less: consolidated adjustments	23,089	33,483
Total Group accumulated losses	<u>(122,568)</u>	<u>(112,906)</u>

B9 Derivative Financial Instruments

There were no derivative financial instruments as at the financial period ended 31 December 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 earlier fixed on 4 February 2015 and subsequently rescheduled to 19 May 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 31 December 2014.

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	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
(a) Other income including investment income	(2,459)	(791)	(4,288)	(3,691)
(b) Depreciation and amortisation	1,019	959	3,832	3,979
(c) Provision for and write-off of receivables	12	48	30	67
(d) Loss/(gain) on disposal of quoted investments	-	-	-	21
(e) Foreign exchange loss/(gain)	112	83	138	254
(f) Loss/(gain) on derivatives	-	-	-	(30)
(g) Inventories write-down	(57)	88	9	88
(h) Fair value adjustment of receivables	(300)	2,000	(300)	2,000
(i) Fair value adjustment of investment property	(1,400)	-	(1,400)	-

Other than the above, there were no impairment of assets and exceptional items for the current quarter and financial period ended 31 December 2014.

SOUTH MALAYSIA INDUSTRIES BERHAD (8482 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2014

NOTES TO THE INTERIM FINANCIAL REPORT

B13 Earnings per Share

	3 Months Ended		12 Months Ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	RM'000	RM'000	RM'000	RM'000
(a) Basic Earnings per Share				
Net Profit/(loss) attributable to shareholders	(1,181)	(7,767)	(9,662)	(16,451)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	<u>(0.56)</u>	<u>(3.70)</u>	<u>(4.60)</u>	<u>(7.84)</u>

(b) Diluted Earnings per Share

There is no dilutive event as at 31 December 2014 and 31 December 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 February 2015