

**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 2022****Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	3 Months Ended		12 Months Ended	
	31.12.2022 RM'000	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2021 RM'000
Revenue	13,063	14,841	48,741	49,814
Operating Expenses	(14,073)	(15,996)	(53,538)	(54,621)
Other Expenses	(411)	(3,673)	(590)	(3,810)
Interest Income	137	16	459	166
Other Operating Income	74	4,204	1,646	8,227
Profit/(Loss) from Operations	(1,210)	(608)	(3,282)	(224)
Finance Costs	(320)	(175)	(1,100)	(903)
Profit/(Loss) before tax	(1,530)	(783)	(4,382)	(1,127)
Tax	(233)	(172)	(652)	(589)
Net profit/(loss) for the period	(1,763)	(955)	(5,034)	(1,716)
Other comprehensive income/(loss), net of tax				
Items that may be reclassified subsequently to profit or loss				
- Exchange translation difference of foreign operations	-	(3,169)	-	(3,170)
- Financial assets at fair value through other comprehensive income	1,383	(775)	(596)	(780)
Other comprehensive income/(loss) for the period, net of tax	1,383	(3,944)	(596)	(3,950)
Total comprehensive income/(loss) for the period	(380)	(4,899)	(5,630)	(5,666)
Profit/(Loss) attributable to:				
Owners of the parent	(1,763)	(955)	(5,034)	(1,716)
Total comprehensive income/(loss) attributable to:				
Owners of the parent	(380)	(4,899)	(5,630)	(5,666)
<b>Earnings/(Loss) per share attributable to</b>				
<b>Owners of the parent:</b>				
Basic/Diluted (sen)	(0.84)	(0.46)	(2.40)	(0.82)

(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 2021.)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

## Condensed Consolidated Statement of Financial Position

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,575	7,208
Right-of-use assets	3,787	4,332
Investment properties	90,795	90,795
Inventories	7,286	6,745
Other investments	23,830	24,426
	132,273	133,506
<b>Current assets</b>		
Inventories	8,625	13,461
Trade and other receivables	10,278	16,383
Tax recoverable	50	192
Other investments	4,235	3,401
Deposits, bank and cash balances	10,845	6,551
	34,033	39,988
Asset held for sale	1,100	4,008
	35,133	43,996
<b>TOTAL ASSETS</b>	<b>167,406</b>	<b>177,502</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Owners of the parent</b>		
Share capital	244,239	244,239
Reserves	1,559	2,155
Accumulated losses	(105,789)	(100,755)
<b>TOTAL EQUITY</b>	<b>140,009</b>	<b>145,639</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	9,500	7,486
Deferred tax liabilities	1,559	1,335
	11,059	8,821
<b>Current liabilities</b>		
Trade and other payables	10,064	10,259
Loans and borrowings	6,273	12,783
	16,337	23,042
<b>TOTAL LIABILITIES</b>	<b>27,397</b>	<b>31,863</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>167,406</b>	<b>177,502</b>
Net assets per share (RM) attributable to Owners of the Parent	0.67	0.69

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2021.)

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

### Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent					
	Share Capital	Foreign Exchange Reserve	Revaluation Reserve	Fair Value Reserve	Accumulated Losses	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
12 months Ended 31 December 2022						
At 1 January 2022	244,239	-	1,168	987	(100,755)	145,639
Profit/(Loss) for the period	-	-	-	-	(5,034)	(5,034)
Other comprehensive income/(loss) for the period	-	-	-	(596)	-	(596)
Total comprehensive income/(loss) for period	-	-	-	(596)	(5,034)	(5,630)
At 31 December 2022	244,239	-	1,168	391	(105,789)	140,008
12 months Ended 31 December 2021						
At 1 January 2021, as previously reported	244,239	3,170	1,168	1,767	(98,402)	151,942
Effect on adoption of Agenda Decision on MFRS 123 <i>Borrowing Costs</i>	-	-	-	-	(637)	(637)
At 1 January, 2021, as restated	244,239	3,170	1,168	1,767	(99,039)	151,305
Profit/(Loss) for the period	-	-	-	-	(1,716)	(1,716)
Other comprehensive income/(loss) for the period	-	(3,170)	-	(780)	-	(3,950)
Total comprehensive income/(loss) for the period	-	(3,170)	-	(780)	(1,716)	(5,666)
At 31 December 2021	244,239	-	1,168	987	(100,755)	145,639

(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 2021.)

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INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

## Consolidated Statement of Cash Flows

	12 Months Ended 31.12.2022 RM'000	12 Months Ended 31.12.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit/(Loss) before tax</b>	(4,382)	(1,127)
Adjustments for:		
Depreciation & amortisation	2,419	2,610
Other non-cash items	1,226	(918)
Dividend Income	(179)	(2,684)
Finance costs	1,100	903
Interest income	(459)	(166)
<b>Operating profit/(loss) before working capital changes</b>	<u>(275)</u>	<u>(1,382)</u>
<b>Change in working capital:</b>		
Inventories	3,515	4,816
Trade and other receivables	3,752	4,934
Trade and other payables	(220)	(986)
Cash generated from/(used in) operations	<u>6,772</u>	<u>7,382</u>
Interest paid	(1,074)	(913)
Tax paid	(286)	(286)
Net cash from/(used in) operating activities	<u>5,412</u>	<u>6,183</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	2,681	168
Additions to investment properties	(48)	(497)
Proceeds from disposal of investment properties	2,908	-
Proceeds from disposal of financial assets	5,768	8,245
Purchase of financial assets	(6,674)	(8,111)
Purchase of property, plant and equipment	(1,392)	(580)
Purchase of right-of-use assets	(59)	(460)
Proceeds from disposal of property, plant and equipment	15	-
Net dividend received	179	2,684
Net cash from/(used in) investing activities	<u>3,378</u>	<u>1,449</u>

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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### Consolidated Statement of Cash Flows

	<b>12 Months Ended 31.12.2022 RM'000</b>	<b>12 Months Ended 31.12.2021 RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans and borrowings, net drawdown/(repayment)	(4,044)	(4,967)
Repayment of lease liabilities	(107)	(111)
Net cash from/(used in) financing activities	<u>(4,151)</u>	<u>(5,078)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	4,639	2,554
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	6,206	3,652
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>10,845</u>	<u>6,206</u>
<b>Cash and Cash Equivalents at the end of the financial period comprises:</b>		
Deposits, bank and cash balances	10,845	6,551
Bank overdrafts	-	(345)
	<u>10,845</u>	<u>6,206</u>

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## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022

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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 2021. 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 2021.

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 2021, except for the adoption of the following amendments to Malaysian Financing Reporting Standards ("MFRS") which are effective for the financial period beginning on or after 1 January 2022:

Amendment to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 -2020	

The adoption of the above amendments to MFRSs did not result in any significant changes in the accounting policies and presentations of the financial statements of the Group.

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

		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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 16	Lease liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
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 2022**

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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**

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 year ended 31 December 2022.

### **A7 Dividends Paid**

No dividend has been paid during the financial year ended 31 December 2022.

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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.

	Property Development	Property & Investment Holding	Manufacturing & Trading	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended</b>						
<b>31.12.2022</b>						
<b>Segment Revenue</b>						
External revenue	10,604	7,261	30,876	-	-	48,741
Intersegment revenue	-	2,240	-	-	(2,240)	-
	<u>10,604</u>	<u>9,501</u>	<u>30,876</u>	<u>-</u>	<u>(2,240)</u>	<u>48,741</u>
<b>Segment Results</b>						
Profit/(Loss) from operations	(272)	(826)	(219)	(5)	-	(1,322)
Interest Income	45	383	31	-	-	459
Finance costs	(7)	(576)	(517)	-	-	(1,100)
Depreciation & amortisation	(24)	(551)	(1,844)	-	-	(2,419)
Profit/(Loss) before tax	<u>(258)</u>	<u>(1,570)</u>	<u>(2,549)</u>	<u>(5)</u>	<u>-</u>	<u>(4,382)</u>
Taxation	(452)	(212)	12	-	-	(652)
Net profit/(loss) attributable to owners of the parent	<u>(710)</u>	<u>(1,782)</u>	<u>(2,537)</u>	<u>(5)</u>	<u>-</u>	<u>(5,034)</u>
<b>Assets and Liabilities</b>						
Segment assets	25,345	116,216	24,962	883	-	167,406
Segment liabilities	<u>6,746</u>	<u>12,484</u>	<u>8,164</u>	<u>3</u>	<u>-</u>	<u>27,397</u>



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## NOTES TO THE INTERIM FINANCIAL REPORT

### A8 Segment Reporting (cont'd)

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)	-
	10,107	16,960	33,485	-	(10,738)	49,814
<b>Segment Results</b>						
Profit/(Loss) from operations	(1,981)	3,019	1,187	(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	(2,108)	1,737	(751)	(5)	-	(1,127)
Taxation	(225)	(376)	12	-	-	(589)
Net profit/(loss) attributable to owners of the parent	(2,333)	1,361	(739)	(5)	-	(1,716)
<b>Assets and Liabilities</b>						
Segment assets	23,707	123,518	29,400	877	-	177,502
Segment liabilities	6,241	15,568	10,051	3	-	31,863

### A9 Valuation of Property, Plant & Equipment

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

### A10 Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current financial year ended 31 December 2022 up to the date of this report.

### A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial year ended 31 December 2022.

### A12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities and contingent assets since 30 September 2022.

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## NOTES TO THE INTERIM FINANCIAL REPORT

### A13 Outstanding Commitments

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

### A14 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 31.12.2022 RM'000
Rental income received / receivable from related parties	1,027
Management fee paid/payable to related parties	1,273
Advisory fee paid to a related party	<u>120</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

	31.12.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
<b>3 Months Ended</b>				
<b>Revenue</b>				
Property Development	3,579	2,421	1,158	48%
Manufacturing & Trading	7,790	10,556	(2,766)	-26%
Property & Investment Holding	1,694	1,864	(170)	-9%
	<u>13,063</u>	<u>14,841</u>	<u>(1,778)</u>	<u>-12%</u>
<b>Profit Before Tax</b>				
Property Development	434	(864)	1,298	150%
Manufacturing & Trading	(1,363)	(241)	(1,122)	-466%
Property & Investment Holding and Others	(601)	435	(1,036)	238%
	<u>(1,530)</u>	<u>(670)</u>	<u>(860)</u>	<u>-128%</u>

The Group registered a revenue of RM13.06 million and loss before tax of RM1.53 million in the fourth quarter ended 31 December 2022 as compared to a revenue of RM14.84 million and a loss before tax of RM0.67 million in the preceding year corresponding quarter. The manufacturing and trading division recorded a lower revenue of RM7.79 million in the fourth quarter ended 31 December 2022 as compared to RM10.56 million in the fourth quarter ended 31 December 2021 mainly due to a 23% decrease in sales quantities in the quarter under review as compared to the preceding year quarter due to due restricted production capacity as a result of machinery breakdown and labour shortage.

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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 RM3.58 million in the fourth quarter 2022 as compared to a revenue of RM2.41 million in the fourth quarter 2021 mainly due to higher contribution from its on-going projects in Ipoh. As for the property and investment holding division, the revenue was lower at RM1.69 million in the fourth quarter 2022 as compared to RM1.86 million in the fourth quarter 2021 mainly due lower income from the carpark operation.

The Group recorded a loss before tax of RM1.53 million in the period under review as compared to a loss of RM0.67 million in the fourth quarter ended 31 December 2021 mainly due to lower contribution from the manufacturing and trading division and property and investment holding division offset by higher contribution from property development division.

The property development division recorded a profit of RM0.43 million in the fourth quarter 2022 as compared to a loss of RM0.86 million in the fourth quarter 2021 mainly due to higher revenue of the Group's project in Taman Klebang, Ipoh and lower operating expenses.

The Group's manufacturing and trading division recorded a loss of RM1.36 million in the fourth quarter 2022 as compared to a loss of RM0.24 million in the fourth quarter 2021 mainly due to zinc cost of RM0.76m written-off caused by the breakdown of machinery (zinc bath) and lower sales.

The Group's property and investment holding division recorded a higher loss of RM0.60 million in the fourth quarter 2022 as compared to a profit of RM0.44 million in the fourth quarter 2021 mainly due to the absence of RM0.80 million fair value gain of investment property and lower car park income.

##### For the 12 Months Period

12 Months Ended	31.12.2022	31.12.2021	Changes	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
Property Development	10,604	10,107	497	5%
Manufacturing & Trading	30,876	33,485	(2,609)	-8%
Property & Investment Holding and Others	7,261	6,222	1,039	17%
	<u>48,741</u>	<u>49,814</u>	<u>(1,073)</u>	<u>-2%</u>
<b>Profit Before Tax</b>				
Property Development	(258)	(2,108)	1,850	88%
Manufacturing & Trading	(2,549)	(751)	(1,798)	-239%
Property & Investment Holding and Others	(1,575)	1,732	(3,307)	191%
	<u>(4,382)</u>	<u>(1,127)</u>	<u>(3,255)</u>	<u>-289%</u>

The Group's revenue of RM48.74 million for the financial year ended 31 December 2022 represents a 2% or RM1.07 million decrease from RM49.81 million in the corresponding year ended 31 December 2021. The property division recorded an increase of RM0.50 million due higher contribution from the on-going and completed projects in Ipoh. The manufacturing and trading division recorded a decrease in revenue of RM2.61 million as compared to the corresponding year ended 31 December 2021 mainly due to lower sales quantities despite higher selling prices. As for the property and investment holding division, revenue was 17% higher at RM7.26 million in the financial year ended 31 December 2022 due to higher car park income as a result of higher occupancy rates after the end of lockdown in September 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 12 Months Period (cont'd)

Gross profit margin of the Group was slightly lower at 14% for financial year ended 31 December 2022 as compared to 14.2% for the corresponding year ended 31 December 2021 mainly due to lower margin of the manufacturing and trading division offset by higher margin of the car park operation.

The Group recorded a loss before tax of RM4.38 million for the financial year ended 31 December 2022 as compared to a loss of RM1.13 million in the corresponding year ended 31 December 2021. The manufacturing and trading division recorded a higher loss before tax of RM2.55 million as compared to RM0.75 million in the corresponding year ended 31 December 2021 as a result of lower gross profit margin and higher operating expenses. A lower loss of RM0.26 million was recorded by the property division as compared to RM2.11 million loss for the financial year ended 31 December 2021 mainly due to higher contribution from the on-going Ipoh projects and lower operating expenses.

In the financial year ended 31 December 2022, the Group's property and investment holding division recorded a loss of RM1.58 million as compared to a profit of RM1.73 million in the financial year ended 31 December 2021. This was mainly due to the absence of dividend income from the Group's investment in New Zealand and higher operating expenses.

#### 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 2022 vs Third Quarter 2022

	Current	Immediate	Changes	
	Quarter	Preceding		
	31.12.2022	30.9.2022	RM'000	%
<b>Revenue</b>	RM'000	RM'000	RM'000	%
Property Development	3,579	2,175	1,404	65%
Manufacturing & Trading	7,790	7,183	607	8%
Property & Investment Holding	1,694	1,718	(24)	-1%
	<u>13,063</u>	<u>11,076</u>	<u>1,987</u>	<u>18%</u>
<b>Profit Before Tax</b>				
Property Development	434	(424)	858	-203%
Manufacturing & Trading	(1,363)	95	(1,458)	1542%
Property & Investment Holding and Others	(601)	(493)	(108)	-22%
	<u>(1,530)</u>	<u>(822)</u>	<u>(708)</u>	<u>-86%</u>

During the 3 months ended 31 December 2022, the Group's revenue of RM13.06 million represents an increase of RM1.98 million or 18% from the RM11.08 million revenue recorded in the preceding 3 months ended 30 September 2022. The property division recorded a higher revenue of RM3.58 million in the current quarter as compared to RM2.18 million in the third quarter 2022 due to higher sales and development progress. The manufacturing and trading division recorded a higher revenue of RM7.79 million in the fourth quarter 2022, as compared with RM7.18 million in the third quarter 2022 mainly due to higher sales quantities despite lower selling prices.

# **SOUTH MALAYSIA INDUSTRIES BERHAD**

**Registration No. 196901000152 (8482-D)**

**(Incorporated in Malaysia)**

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**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2022**

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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 2022 vs Third Quarter 2022 (cont'd)**

As for the property and investment holding division, the revenue was 1% lower at RM1.69 million in the current quarter as compared to RM1.72 million in the preceding 3 months ended 30 September 2022 mainly due to lower car park collection in the fourth quarter 2022.

The Group recorded a loss before tax of RM1.53 million in the fourth quarter 2022, a higher loss of RM0.71 million as compared to a loss of RM0.82 million in the third quarter 2022 mainly due higher loss of the manufacturing and trading division in the quarter under review.

The property development division recorded a profit of RM0.43 million in the fourth quarter 2022 as compared to a loss of RM0.42m in third quarter 2022 mainly due to lower sales and progress development of the on-going Ipoh projects.

The Group's manufacturing and trading division recorded a loss of RM1.36 million in the fourth quarter 2022 as compared to a profit of RM0.10 million in the third quarter 2022 mainly due to the absence of a fire insurance compensation of RM0.92 million received in the third quarter and lower gross profit as a result of RM0.76 million zinc cost written-off caused by the breakdown of machinery (zinc bath).

The Group's property & investment holding division recorded a loss before tax of RM0.60 million in the fourth quarter 2022, higher loss of RM0.11 million as compared to a loss of RM0.49 million in the third quarter 2022 mainly due to higher operating costs in the quarter under review.

### **B3 Commentary on Prospects**

Bank Negara Malaysia has announced a higher GDP growth of 8.7% for 2022 as compared with the 3.1% in 2021 supported by private consumption and investment. However, GDP is expected to moderate in 2023 as downside risks remain due to weaker global economic growth.

The Group's car park business is expected to improve in 2023 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 2023. The manufacturing division will strive to minimise losses in 2023. The investment holding division's rental income and car park income are expected to improve in line with the strengthening of the economic performance in 2023.

Faced with the uncertainties surrounding the geopolitical tensions on the global growth and the corresponding rise in global commodity prices, rising inflation and high input costs amid prolonged supply chain disruption, the Group's result in 2023 is not expected to improve.

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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 31.12.2022 RM'000	12 months Ended 31.12.2022 RM'000
Taxation based on the results for the period:		
Malaysian taxation	204	361
Transfer to/(from) deferred taxation	29	223
	<u>233</u>	<u>584</u>
Under/(Over) provision of taxation in respect of prior year	(0)	68
	<u>233</u>	<u>652</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 year ended 31 December 2022.

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## NOTES TO THE INTERIM FINANCIAL REPORT

### B7 Group Borrowings

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
<b>Current</b>		
Secured (RM denominated):-		
- Lease liabilities (fixed interest rate)	115	107
- Bankers' acceptance (floating interest rate)	-	5,413
- Term loan (floating interest rate)	3,054	2,325
- Trust receipt (floating interest rate)	104	893
- Revolving credit (floating interest rate)	3,000	3,700
- Bank overdrafts (floating interest rate)	-	345
	<u>6,273</u>	<u>12,783</u>
<b>Non-current</b>		
Secured (RM denominated):-		
- Lease liabilities (fixed interest rate)	50	165
- Term loan (floating interest rate)	9,450	7,321
	<u>9,500</u>	<u>7,486</u>
<b>Borrowings maturity:</b>		
Less than one year	6,273	12,783
Later than one year and not later than two years	3,183	2,528
Later than two years and not later than five years	4,906	4,904
Later than five years	1,411	54
	<u>15,773</u>	<u>20,269</u>
 The weighted average effective rates per annum are as follows:		
- Lease liabilities	6.97%	6.97%
- Bankers' acceptance	-	4.80%
- Term loan	6.44%	4.56%
- Trust receipt	7.45%	6.70%
- Revolving credit	5.53%	4.44%
- Bank overdrafts	7.80%	6.80%
 The proportion of debts are as follows:		
- Fixed interest rate	1.0%	1.3%
- Floating interest rate	99.0%	98.7%

### B8 Derivative Financial Instruments

There were no derivative financial instruments as at financial year ended 31 December 2022.

### 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 2022

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### B10 Dividends

The Directors do not recommend any payment of dividend for the financial year ended 31 December 2022.

#### 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	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
(a) Other income including investment income	(100)	(265)	(1,532)	(3,463)
(b) Depreciation and amortisation	577	683	2,419	2,610
(c) Provision for and write-off/(write-back) of receivables	236	95	130	(685)
(d) Loss/(Gain) on disposal of quoted investments	(4)	(1)	(10)	140
(e) Foreign exchange loss/(gain)	(2)	9	(12)	12
(f) Impairment/(reversal) of other investment	(43)	(15)	82	(30)
(g) Inventories write-down / write-off	782	144	782	144
(h) Forex gain on liquidation of subsidiary companies	-	(3,169)	-	(3,169)
(i) Fair value adjustment of investment properties	48	2,571	48	2,571

Other than the above, there were no loss/(gain) on derivatives, and exceptional items for the current quarter and financial year ended 31 December 2022.

#### B12 Earnings per Share

	3 Months Ended		12 Months Ended	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
	RM'000	RM'000	RM'000	RM'000
<b>(a) Basic Earnings per Share</b>				
Net profit/(loss) attributable to owners of the parent	(1,763)	(955)	(5,034)	(1,716)
Weighted average number of shares in issue ('000)	209,940	209,940	209,940	209,940
Basic earnings/(loss) per share (sen)	(0.84)	(0.46)	(2.40)	(0.82)

#### (b) Diluted Earnings per Share

There is no dilutive event as at 31 December 2022 and 31 December 2021. 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 2023