

**SOUTH MALAYSIA INDUSTRIES BERHAD**

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

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024****Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income**

	Individual Period		Cumulative Period	
	3 Months		12 Months	
	1.4.2024	1.4.2023	1.7.2023	1.7.2022
	To	To	To	To
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	8,682	-	34,448	-
Operating Expenses	(11,376)	-	(43,236)	-
Other Expenses	(2)	-	(146)	-
Interest Income	32	-	161	-
Other Operating Income	6,463	-	6,788	-
Profit/(Loss) from Operations	3,799	-	(1,985)	-
Finance Costs	(233)	-	(959)	-
Profit/(Loss) before tax	3,566	-	(2,944)	-
Tax	(1,071)	-	(1,208)	-
Net profit/(loss) for the period	2,495	-	(4,152)	-
Other comprehensive income/(loss), net of tax				
Items that will not be reclassified subsequently to profit or loss				
- Financial assets at fair value through other comprehensive income	272	-	884	-
Other comprehensive income/(loss) for the period, net of tax	272	-	884	-
Total comprehensive income/(loss) for the period	2,767	-	(3,268)	-
Profit/(Loss) attributable to:				
Owners of the parent	2,495	-	(4,152)	-
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,767	-	(3,268)	-
<b>Earnings/(Loss) per share attributable to</b>				
<b>Owners of the parent:</b>				
Basic/Diluted (sen)	1.19	-	(1.98)	-

**Note:**

The Group has changed its financial year end from 31 December to 30 June. The previous audited financial statements were for the period of Eighteen (18 months) from 1 January 2022 to 30 June 2023 and thereafter, the financial year end shall be 30 June for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.

(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 period ended 30 June 2023).

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

## Unaudited Condensed Consolidated Statement of Financial Position

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,975	6,089
Right-of-use assets	3,378	3,716
Investment properties	96,965	90,579
Inventories	5,133	5,392
Other investments	16,764	19,978
	127,215	125,754
<b>Current assets</b>		
Inventories	12,278	12,083
Trade and other receivables	7,658	5,952
Tax recoverable	314	287
Other investments	132	3,586
Deposits, bank and cash balances	8,097	12,415
	28,479	34,323
<b>TOTAL ASSETS</b>	<b>155,694</b>	<b>160,077</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Owners of the parent</b>		
Share capital	244,239	244,239
Reserves	1,830	207
Accumulated losses	(115,691)	(110,800)
<b>TOTAL EQUITY</b>	<b>130,378</b>	<b>133,646</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	6,861	8,078
Deferred tax liabilities	2,800	1,619
	9,661	9,697
<b>Current liabilities</b>		
Trade and other payables	9,118	9,828
Loans and borrowings	6,521	6,906
Tax payable	16	0
	15,655	16,734
<b>TOTAL LIABILITIES</b>	<b>25,316</b>	<b>26,431</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>155,694</b>	<b>160,077</b>
Net assets per share (RM) attributable to Owners of the Parent	0.62	0.64

### Note:

The Group has changed its financial year end from 31 December to 30 June. The previous audited financial statements were for the period of Eighteen (18 months) from 1 January 2022 to 30 June 2023 and thereafter, the financial year end shall be 30 June for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2023)

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

### Unaudited Condensed Consolidated Statement of Changes in Equity

	Attributable to Owners of the Parent				
	Share Capital RM'000	Revaluation Reserve RM'000	Fair Value Reserve RM'000	Accumulated Losses RM'000	Total Equity RM'000
12 months Ended 30 June 2024					
At 1 July 2023	244,239	1,168	(961)	(110,800)	133,646
Profit/(Loss) for the period	-	-	-	(4,152)	(4,152)
Other comprehensive income/(loss) for the period	-	-	884	-	884
Total comprehensive income/(loss) for period	-	-	884	(4,152)	(3,268)
Transfer of loss on disposal of equity investments at fair value through Other Comprehensive Income to accumulated losses	-	-	739	(739)	-
At 30 June 2024	244,239	1,168	662	(115,691)	130,378

Note:

The Group has changed its financial year end from 31 December to 30 June. The previous audited financial statements were for the period of Eighteen (18 months) from 1 January 2022 to 30 June 2023 and thereafter, the financial year end shall be 30 June for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial period ended 30 June 2023)

# SOUTH MALAYSIA INDUSTRIES BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

## Unaudited Consolidated Statement of Cash Flows

	12 Months Ended 30.6.2024 RM'000	12 Months Ended 30.6.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before tax	(2,944)	-
Adjustments for:		
Depreciation & amortisation	2,033	-
Other non-cash items	(5,799)	-
Dividend Income	(14)	-
Finance costs	959	-
Interest income	(161)	-
<b>Operating profit/(loss) before working capital changes</b>	<u>(5,926)</u>	<u>-</u>
<b>Change in working capital:</b>		
Inventories	(536)	-
Trade and other receivables	(1,750)	-
Trade and other payables	(686)	-
Cash generated from/(used in) operations	<u>(8,898)</u>	<u>-</u>
Interest paid	(968)	-
Tax paid	(39)	-
Net cash from/(used in) operating activities	<u>(9,905)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	176	-
Proceeds from disposal of financial assets	10,957	-
Purchase of financial assets	(3,377)	-
Purchase of property, plant and equipment	(261)	-
Purchase of right-of-use assets	(16)	-
Proceeds from disposal of property, plant and equipment	6	-
Net dividend received	14	-
Net cash from/(used in) investing activities	<u>7,499</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans and borrowings, net drawdown/(repayment)	(1,091)	-
Repayment of lease liabilities	(168)	-
Net cash from/(used in) financing activities	<u>(1,259)</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE FINANCIAL PERIOD</b>	<u>(3,665)</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>11,762</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>8,097</u>	<u>-</u>

# SOUTH MALAYSIA INDUSTRIES BERHAD

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

---

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

## Unaudited Consolidated Statement of Cash Flows

12 Months Ended 30.6.2024 RM'000	12 Months Ended 30.6.2023 RM'000
---	---

### Cash and Cash Equivalents at the end of the financial period comprises:

Deposits, bank and cash balances	8,097	-
Bank overdrafts	-	-
	<u>8,097</u>	<u>-</u>

#### Note:

The Group has changed its financial year end from 31 December to 30 June. The previous audited financial statements were for the period of Eighteen (18 months) from 1 January 2022 to 30 June 2023 and thereafter, the financial year end shall be 30 June for each subsequent year. As such, there will be no comparative financial information available for the preceding year corresponding periods.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A1 Basis of Preparation

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 period ended 30 June 2023. 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 period ended 30 June 2023.

#### Change in Financial Year End

On 31 March 2023, the Company announced that the Board of Directors approved the change of the Company's financial year end from 31 December to 30 June. Due to the change, the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Unaudited Condensed Consolidated Statement of Changes in Equity and Unaudited Consolidated Statement of Cash Flows for the financial period ended 30 September 2023 are not comparable with the individual and cumulative quarter previously reported.

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 period ended 30 June 2023, except for the adoption of the following new standards and amendments to standards issued by Malaysian Accounting Standard Board ("MASB") which are effective for the financial period beginning on or after 1 January 2023:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the above new standards and amendments to standards has no significant impact on the financial statements of the Group.

The Group has not early adopted the following new standards and amendments to standards that have been issued by MASB but not yet effective for the Group:

#### Effective for financial periods beginning on or after 1 January 2024:

Amendments to MFRS 16	Lease liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 7 & 107	Supplier Financial Arrangements

#### Effective for financial periods beginning on or after 1 January 2025:

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

#### Effective for financial periods beginning on or after 1 January 2026:

Amendments to MFRS 9 & 7	Amendments to the Classification and Measurement of Financial Instruments
--------------------------	---

# **SOUTH MALAYSIA INDUSTRIES BERHAD**

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

---

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

### **A1 Basis of Preparation (Cont'd)**

Effective for financial periods beginning on or after 1 January 2027:

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19	Subsidiaries without Public Accountability

Effective date deferred to a date to be determined by MASB:

Amendments to MFRS 10 & 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
-----------------------------	---

The Group intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the abovementioned new standards and amendments to standards are not expected to have any significant impacts on the financial statements of the Group.

### **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 period 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 30 June 2024.

### **A7 Dividends Paid**

No dividend has been paid during the financial period ended 30 June 2024.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### 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

12 months ended 30.6.2024	Property Development RM'000	Property & Investment Holding RM'000	Manufacturing & Trading RM'000	Elimination RM'000	Total RM'000
<b>Segment Revenue</b>					
External revenue	4,951	7,592	21,905	-	34,448
Intersegment revenue	-	2,596	-	(2,596)	-
	<u>4,951</u>	<u>10,188</u>	<u>21,905</u>	<u>(2,596)</u>	<u>34,448</u>
<b>Segment Results</b>					
Profit/(Loss) from operations	(2,269)	4,471	(2,314)	-	(112)
Interest Income	123	11	27	-	161
Finance costs	(4)	(519)	(437)	-	(960)
Depreciation & amortisation	(14)	(437)	(1,582)	-	(2,033)
Profit/(Loss) before tax	<u>(2,164)</u>	<u>3,526</u>	<u>(4,306)</u>	<u>-</u>	<u>(2,944)</u>
Taxation	15	(1,235)	13	-	(1,208)
Net profit/(loss) attributable to owners of the parent	<u>(2,149)</u>	<u>2,290</u>	<u>(4,293)</u>	<u>-</u>	<u>(4,152)</u>
<b>Assets and Liabilities</b>					
Segment assets	24,369	114,134	17,191	-	155,694
Segment liabilities	<u>6,092</u>	<u>13,093</u>	<u>6,131</u>	<u>-</u>	<u>25,316</u>

#### 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.



# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

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

There were no material events subsequent to the current financial period ended 30 June 2024 up to the date of this report other than as announced by the Company:

- A. on 19 May 2023 in relation to: (1) a notice of intention dated 18 April 2023 received from Honsin Apparel Sdn Bhd ("Honsin") and HIQ Media (Malaysia) Sdn Bhd ("HIQ Media") to move resolutions requiring special notice pursuant to Sections 206(3) and 322 of the Companies Act 2016; (2) a request for record of depositors dated 26 April 2023 and 17 May 2023; and (3) the Originating Summons No. WA-24NCC-269-05/2023;
- B. Civil Appeal No. W-02 (NCC)(A)-1617-10/2023;
- C. Writ No. WA-22NCC-879-12/2023;
- D. Kuala Lumpur High Court Application No. WA-25-103-03/2024;
- E. Originating Summon No: JA-24NCC-12-03/2024;
- F. Write No. JA-22NCVC-28-03/2024;
- G. Writ No. JA-22NCC-48-07/2024; and
- H. Originating Summons No: WA-24NCC-302-07/2024

#### **A. Originating Summons No. WA-24NCC-269-05/2023 ("OS")**

During the case management held on 18 May 2023, the legal counsel for the Company, Messrs Gideon Tan Razali Zaini informed the Court that the 3rd to 7th defendants named in the OS (which are all the Directors of the Company) should not be named as parties to the OS and as such, the 3rd to 7th defendants reserve their rights and will apply to strike out the claim against them. Upon hearing the submissions from both parties, the Court gave the following directions:-

- (a) the defendants to file affidavit in reply to OS by 30 May 2023;
- (b) the parties to file any interlocutory applications by 30 May 2023;
- (c) the parties to file and exchange written submissions for the OS by 20 June 2023; and
- (d) the hearing for the OS is fixed on 17 August 2023.

The Company had on 30 May 2023 filed a striking out application to the OS filed against the 3rd to 7th defendants, however, such application was dismissed by the Court on 17 August 2023. The Court had also in the same hearing allowed Honsin and HIQ Media (collectively, "Plaintiffs") to amend the OS. As at 17 August 2023, the Court has yet to make any finding of facts in relation to the OS and the main hearing to determine the rights of the Plaintiffs to the record of depositors of the Company has been fixed on 11 September 2023.

The Court had during the hearing on 11 September 2023 reserved its decision and stated that its decision will only be delivered on 2 October 2023.

The Court in its decision which was given on 2 October 2023, allowed the Plaintiffs' Amended Originating Summons (Enclosure 39), and ordered the following:

- (i) a declaration that the Plaintiffs are entitled to the Record of Depositors of the Company ("ROD") as at 26 April 2023 and the ROD as at 17 May 2023 for the purposes of convening the proposed Extraordinary General Meeting ("EGM");
- (ii) an EGM of the Company may be convened pursuant to Section 314 of the Companies Act 2016 ("the Court Convened Meeting") within 50 days from the date of such order for the purpose of considering and if thought fit passing the resolutions set forth in the Plaintiff's notice dated 18 April 2023;

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

- (iii) the Company and the second defendant do, jointly and severally, provide the Plaintiffs with the ROD as at the next market day after the date of such order, within 3 market days immediately thereafter, in hardcopy only as furnished by Bursa Malaysia Depository Sdn Bhd ("BMDSB");
- (iv) the notice of the Court Convened Meeting may be issued by the Plaintiffs within 3 working days from the receipt of the ROD as required under (iii) above;
- (v) the Company and the second defendant do, jointly and severally, provide the Plaintiffs with the ROD as at a date not less than 3 market days before the Court Convened Meeting or any adjournment thereof at a time not less than 48 hours before the Court Convened Meeting or any adjournment in hardcopy only as furnished by BMDSB.

The Court also ordered that RM30,000 to be paid by the Company to the Plaintiffs as costs.

The legal counsel for the defendants have orally applied to Court for a stay of the order and the Court has granted an interim stay of the order until 16 October 2023 and the Court has fixed for the hearing of the stay of the order on 16 October 2023.

No orders were made by the Court against the Directors of the Company.

On 17 October 2023, the Court dismissed the Company's appeal for the stay of execution and ordered the Company to pay RM5,000 as costs to be awarded to the Plaintiffs.

The Company had on 17 October 2023 filed a notice of motion to the Court of Appeal applying for a stay of execution of the order dated 2 October 2023 given by the High Court in relation to the OS.

The Company had on 30 October 2023 received from the Plaintiffs a notice of appeal filed with the Court of Appeal, to appeal on part of the High Court order given in relation to the OS where certain prayers of the Plaintiffs have been dismissed by the High Court.

#### **B. Civil Appeal No. W-02 (NCC)(A)-1617-10/2023**

Upon hearing the submission from the parties on 27 October 2023, the Court of Appeal granted the Company a stay of execution of such High Court order dated 2 October 2023 pending a full appeal to be heard with Civil Appeal No. W-02 (NCC)(A)-1617-10/2023. The case management was fixed on 2 January 2024.

During the case management held on 2 January 2024, since the High Court has yet to provide its grounds of decision, the Court of Appeal has fixed another date on 6 March 2024 for parties to update on the status of filing of the court papers.

The Court of Appeal has fixed another further case management date on 5 June 2024 for parties to update the Court, particularly on the High Court Judge's ground of decision.

During the case management held on 5 June 2024, the Court of Appeal has fixed a further case management on 5 November 2024 to enable parties to update on the status of filing supplementary records of appeal as the High Court Judge in Originating Summons No. WA-24NCC-269-05/2023 has yet to provide his grounds of judgment.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

##### C. Writ No. WA-22NCC-879-12/2023

On 5 December 2023, the Company received from the solicitors of the Plaintiffs another Writ (Writ No. WA-22NCC-879-12/2023) and Statement of Claim filed with the High Court of Malaya in Kuala Lumpur.

The Plaintiffs have sought amongst others the following declarations:-

- (a) That the rights of the Plaintiffs have been violated and that amongst others the directors of the Company have failed to exercise their powers for the proper purpose and in good faith in requesting an extension of time to hold the 52nd Annual General Meeting of the Company ("52nd AGM");
- (b) That the application for an extension of time to hold the 52nd AGM was done with a common intention between the defendants to further strengthen their control over the board of directors of the Company;
- (c) That the extension of time given to the Company to hold the 52nd AGM is invalid, null and void and has no effect.

The Board of the Company however was of the view that the above suit was frivolous and vexatious as the allegations made against the defendants contain errors of facts and there was no cause of action as the issue of holding the 52nd AGM was a management prerogative. As such, the Board of the Company had given instruction to the Company's legal counsel to apply for striking out of the above suit.

The hearing of the striking out application was adjourned to 23 May 2024. The Company's legal counsel had applied for striking out at the hearing on 23 May 2023 and no decision was made on even date as the judge reserved his decision to be delivered on 13 June 2024.

The Company had on 23 December 2023 filed for a striking out application of the following suit seeking the following orders: -

- (i) That the Plaintiffs' Writ and Statement of Claim against 2nd to 6th and 14th Defendants be struck out;
- (ii) Any orders as to costs against Plaintiffs be on a solicitor-client indemnity basis;
- (iii) In the event that prayers (i) and/or (ii) above were allowed, such further order that the Plaintiffs' Writ and Statement of Claim filed against the Companies Commission of Malaysia which was named as the 16th Defendant be struck out; and/or
- (iv) Such further and/or other reliefs deemed fit and appropriate by the Court.

Before the hearing for striking out application having fixed on 23 May 2024, the Plaintiffs filed an amended Writ and amended Statement of Claim on 10 May 2024.

The Court in its decision which was given on 13 June 2024, ordered the following:

- (1) The Plaintiffs' Amended Writ dated 10 May 2024 and Amended Statement of Claim dated 10 May 2024 be struck out;
- (2) The Plaintiffs to pay RM15,000 as costs to the Company and its Board of Directors;
- (3) The Plaintiffs to pay RM15,000 as costs to Asian Pac Holdings Berhad and its Board of Directors;
- (4) The claim against the Companies Commission of Malaysia as the 16th Defendant be struck out.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

##### **D. Kuala Lumpur High Court Application No. WA-25-103-03/2024**

The Company had on 11 October 2023 written to Securities Commission of Malaysia ("SC") to follow up on the complaint lodged on 23 March 2023 by the Company with SC and the Takeover and Mergers Panel of SC ("Takeover Panel") in respect of a breach of Section 218(2) of the Capital Market Services Act 2007 ("CMSA") and Rule 15 of Rules on Take-Overs, Mergers and Compulsory Acquisitions ("Take-Over Rules") against Honsin and HIQ Media as well as the persons who are acting in concert with them because the Company has cogent evidence that Honsin and HIQ Media and the persons acting in concert with them had failed to make a mandatory general offer to the Company's shareholders pursuant to Section 218(2) of the CMSA, when it is the obligations of Honsin, HIQ Media and the persons acting in concert with them to do so. Further, Rule 15 of the Take-Over Rules also provides that a party required to make a mandatory general offer shall not be appointed to the board of the Company until the offer document is dispatched save and unless consent is granted by the SC. Such complaint was publicly announced via a press release dated 4 April 2023 and published by The Edge Markets. It was also reported by The Edge Markets on 10 April 2023 that the SC has received a complaint from the Company and the SC was looking into the matter. To-date, the SC has not given a written decision of SC and the Takeover Panel on the complaint lodged by the Company.

On 14 March 2024, the Company announced that on 13 March 2024, the Company had filed a judicial review against the SC, seeking for the following orders or reliefs:-

- (a) A Mandamus order to compel SC to conform with the rules of natural justice in giving due consideration to and conduct of a proper hearing on the Company's complaint dated 23 March 2023 regarding a breach of Section 218(2) of CMSA by Honsin and HIQ Media and other persons or parties acting in concert ("Complaint");
- (b) A Mandamus order to compel SC to make a proper and definitive decision on the Complaint in accordance with the proper procedures; and
- (c) Upon a proper and definitive decision of the Complaint being made by SC in accordance with proper procedures, such decision be communicated to the Company in writing, setting out the basis and reasons for such a decision; and/or
- (d) Further and/or in the alternatives, SC to comply with Section 364 of CMSA should the Company so request.

The leave application has been fixed for hearing on 29 April 2024.

On 30 April 2024, the Company referred to its announcement dated 14 March 2024 pertaining to its judicial review application vide Kuala Lumpur High Court Application No. WA-25-103-03/2024.

The Company announced that the hearing for leave to commence a judicial review against the OS which was fixed on 29 April 2024 was adjourned as the SC requested to be heard on the ex parte stage.

The Court directed the SC to file in a submission as to why they should be allowed to be heard on the ex parte stage by 3 May 2024, the Company to file in a reply by 17 May 2024 and for the SC to file in a reply (if any) by 24 May 2024.

The hearing for leave application to commence a judicial review against the SC was heard on 20 June 2024 and the High Court had on 29 July 2024 delivered its decision, refusing the Company's leave application to commence for judicial review against the SC.

The Company had on 19 August 2024 filed a Notice of Appeal with Civil Appeal No. W-01(IM)-545-08/2024. A new case management has been fixed on 18 November 2024. The Company shall file records of appeal enclosing the cause papers which was previously argued at the High Court before the case management on 18 November 2024.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

##### E. Originating Summon No: JA-24NCC-12-03/2024 ("OS")

On 26 March 2024, the Company in its announcement referred to its announcement dated 19 December 2023 on a material litigation wherein Honsin and HIQ Media had sought for amongst others, the following declaration:

- (a) That the extension of time given to the Company by the Companies Commission of Malaysia to hold its 52nd AGM is invalid, null and void and has no effect.

Further to the announcement above, the Company announced, on an urgent basis, that the Company has been served on 26 March 2024, with an OS together with a notice of application for an interlocutory injunction by Honsin which has been fixed for hearing on 27 March 2024, on inter alia, the following prayers/orders sought by Honsin:

- (b) To adjourn the 52nd AGM which has already been set on 27 March 2024 indefinitely until the disposal of the OS as mentioned above; and
- (c) In the alternative, for the 52nd AGM to proceed as usual to deal with the matters as set out therein and on completion of such matters, to adjourn the 52nd AGM indefinitely after that.

On 27 March 2024, the Company announced that the Court hearing which was scheduled on 27 March 2024 at 9am in relation to OS and the notice of application for an interlocutory injunction filed by Honsin to adjourn the 52nd AGM, has been adjourned by the Court and the new hearing date is scheduled on 3 April 2024. As such, no decision with regards to the interlocutory injunction sought by Honsin has been made. The Company encourages all shareholders to attend the 52nd AGM to be held on the same day.

On 1 April 2024, the Company made reference to its earlier announcement dated 26 March 2024, whereby the Company had announced that there is a notice of application for an interlocutory injunction ("NOA"), seeking to adjourn the 52nd AGM which was fixed for hearing at 9am on 27 March 2024, and which the Court has adjourned the hearing to 3 April 2024 per the Company's announcement dated 27 March 2024.

The Company announced that together with the NOA, an OS was also served, seeking the following orders:

- (i) the Company to circulate the candidate nomination notice provided by Honsin ("the Plaintiff") on 8 March 2024 to the registered shareholders of the Company in accordance with the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and
- (ii) the Company to take all necessary steps to propose the resolutions proposed by the Plaintiff in the Plaintiff's letter dated 8 March 2024 at the 52nd AGM scheduled to be held on 27 March 2024 or at any adjournment thereof.

The case management has been fixed on 13 May 2024 at 9am.

In any event, during the 52nd AGM which was held on 27 March 2024, the Chairman of the meeting had specifically invited Honsin or any other shareholders to propose any motion on their request for an adjournment of the 52nd AGM. Honsin's corporate representative in the 52nd AGM then proposed to adjourn the 52nd AGM arising out of the OS ("Adjournment").

Thereafter, the Chairman asked Honsin whether they require the vote for the Adjournment to be done by poll, to which Honsin confirmed they require a vote by poll.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

This proposed motion was put to vote pursuant to the Constitution of the Company and the shareholders had voted against the Adjournment, which was also announced by the Company on 27 March 2024. As such, the 52nd AGM thereafter concluded and closed on 27 March 2024.

On 1 April 2024, the Company's solicitors has received a letter from the solicitors of Honsin, stating to the Court that they intend to withdraw the NOA.

As such, the Company believes that the matters as set out in both the NOA and the OS as mentioned above are now academic as the 52nd AGM had already concluded and closed on 27 March 2024.

On 3 April 2024, the Company announced that the notice of application for an interlocutory injunction of Honsin to adjourn the 52nd AGM, which was fixed for hearing on 3 April 2024 was withdrawn by Honsin with RM3,000 costs ordered against Honsin to be paid to the Company.

On 5 April 2024, Mr. Mah Sau Cheong filed an intervention application to be added as a party to the OS.

On 19 April 2024, the Company filed a striking out application against the OS on the grounds, inter alia, that it is an exercise of futility on the part of Plaintiffs since the 52nd AGM had been concluded.

During the case management on 13 May 2024, the Court has fixed the next case management to be held on 9 July 2024, to set the hearing date for:

- (1) the striking out application filed by the Company against the OS; and
- (2) the intervention application by Mr. Mah Sau Cheong.

The Court has further adjourned the hearing to 10 December 2024.

#### F. Writ No. JA-22NCVC-28-03/2024

The Company announced that the Company has been served on 20 March 2024, with a writ of summons and notice of application for an interim injunction by Mr. Mah Sau Cheong, seeking for an order, amongst others:

- (a) to restrain the Company from tabling at its 52nd AGM on 27 March 2024, and/or any other general meeting thereafter or adjourned general meeting of the Company, the resolutions proposed in the notice of the Honsin dated 8 March 2024 and the notice of Chong Fu Shen dated 7 March 2024 until a full and final disposal of the suit;
- (b) to restrain Honsin and/or Chong Fu Shen from proposing the resolutions contained in their notices dated 8 March 2024 and 7 March 2024 respectively at the Company's 52nd AGM on 27 March 2024, and/or any other general meeting thereafter or adjourned general meeting of the Company until a full and final disposal of the suit;
- (c) to restrain Datuk Au Yee Boon from causing or procuring any other party or persons including Honsin, HIQ Media, Techbase Solutions Bhd (previously known as Prolexus Bhd), YB Ventures Bhd and its subsidiaries and/or personnel from moving any resolutions to remove and/or add directors to the Company until a full and final disposal of the suit;
- (d) to restrain Honsin and/or Chong Fu Shen from proposing any resolutions to remove and/or add directors to the Company pending a full and final disposal of the suit.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

On 22 April 2024, Chong Fu Shen filed a defense and counterclaim against Writ No. JA-22NCVC-28-03/2024 seeking for reliefs, amongst others: -

- (i) declaration that notwithstanding any complaints under Section 218(2) of CMSA read together with the Paragraph 15.01 of the Take-Over Rules, Chong Fu Shen had a legal, statutory and/or constitutional right to have his Nomination Notice dated 7 March 2024 properly circulated and considered at the 52nd AGM subject to any ruling or determination by the SC;
- (ii) declaration that the Company's Board's failure and/or refusal to circulate Chong Fu Shen's Nomination Notice dated 7 March 2024 premised on Mah Sau Cheong's unsubstantiated and baseless allegations is a breach of duty on their part as well as an interference with Chong Fu Shen's legal, statutory and/or constitutional rights;
- (iii) order that the 52nd AGM be reconvened on a date as may be determined by the Court and upon such terms as may be directed by the Court to consider the proposals made by Chong Fu Shen through his nomination notice dated 7 March 2024 with the further direction that any appointment voted for by the shareholders shall take effect from 27 March 2024; and
- (iv) that the Board of the Company post the 52nd AGM comprising of the 3rd to 6th Defendants or any one or more of them, whether through themselves or individually or through their agents, employees, nominees or otherwise howsoever shall be restrained and an injunction be granted to restrain them from exercising any power or authority to manage or administer or otherwise intermeddle in the business and affairs of the Company pending the disposal of this action and, if orders are granted under paragraph (c) herein, until the outcome of such reconvened annual general meeting.

On the same day, Chong Fu Shen also filed an application for injunction against the Company, its directors and Mah Sau Cheong to seek the same relief as paragraph (d) above.

On 21 May 2024, the Company and the other directors being the defendants of the counterclaim as aforementioned had filed a striking out application to strike out such counterclaim. A case management was fixed on 28 May 2024. During the case management, the Court had instructed the parties to file their cause papers and a hearing was fixed on 21 August 2024. The hearing is further adjourned to 17 November 2024.

#### **G. Writ No. JA-22NCC-48-07/2024**

The Company announced that the Company has been served by Mr. Mah Sau Cheong ("Plaintiff") through his solicitors on 11 July 2024 with a sealed copy of Writ of Summons No: JA-22NCC-48- 07/2024 and Statement of Claim. The aforesaid claim relates to a breach of Section 176 of Capital Markets and Services Act 2007 (Stock Market Manipulation). The Plaintiff is seeking, inter alia, the following prayers/orders:

- (a) that the Defendants other than the Company jointly and severally pay to the Plaintiff a sum of RM24,084,036.00 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024 ordinary shares) at the price of RM1.500 per share; or alternatively
- (b) that the Defendants other than the Company jointly and severally pay to the Plaintiff a sum of RM17,019,385.44 for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024 ordinary shares) at the price of RM1.060 per share; or alternatively
- (c) that the Defendants other than the Company jointly and severally pay to the Plaintiff general damages to be assessed by this Honourable Court for the deprivation of the Plaintiff's opportunity to receive a mandatory general offer for the Plaintiff's shares in the Company (16,056,024) shares; or alternatively

# **SOUTH MALAYSIA INDUSTRIES BERHAD**

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## **INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

---

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

#### **A10 Material Events Subsequent to the End of the Interim Period (Cont'd)**

- (d) that the Defendants other than the Company jointly and severally pay to the Plaintiff general damages to be assessed by this Honourable Court for the losses suffered by the Plaintiff due to the depressed mandatory general offer price in the event that the Defendants other than the Company were ordered to make a mandatory general offer to all the other remaining shareholders of the Company, including the Plaintiff.

On the case management which was fixed on 13 August 2024, the Court has given the following directions:-

- (i) The Company as the 1st Defendant to file its respective Defence by 25 September 2024; and
- (ii) Plaintiff to file Reply to the Company's Defence by 29 November 2024.

The next case management is fixed on 10 December 2024 for parties to update the Court on the status of filing cause papers and the service of cause papers.

The Company announced that the Company had on 27 August 2024 been served by the Plaintiff through his solicitors a sealed notice of application for an interim injunction vide Johor Bahru High Court vide Suit No. JA-22NCC-48-07/2024. The case management was fixed on 28 August 2024 at 9am.

The Plaintiff seeks for, inter alia, the following reliefs: -

- (1) An order that Honsin Apparel Sdn Bhd (2nd Defendant), HIQ Media Malaysia Sdn Bhd (3rd Defendant), Datuk Au Yee Boon (16th Defendant), Leong Seng Wui (28th Defendant), Velocity Capital Sdn Bhd (29th Defendant) and/or Target 1 Sdn Bhd (30th Defendant), whether by through themselves, their directors, officers, employees and/or agents are restrained and an injunction is granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover Offer dated 20 August 2024 to acquire shares in the Company until this suit is disposed of or until further order; and
- (2) An order that the Company, whether by themselves, their directors, officers, employees and/or agents be restrained and an injunction be granted to restrain them from taking further steps under the Notice of Unconditional Mandatory Takeover dated 20 August 2024 until this suit is disposed of or until further order.

The interim injunction by the Plaintiff is, inter alia, to maintain the status quo until full hearing or disposal of Suit No. JA-22NCC-48-07/2024 in relation to a breach of Section 176 of Capital Markets and Services Act 2007 (Stock Market Manipulation) by the Defendants other than the Company who are acting in concert conspired to manipulate and fix the price of the Company's shares to facilitate an unconditional mandatory take-over offer at RM0.45 per share whereas the offer price should be between RM1.06 to RM1.50 per share.

During the case management on 28 August 2024, the Court Registrar gave the following directions:

- (aa) the hearing for the Plaintiff's interim injunction application is fixed on 27 October 2024;
- (bb) the Defendants including the Company to file respective affidavits in reply by 17 September 2024;
- (cc) the Plaintiff and the Defendants to file respective 1st Written Submissions by 8 October 2024; and
- (dd) the Plaintiff and the Defendants to file respective Written Submissions in Reply by 25 October 2024.



# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A10 Material Events Subsequent to the End of the Interim Period (Cont'd)

##### H. Originating Summons No: WA-24NCC-302-07/2024

The Company announced that the Company had on 3 July 2024 filed for an application pursuant to Order 24 Rule 7A and/or Order 92 Rule 4 of the Rules of Court 2012 seeking amongst others the following orders: -

- (a) an order that Kenanga Investment Bank Berhad (the "Respondent") being the stockbroker for Target 1 Sdn Bhd and/or Velocity Capital Sdn Bhd provide the identities of the sellers and/or documents and full information pertaining to the related transactions set out below:
  - (i) The transaction by Velocity Capital Sdn Bhd and/or Target 1 Sdn Bhd in acquisition of 32,582,000 shares in the Company;
  - (ii) The transaction by Velocity Capital Sdn Bhd's acquisition of 2,500,000 in the Company's shares via open market by Target 1 Sdn Bhd on 5 June 2024; and/or
  - (iii) The transaction by Velocity Capital Sdn Bhd's in acquisition of 29,303,800 shares in the Company via Direct Business Transaction by Target 1 Sdn Bhd on 5 June 2024,(collectively being referred as "the said Transactions")

all as set out in the Notice of Interest of a Substantial Shareholder dated 7 June 2024;

- (b) an order that the Respondent delivers to the Company or the Company's Solicitors the identities of the sellers and/or documents and full information within seven (7) days of the order herein.
- (c) that the Respondent do forthwith set forth and disclose the identities and/or documents sought in prayers 1 and 2 above in the form of Affidavits filed in Court and served on the Applicant's solicitors within seven (7) days from the date of the Order herein;
- (d) that the Company is given the liberty to apply for any other documents that are in the possession, custody or control of the Respondent.

The grounds for the above application by the Company is that the Company believes that there is a possible breach of Section 176 of Capital Markets and Services Act 2007.

Further the Company believes the required identities, documents and or full information sought is important to supplement the Company's Securities Commission Complaint which is yet to resolve and such identities, documents and or full information sought will be fresh evidence to the on-going court proceedings involving the Company.

During the case management which was fixed on 17 July 2024 at 9am, the Company announced that the Court has instructed as follows: -

- (i) Respondent to file an affidavit in reply by 31 July 2024;
- (ii) Applicant to file an affidavit in reply by 21 August 2024;
- (iii) Parties to file the 1st submission by 12 September 2024;
- (iv) Parties to file the reply submission by 27 September 2024; and
- (v) Hearing has been fixed on 12 November 2024.

#### A11 Changes in the Composition of the Group

There were no changes in the composition of the Group during the current financial period ended 30 June 2024.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A12 Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities and contingent assets since 31 March 2024.

#### 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 30.6.2024 RM'000
Rental income received / receivable from related parties	1,258
Management fee paid/payable to related parties	1,426
Lease expenses paid/payable to related parties	19
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

Financial period ended 30.6.2024

	Revenue		Profit/(Loss) Before Tax	
	Current RM'000	Cummulative RM'000	Current RM'000	Cummulative RM'000
Property Development	2,093	4,951	262	(2,164)
Manufacturing & Trading	4,585	21,905	(1,379)	(4,306)
Property & Investment Holding	2,004	7,592	4,683	3,526
	<u>8,682</u>	<u>34,448</u>	<u>3,566</u>	<u>(2,944)</u>

The Group registered revenue of RM8.68 million and profit before tax of RM3.57 million in the current quarter ended 30 June 2024.

The Group registered revenue of RM34.45 million and loss before tax of RM2.94 million in the cumulative 12 months period ended 30 June 2024.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### 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

	Current Quarter 30.6.2024 RM'000	Immediate Preceding Quarter 31.3.2024 RM'000	Changes	
			RM'000	%
Revenue	8,682	7,323	1,359	19%
Profit/(Loss) Before Tax	3,566	(2,709)	6,275	232%

During the 3 months ended 30 June 2024, the Group's revenue of RM8.68 million represents an increase of RM1.36 million or 19% from the RM7.32 million revenue recorded in the preceding 3 months ended 31 March 2024 mainly due to higher contribution from the property development division.

The Group recorded a profit before tax of RM3.57 million in the current quarter, a higher profit of RM6.28 million as compared to a loss of RM2.71 million in the immediate preceding quarter mainly due to fair value gain of investment properties of RM6.39m.

#### B3 Commentary on Prospects

The Malaysian economy grew at a higher rate of 5.9% in the second quarter of 2024 driven by strong private consumption and public sector investments. Bank Negara Malaysia has projected growth of 4% to 5% in 2024 driven by resilient domestic expenditure with continued employment and wage growth and improvement in external demand and tourism sector.

The Group's car park business is expected to improve in line with the recovery in economic activities. 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 Kelana Jaya and the continuation of its existing projects in Perak. The manufacturing division will strive to minimise its losses whilst the investment holding division's rental income and car park income are expected to improve in line with the strengthening of the economic performance.

Faced with the uncertainties surrounding the geopolitical tensions on the global growth and the corresponding rise in global commodity prices, rising inflation and tightening in the global financial market conditions, the Group's result is not expected to improve.

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

Not applicable.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

B5 Taxation	3 months	12 months
	Ended	Ended
	30.6.2024	30.6.2024
	RM'000	RM'000
Taxation based on the results for the period:		
Malaysian taxation	28	30
Transfer to/(from) deferred taxation	1,043	1,181
	<u>1,071</u>	<u>1,211</u>
Under/(Over) provision of taxation in respect of prior year	-	(3)
	<u>1,071</u>	<u>1,208</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 30 June 2024.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### B7 Group Borrowings

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
<b>Current</b>		
Secured (RM denominated):-		
- Lease liabilities (fixed interest rate)	150	160
- Term loan (floating interest rate)	2,954	3,094
- Trust receipt (floating interest rate)	776	-
- Revolving credit (floating interest rate)	2,641	3,000
- Bank overdrafts (floating interest rate)	-	652
	<u>6,521</u>	<u>6,906</u>
<b>Non-current</b>		
Secured (RM denominated):-		
- Lease liabilities (fixed interest rate)	333	182
- Revolving credit (floating interest rate)	2,559	-
- Term loan (floating interest rate)	3,969	7,896
	<u>6,861</u>	<u>8,078</u>
<b>Borrowings maturity:</b>		
Less than one year	6,521	6,906
Later than one year and not later than two years	2,709	3,224
Later than two years and not later than five years	4,152	3,906
Later than five years	-	948
	<u>13,382</u>	<u>14,984</u>
 The weighted average effective rates per annum are as follows:		
- Lease liabilities	6.97%	5.84%
- Term loan	6.91%	6.75%
- Trust receipt	7.95%	-
- Revolving credit	5.78%	5.78%
- Bank overdrafts	7.75%	8.05%
 The proportion of debts are as follows:		
- Fixed interest rate	3.6%	2.3%
- Floating interest rate	<u>96.4%</u>	<u>97.7%</u>

#### B8 Derivative Financial Instruments

There were no derivative financial instruments as at financial period ended 30 June 2024.

#### B9 Material Litigation

As at the date of this report, there is no pending material litigation for the Group other than as disclosed in A10.

# SOUTH MALAYSIA INDUSTRIES BERHAD

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

## INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024

---

### NOTES TO THE INTERIM FINANCIAL REPORT

#### B10 Dividends

The Directors do not recommend any payment of dividend for the financial period ended 30 June 2024.

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

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

	<b>3 Months Ended 30.6.2024 RM'000</b>	<b>12 Months Ended 30.6.2024 RM'000</b>
(a) Other income including investment income	(76)	(373)
(b) Depreciation and amortisation	454	2,033
(c) Provision for and write-off/(write-back) of receivables	(18)	30
(d) Loss/(Gain) on disposal of quoted investments	264	720
(e) Foreign exchange loss/(gain)	4	2
(f) Impairment/(reversal) of other investment	(1)	(10)
(g) Inventories write-down / write-off	602	602
(h) Fair value adjustment of investment properties	(6,386)	(6,386)

Other than the above, there were no loss/(gain) on derivatives, and exceptional items for the current quarter and financial period ended 30 June 2024.

#### B12 Earnings per Share

	<b>3 Months Ended 30.6.2024 RM'000</b>	<b>12 Months Ended 30.6.2024 RM'000</b>
<b>(a) Basic Earnings per Share</b>		
Net profit/(loss) attributable to owners of the parent	2,495	(4,152)
Weighted average number of shares in issue ('000)	209,940	209,940
Basic earnings/(loss) per share (sen)	1.19	(1.98)

#### (b) Diluted Earnings per Share

There is no dilutive event as at 30 June 2024. Therefore, the diluted EPS is the same as the basic EPS.

# **SOUTH MALAYSIA INDUSTRIES BERHAD**

Registration No. 196901000152 (8482-D)

(Incorporated in Malaysia)

---

**INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2024**

---

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

### **B13 Subsequent Events**

On 20 August 2024, the Board of Directors had received a notice of unconditional mandatory take-over offer ("Notice") from TA Securities Holdings Berhad on behalf of Target 1 Sdn Bhd ("Offeror") to acquire all the remaining ordinary shares in South Malaysia Industries Berhad ("SMI Shares") which are not already held by the Offeror and its persons acting in concert for a cash offer price of RM0.45 per Offer Shares ("Offer Price"). The Board had announced the receipt of the Notice on 20 August 2024.

On 27 August 2024, the Company had issued the Notice to the shareholders of SMI.

Pursuant to Paragraph 3.06 of the Rules on Take-overs, Merges and Compulsory Acquisitions issued by the Securities Commission Malaysia, an independent adviser will be appointed by the Board in due course to provide comments, opinions, information and recommendation on the Offer.

By Order of the Board

**Tan Siew Chin**

Company Secretary

Kuala Lumpur

Date: 30 August 2024