

**SOUTH MALAYSIA INDUSTRIES BERHAD**

Registration No. 196901000152 (8482-D)  
(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021****Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	3 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020 (Restated)	31.12.2021	31.12.2020 (Restated)
	RM'000	RM'000	RM'000	RM'000
Revenue	14,841	15,504	49,814	51,099
Operating Expenses	(15,997)	(16,099)	(54,621)	(68,732)
Other Expenses	(2,780)	(3,987)	(3,146)	(4,178)
Interest Income	16	2,270	166	2,437
Other Operating Income	3,425	17,619	7,563	21,821
Profit/(Loss) from Operations	(495)	15,307	(224)	2,447
Finance Costs	(175)	(290)	(903)	(1,198)
Profit/(Loss) before tax	(670)	15,017	(1,127)	1,249
Tax	(172)	(460)	(589)	(464)
Net profit/(loss) for the period	(842)	14,557	(1,716)	785
Other comprehensive income, net of tax				
Items that may be reclassified subsequently to profit or loss				
- Exchange translation difference of foreign operations	(3,169)	(15,807)	(3,170)	(16,018)
- Financial assets at fair value through other comprehensive income	(775)	2,492	(780)	1,477
Other comprehensive income for the period, net of tax	(3,944)	(13,315)	(3,950)	(14,541)
Total comprehensive income for the period	(4,786)	1,241	(5,666)	(13,756)
Profit/(Loss) attributable to:				
Owners of the parent	(842)	9,277	(1,716)	(3,862)
Non-controlling interests	-	5,280	-	4,647
	(842)	14,557	(1,716)	785
Total comprehensive income attributable to:				
Owners of the parent	(4,786)	(3,180)	(5,666)	(17,502)
Non-controlling interests	-	4,422	-	3,746
	(4,786)	1,241	(5,666)	(13,756)
<b>Earnings/(Loss) per share attributable to</b>				
<b>Owners of the parent:</b>				
Basic/Diluted (sen)	(0.40)	4.42	(0.82)	(1.84)

(The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

## Condensed Consolidated Statement of Financial Position

	As at 31.12.2021	As at 31.12.2020 (Restated)	As at 1.1.2020 (Restated)
	RM'000	RM'000	RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7,208	8,363	9,016
Right-of-use assets	4,332	4,547	5,062
Investment properties	90,795	96,876	85,218
Inventories	6,745	8,397	8,188
Other investments	24,426	25,876	24,523
Trade and other receivables	-	-	728
	133,506	144,059	132,735
<b>Current assets</b>			
Inventories	13,461	16,770	17,011
Asset held for sale	4,008	-	-
Trade and other receivables	16,412	20,634	34,603
Tax recoverable	192	124	272
Other investments	3,401	2,975	4,004
Deposits, bank and cash balances	6,551	5,877	14,356
	44,025	46,380	70,246
<b>TOTAL ASSETS</b>	<b>177,531</b>	<b>190,439</b>	<b>202,981</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the Owners of the parent</b>			
Share capital	244,239	244,239	244,239
Reserves	2,155	6,105	19,745
Accumulated losses	(100,755)	(99,039)	(95,177)
Shareholders' equity	145,639	151,305	168,807
<b>Non-controlling interests</b>	-	-	(11,447)
<b>TOTAL EQUITY</b>	<b>145,639</b>	<b>151,305</b>	<b>157,360</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Loans and borrowings	7,486	10,689	11,228
Deferred tax liabilities	1,335	960	901
	8,821	11,649	12,129
<b>Current liabilities</b>			
Trade and other payables	10,288	11,265	21,673
Loans and borrowings	12,783	16,216	11,632
Tax payable	0	4	187
	23,071	27,485	33,492
<b>TOTAL LIABILITIES</b>	<b>31,892</b>	<b>39,134</b>	<b>45,621</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>177,531</b>	<b>190,439</b>	<b>202,981</b>
Net assets per share (RM) attributable to Owners of the Parent	0.69	0.72	0.80

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.)

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

### Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent					Total	Non-Controlling Interests	Total Equity
	Share Capital	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 December 2021								
At 31 December 2020, as previously reported	244,239	3,170	1,168	1,767	(98,402)	151,942	-	151,942
Effect on adoption of MFRS 123	-	-	-	-	(637)	(637)	-	(637)
At 1 January, 2021, as restated	244,239	3,170	1,168	1,767	(99,039)	151,305	-	151,305
Profit/(Loss) for the period	-	-	-	-	(1,716)	(1,716)	-	(1,716)
Other comprehensive income/(loss) for the period	-	(3,170)	-	(780)	-	(3,950)	-	(3,950)
Total comprehensive income/(loss) for period	-	(3,170)	-	(780)	(1,716)	(5,666)	-	(5,666)
At 31 December 2021	244,239	-	1,168	987	(100,755)	145,639	-	145,639
12 months Ended 31 December 2020								
At 31 December 2019	244,239	18,287	1,168	290	(94,664)	169,320	(11,447)	157,873
Effect on adoption of MFRS 123	-	-	-	-	(513)	(513)	-	(513)
At 1 January, 2020, as restated	244,239	18,287	1,168	290	(95,177)	168,807	(11,447)	157,360
Profit/(Loss) for the period	-	-	-	-	(3,862)	(3,862)	4,647	785
Other comprehensive income/(loss) for the period	-	(15,117)	-	1,477	-	(13,640)	(901)	(14,541)
Total comprehensive income/(loss) for the period	-	(15,117)	-	1,477	(3,862)	(17,502)	3,746	(13,756)
Transaction with owners:								
Liquidation of subsidiary companies	-	-	-	-	-	-	7,701	7,701
At 31.12.2020	244,239	3,170	1,168	1,767	(99,039)	151,305	-	151,305

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2020.)

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### Consolidated Statement of Cash Flows

	12 Months Ended 31.12.2021  RM'000	12 Months Ended 31.12.2020 (Restated) RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before tax</b>	(1,127)	1,249
Adjustments for:		
Depreciation & amortisation	2,610	2,561
Other non-cash items	(918)	(14,122)
Dividend Income	(2,684)	(2,466)
Finance costs	-	1,198
Interest income	(166)	(2,437)
<b>Operating profit/(loss) before working capital changes</b>	<u>(2,285)</u>	<u>(14,017)</u>
<b>Change in working capital:</b>		
Inventories	4,815	(54)
Trade and other receivables	4,905	14,577
Trade and other payables	(956)	(2,441)
Cash generated from/(used in) operations	<u>6,478</u>	<u>(1,935)</u>
Interest paid	(9)	(1,185)
Tax paid	(286)	(440)
Net cash from/(used in) operating activities	<u>6,183</u>	<u>(3,560)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	168	168
Additions to investment properties	(497)	(10,628)
Proceeds from disposal of investment property	-	170
Proceeds from disposal of financial assets at fair value through profit or loss	7,716	7,196
Proceeds from disposal of financial assets at fair value through other comprehensive income	529	361
Purchase of financial assets at fair value through profit or loss	(8,111)	(7,464)
Purchase of property, plant and equipment	(580)	(1,392)
Purchase of right-of-use assets	(460)	(7)
Proceeds from disposal of property, plant and equipment	0	12
Net dividend received	2,684	2,466
Net cash from/(used in) investing activities	<u>1,449</u>	<u>(9,118)</u>

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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## Consolidated Statement of Cash Flows

	12 Months Ended 31.12.2021  RM'000	12 Months Ended 31.12.2020 (Restated) RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans and borrowings, net drawdown/(repayment)	(4,967)	2,142
Repayment of lease liabilities	(111)	(113)
Net cash from/(used in) financing activities	<u>(5,078)</u>	<u>2,029</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	2,554	(10,649)
Effects of exchange translation differences on cash and cash equivalents	-	154
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>3,652</u>	<u>14,147</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u><u>6,206</u></u>	<u><u>3,652</u></u>
<b>Cash and Cash Equivalents at the end of the financial period comprises:</b>		
Deposits, bank and cash balances	6,551	5,877
Bank overdrafts	(345)	(2,225)
	<u><u>6,206</u></u>	<u><u>3,652</u></u>

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A1 Accounting Policies

The interim financial report is prepared in accordance with Malaysian 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 2020. 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 2020.

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 2020, except for the adoption of the following Malaysian Financing Reporting Standards ("MFRS"), amendments to MFRS and Issues Committee ("IC") Interpretation which are effective for the financial period beginning on or after 1 January 2021:

Amendment to MFRS 16	COVID-19 - Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 & MFRS 16	Interest Rate Benchmark Reform - Phase 2
IFRIC Agenda Decision on MFRS 123	Borrowing Costs

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

#### **IFRIC Agenda Decision on MFRS 123 Borrowing Costs**

On 18 December 2018, the Malaysian Accounting Standards Board ("MASB") has issued for public comment six Tentative Agenda Decisions ("TAD") published by the IFRS Interpretations Committee, including the TAD on International Accounting Standards 23 *Borrowing Costs* ("IAS 23") relating to over time transfer of constructed good.

The MASB observed that non-private entities in the real estate industry might need to change their accounting policy as a result of the Agenda Decision on IAS 23. In ensuring consistent application of the MFRSs, which are word for-word the IFRS Standards, the MASB has decided that an entity shall apply the change in accounting policy as a result of the Agenda Decision on IAS 23 to financial statements on annual periods beginning on or after 1 July 2020.

The effect on the adoption of MFRS 123 of the Group's Financial Statements is described below:

<b><i>Consolidated Statement of Financial Position</i></b>	As previously reported RM'000	Effect on adoption of MFRS 123 RM'000	Restated under MFRS 123 RM'000
<b><u>At 1 January 2020</u></b>			
Accumulated losses	(94,664)	513	(94,151)
Inventories	25,754	(555)	25,199
Deferred tax liabilities	(943)	42	(901)

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A1 Accounting Policies (continued)

<u>At 31 December 2020</u>	As previously reported RM'000	Effect on adoption of MFRS 123 RM'000	Restated under MFRS 123 RM'000
<b>Consolidated Statement of Financial Position</b>			
Accumulated losses	(98,402)	637	(97,765)
Inventories	25,863	(696)	25,167
Tax recoverable	100	24	124
Deferred tax liabilities	(995)	35	(960)
	<hr/>		<hr/>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>			
Operating expenses	68,783	(51)	68,732
Finance costs	1,005	193	1,198
Tax	482	(18)	464
	<hr/>		<hr/>
<b>Consolidated Statement of Cash Flow</b>			
Operating expenses	68,783	(51)	68,732
Finance costs	1,005	193	1,198
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The Group has not early adopted the following MFRSs and amendments to MFRSs that have been issued but not yet effective:

		<u>Effective for financial periods beginning on or after</u>
Amendment to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 -2020		1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

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## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **A2 Auditors Report of the Previous Audited Financial Statements**

The auditors report of the previous audited financial statements was not qualified.

### **A3 Seasonality or Cyclicity of Interim Operations**

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

### **A4 Unusual Items Affecting the Financial Statements**

Besides the current COVID-19 pandemic, there were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their material effect in the current quarter under review.

### **A5 Changes in Accounting Estimates**

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

### **A6 Debt and Equity Securities**

There were no issuance of debt and equity securities, share buy back, share cancellation, share held as treasury and resale of treasury share during the financial period ended 31 December 2021.

### **A7 Dividends Paid**

No dividend has been paid during the financial period ended 31 December 2021.



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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A8 Segment Reporting

The Group is organised into three main business segments:

- (a) Property development - develop and sale of residential and commercial properties
- (b) Property & investment holding - investment in properties, carpark operation and holding company
- (c) Manufacturing & trading - manufacture of assorted wires and trading

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

12 months ended 31.12.2021	Property	Property & Investment	Manufacturing	Others	Elimination	Total
	Development	Holding	& Trading			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>						
External revenue	10,107	6,222	33,485	-	-	49,814
Intersegment revenue	-	10,738	-	-	(10,738)	-
	<u>10,107</u>	<u>16,960</u>	<u>33,485</u>	<u>-</u>	<u>(10,738)</u>	<u>49,814</u>
<b>Segment Results</b>						
Profit/(Loss) from operations	(1,542)	2,458	1,309	(5)	-	2,220
Interest Income	23	139	4	-	-	166
Finance costs	(84)	(633)	(186)	-	-	(903)
Depreciation & amortisation	(66)	(788)	(1,756)	-	-	(2,610)
Profit/(Loss) before tax	<u>(1,669)</u>	<u>1,176</u>	<u>(629)</u>	<u>(5)</u>	<u>-</u>	<u>(1,127)</u>
Taxation	(225)	(376)	12	-	-	(589)
Profit/(Loss) from ordinary activities after tax	<u>(1,894)</u>	<u>800</u>	<u>(617)</u>	<u>(5)</u>	<u>-</u>	<u>(1,716)</u>
Non-controlling interests	-	-	-	-	-	-
Net profit/(loss) attributable to owners of the parent	<u>(1,894)</u>	<u>800</u>	<u>(617)</u>	<u>(5)</u>	<u>-</u>	<u>(1,716)</u>
<b>Assets and Liabilities</b>						
Segment assets	23,706	123,548	29,400	877	-	177,531
Segment liabilities	<u>6,241</u>	<u>15,598</u>	<u>10,050</u>	<u>3</u>	<u>-</u>	<u>31,892</u>

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## NOTES TO THE INTERIM FINANCIAL REPORT

### A8 Segment Reporting (cont'd)

12 months ended 31.12.2020	Property &			Others RM'000	Elimination RM'000	Total RM'000
	Property Development RM'000	Investment Holding RM'000	Manufacturing & Trading RM'000			
<b>Segment Revenue</b>						
External revenue	5,960	4,556	40,583	-	-	51,099
Intersegment revenue	-	2,524	-	-	(2,524)	-
	<u>5,960</u>	<u>7,080</u>	<u>40,583</u>	<u>-</u>	<u>(2,524)</u>	<u>51,099</u>
<b>Segment Results</b>						
Profit/(Loss) from operations	(10,253)	11,587	1,243	(6)	-	2,571
Interest Income	2,259	171	7	-	-	2,437
Finance costs	(194)	(652)	(352)	-	-	(1,198)
Depreciation & amortisation	(165)	(639)	(1,757)	-	-	(2,561)
Profit/(Loss) before tax	<u>(8,353)</u>	<u>10,467</u>	<u>(859)</u>	<u>(6)</u>	<u>-</u>	<u>1,249</u>
Taxation	(333)	(139)	12	(4)	-	(464)
Profit/(Loss) from ordinary activities after tax	<u>(8,686)</u>	<u>10,328</u>	<u>(847)</u>	<u>(10)</u>	<u>-</u>	<u>785</u>
Non-controlling interests	-	(4,647)	-	-	-	(4,647)
Net profit/(loss) attributable to owners of the parent	<u>(8,686)</u>	<u>5,681</u>	<u>(847)</u>	<u>(10)</u>	<u>-</u>	<u>(3,862)</u>
<b>Assets and Liabilities</b>						
Segment assets	26,768	131,259	31,540	872	-	190,439
Segment liabilities	<u>9,667</u>	<u>18,246</u>	<u>11,218</u>	<u>3</u>	<u>-</u>	<u>39,134</u>

### A10 Valuation of Property, Plant & Equipment

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

### 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 2021 up to the 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 2021.

### A13 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities and contingent assets since 30 September 2021.

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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 31.12.2021 RM'000
Rental income received / receivable from related parties	906
Management fee paid/payable to related parties	1,147
Advisory fee paid to a related party	312

## 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

	31.12.2021	31.12.2020 (Restated)	Changes	
	RM'000	RM'000	RM'000	%
<b>3 Months Ended</b>				
<b>Revenue</b>				
Property Development	2,421	2,823	(402)	-14%
Manufacturing & Trading	10,556	11,277	(721)	-6%
Property & Investment Holding	1,864	1,404	460	33%
	<u>14,841</u>	<u>15,504</u>	<u>(663)</u>	<u>-4%</u>
<b>Profit Before Tax</b>				
Property Development	(730)	2,315	(3,045)	132%
Manufacturing & Trading	(210)	113	(323)	286%
Property & Investment Holding and Others	270	12,589	(12,319)	98%
	<u>(670)</u>	<u>15,017</u>	<u>(15,687)</u>	<u>104%</u>

The Group registered revenue of RM14.84 million and loss before tax of RM0.67 million in the fourth quarter ended 31 December 2021 as compared to a revenue of RM15.5 million and a profit before tax of RM15.02 million in the preceding year corresponding quarter. The manufacturing and trading division recorded a lower revenue of RM10.56 million in the fourth quarter ended 31 December 2021 as compared to RM11.28 million in the fourth quarter 2020 mainly due to restricted production capacity and lower sales quantities as a result of raw materials and labour shortage following the Full lockdown from 1 June 2021 to mid of September 2021, despite higher selling prices.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### B1 Review of Performance of the Company and its Principal Subsidiaries (cont'd)

##### For the Quarter (cont'd)

The property development division recorded a revenue of RM2.42 million in the fourth quarter 2021, a decrease of RM0.4 million mainly due to lower contribution on the completion of certain projects in Ipoh. As for the property and investment holding division, the revenue was higher at RM1.86 million in the fourth quarter 2021 as compared to RM1.4m in the fourth quarter 2020 mainly due to improvement in the carpark operation after the government ended the Full lockdown in mid of September 2021.

The Group recorded a loss before tax of RM0.67 million in the period under review as compared to a profit of RM15.02 million in the fourth quarter ended 31 December 2020 mainly due to the lower crystallisation of forex gain on liquidation of overseas subsidiaries of RM13.13 million.

The property development division recorded a loss of RM0.73m in the fourth quarter 2021 as compared to a profit of RM2.32 million in the fourth quarter 2020 mainly due to lower contribution from the projects in Ipoh with the absence of sales of completed projects.

The Group's manufacturing and trading division recorded a loss of RM210k in the fourth quarter 2021 as compared to a profit of RM113k in the fourth quarter 2020 mainly due to lower sales quantities as a result of lower production capacity caused by the raw materials and labour shortage impacted by the Covid-19 pandemic.

The Group's property and investment holding division has recorded a lower profit of RM0.3 million in the fourth quarter 2021 as compared to RM12.59 million in the fourth quarter 2020 mainly due the lower crystallisation of forex gain on liquidation of overseas subsidiaries of RM13.13 million.

##### For the Twelve Months Period

12 Months Ended	31.12.2021	31.12.2020	Changes	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
Property Development	10,107	5,960	4,147	70%
Manufacturing & Trading	33,485	40,583	(7,098)	-17%
Property & Investment Holding and Others	6,222	4,556	1,666	37%
	<u>49,814</u>	<u>51,099</u>	<u>(1,285)</u>	<u>-3%</u>
<b>Profit Before Tax</b>				
Property Development	(1,669)	(8,353)	6,684	80%
Manufacturing & Trading	(629)	(859)	230	27%
Property & Investment Holding and Others	1,171	10,461	(9,290)	89%
	<u>(1,127)</u>	<u>1,249</u>	<u>(2,376)</u>	<u>190%</u>

The Group's revenue of RM49.81 million for the financial period ended 31 December 2021 represents a 3% or RM1.29 million decrease from RM51.1 million in the corresponding period ended 31 December 2020. The property division recorded an increase of RM4.15 million due higher contribution from the on-going projects in Ipoh. The manufacturing and trading division recorded a decrease in revenue of RM7.1 million as compared to the corresponding period ended 31 December 2020 mainly due to restriction of production capacity as a result of raw materials and labour shortage arising from the implementation of Full lockdown by the Government from June 2021 to mid of September 2021. As for the property and investment holding division, the revenue was 37% higher at RM6.22 million in the financial period ended 31 December 2021 due to higher car park income as a result of revision of parking rates and higher occupancy rates.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### B1 Review of Performance of the Company and its Principal Subsidiaries (cont'd)

##### For the Twelve Months Period (cont'd)

Gross profit margin of the Group was higher at 14.2% for financial period ended 31 December 2021 as compared to 10% for the corresponding period ended 31 December 2020 mainly due to higher profit margin of the carpark operation and the manufacturing and trading division.

The Group recorded a loss before tax of RM1.13 million for the financial period ended 31 December 2021 as compared to a profit of RM1.25 million in the corresponding period ended 31 December 2020. A lower loss of RM1.67 million was recorded by the property division as compared to RM8.35 million loss for the financial period ended 31 December 2020 mainly due to higher contribution from the on-going Ipoh projects and lower operating expenses. The manufacturing and trading division recorded a lower loss before tax of RM0.63 million as compared to RM0.86 million in the corresponding period ended 31 December 2020 as a result of higher gross profit margin and lower operating expenses.

In the financial period ended 31 December 2021, the Group's property and investment holding division recorded a profit of RM1.17 million as compared to RM10.46 million in the financial period ended 31 December 2020. The lower profit of RM9.29 million was mainly due to lower crystallisation of forex gain on liquidation of overseas subsidiaries of RM13.13 million offset by higher carpark operation income as a result of revision of parking rates, additional block car park rental for 1,300 bays and lower operating expenses after the Group liquidated its China operations in May 2020.

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

##### Fourth Quarter 2021 vs Third Quarter 2021

	Current Quarter 31.12.2021 RM'000	Immediate Preceding Quarter 30.9.2021 RM'000	Changes	
			RM'000	%
<b>Revenue</b>				
Property Development	2,421	2,176	245	11%
Manufacturing & Trading	10,556	5,226	5,330	102%
Property & Investment Holding	1,864	1,419	445	31%
	<u>14,841</u>	<u>8,821</u>	<u>6,020</u>	<u>68%</u>
<b>Profit Before Tax</b>				
Property Development	(730)	(477)	(253)	53%
Manufacturing & Trading	(210)	(268)	58	22%
Property & Investment Holding and Others	270	(127)	397	312%
	<u>(670)</u>	<u>(872)</u>	<u>202</u>	<u>23%</u>

During the 3 months ended 31 December 2021, the Group's revenue of RM14.84 million represents an increase of RM6.02 million or 68% from the RM8.82 million revenue recorded in the preceding 3 months ended 30 September 2021. The property division recorded a higher revenue of RM2.42m in the current quarter as compared to RM2.18m in the third quarter 2021 as the sales and progress of development work improved under the Phase 4 of the National Recovery Plan ("NRP"). The manufacturing and trading division recorded a higher revenue of RM10.56 million in the fourth quarter 2021, as compared with RM5.23 million in the third quarter 2021 mainly due to the closure of factory from 1.6.2021 to 28.6.2021 during the FMO of the NRP and the restriction of production capacity from June 2021 to September 2021 which resulted in shortage of supply despite the higher selling price and profit margin.

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

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## **NOTES TO THE INTERIM FINANCIAL REPORT**

### **B2 Explanatory comments on Any Material Change in the Profit Before Tax for the Quarter Reported on as Compared with the Immediate Preceding Quarter (cont'd)**

#### **Fourth Quarter 2021 vs Third Quarter 2021 (cont'd)**

As for the property and investment holding division, the revenue was 31% higher at RM1.86 million in the current quarter as compared to RM1.42 million in the preceding quarter due to the Full lockdown from June 2021 to mid September 2021 where all non-essential businesses were not allowed to operate and employees were required to Work From Home, affecting the Group's car park operation.

The Group recorded a loss before tax of RM0.67 million in the fourth quarter 2021, a lower loss of RM0.2 million as compared to a loss of RM0.87 million in the third quarter 2021 mainly due higher carpark operation income resulted from normalisation of business activities coming out of the Full lockdown in mid of September 2021.

The property development division recorded a loss of RM0.73 million in the fourth quarter 2021, higher loss as compared to RM0.48m in third quarter 2021 mainly due to higher operating expenses.

The Group's manufacturing and trading division recorded a lower loss of RM0.21 million in the fourth quarter 2021 as compared to a RM0.27 million loss in the third quarter 2021 mainly due to higher sales quantities after the Government ended the FMCO implemented from June 2021 to mid of September 2021 whereby the production capacity was restricted.

The Group's property & investment holding division recorded a profit before tax of RM0.27 million in the fourth quarter 2021, higher profit of RM0.4 million as compared to a loss of RM0.13 million in the third quarter 2021 mainly due higher carpark operation income after the Full lockdown ended in mid of September 2021.

### **B3 Commentary on Prospects**

The Malaysia economy was on track to achieve GDP growth of between 3% and 4% in 2021 with the reopening of the economic sectors and resumption of social activities. With the recovery momentum in 2021, Bank Negara Malaysia projected Malaysia's GDP growth expansion of between 5.5% and 6.5% in 2022, driven by normalisation in economic and social activities. The Group's car park business is expected to recover in 2022 with the rebound in economic activity. The property glut situation is not expected to improve in the immediate future. In the short term, the Group will remain cautious and focus on selling the unsold units at Pinnacle Kelana Jaya and the continuation of its existing projects in Ipoh in 2022.

As for the manufacturing division, demand for galvanized wires is expected to improve in 2022 and the division will strive to minimise losses in 2022.

The investment holding division's rental income and car park income are expected to improve in line with the economic recovery in 2022.

Faced with the uncertainties from development surrounding Covid-19, both globally and domestically, rising inflation and high input costs amid prolonged supply chain disruption, the Group's result in 2022 is not expected to improve significantly.

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## NOTES TO THE INTERIM FINANCIAL REPORT

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

Not applicable.

### B5 Taxation

	3 months Ended 31.12.2021 RM'000	12 months Ended 31.12.2021 RM'000
Taxation based on the results for the period:		
Malaysian taxation	(36)	210
Transfer to/(from) deferred taxation	216	375
	<u>180</u>	<u>585</u>
Under/(Over) provision of taxation in respect of prior year	(8)	4
	<u>172</u>	<u>589</u>

The disproportionate tax charge in the current period was mainly due to non availability of group relief in respect of losses incurred by the Company and certain subsidiary companies, certain expenses which are not deductible for tax purposes and 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 2021.

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

## NOTES TO THE INTERIM FINANCIAL REPORT

### B7 Group Borrowings

	As at 31.12.2021 RM'000	As at 31.12.2020 RM'000
<b>Current</b>		
Secured (RM denominated):-		
- Lease liabilities (fixed interest rate)	107	60
- Bankers' acceptance (floating interest rate)	5,413	7,013
- Term loan (floating interest rate)	2,325	2,718
- Trust receipt (floating interest rate)	893	-
- Revolving credit (floating interest rate)	3,700	4,200
- Bank overdrafts (floating interest rate)	345	2,225
	<u>12,783</u>	<u>16,216</u>
<b>Non-current</b>		
Secured (RM denominated):-		
- Lease liabilities (fixed interest rate)	165	-
- Term loan (floating interest rate)	7,321	10,689
	<u>7,486</u>	<u>10,689</u>
<b>Borrowings maturity:</b>		
Less than one year	12,783	16,216
Later than one year and not later than two years	2,528	2,853
Later than two years and not later than five years	4,904	7,556
Later than five years	54	280
	<u>20,269</u>	<u>26,905</u>
 The weighted average effective rates per annum are as follows:		
- Lease liabilities	6.97%	3.66%
- Bankers' acceptance	4.80%	5.09%
- Term loan	4.56%	4.76%
- Trust receipt	6.70%	-
- Revolving credit	4.44%	4.54%
- Bank overdrafts	6.80%	7.05%
 The proportion of debts are as follows:		
- Fixed interest rate	1.3%	0.2%
- Floating interest rate	98.7%	99.8%

### B8 Derivative Financial Instruments

There were no derivative financial instruments as at financial period ended 31 December 2021.

### B9 Material Litigation

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



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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### B10 Dividends

The Directors do not recommend any payment of dividend for the financial period ended 31 December 2021.

#### B11 Profit/(Loss) From Operations

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

	3 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
(a) Other income including investment income	(287)	(162)	(3,527)	(3,872)
(b) Depreciation and amortisation	683	568	2,610	2,561
(c) Provision for and write-off/(write-back) of receivables	95	2,457	(685)	2,389
(d) Loss/(Gain) on disposal of quoted investments	(2)	(1)	140	(383)
(e) Foreign exchange loss/(gain)	9	(16)	12	8
(f) Gain on disposal of investment property	-	-	-	(41)
(g) Impairment/(reversal) of other investment	6	1,428	35	1,428
(h) Inventories write-down	144	87	144	87
(i) Forex gain on liquidation of subsidiary companies	(3,169)	(16,302)	(3,169)	(16,302)
(j) Fair value adjustment of investment properties	2,571	(1,159)	2,571	(1,159)

Other than the above, there were no loss/(gain) on derivatives, and exceptional items for the current quarter and financial period ended 31 December 2021.

#### B12 Earnings per Share

	3 Months Ended		12 Months Ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
(a) Basic Earnings per Share				(Restated)
Net profit/(loss) attributable to owners of the parent	(842)	9,277	(1,716)	(3,862)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	(0.40)	4.42	(0.82)	(1.84)

#### (b) Diluted Earnings per Share

There is no dilutive event as at 31 December 2021 and 31 December 2020. Therefore, the diluted EPS is the same as the basic EPS.

By Order of the Board

**Tan Siew Chin**

Company Secretary

Kuala Lumpur

Date: 24 February 2022