

Interim Report
SMIS Corporation Berhad
 (Company No. 491857-V)
 (Incorporated in Malaysia)
and its subsidiaries

Condensed Consolidated Statement of Financial Position as at 30 September 2014
 (unaudited)

	Note	As at 30 September 2014 RM'000	As at 31 December 2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		32,240	31,570
Investment properties		461	477
Intangible assets		710	710
Deferred tax assets		1,561	1,286
Total non current assets		<u>34,972</u>	<u>34,043</u>
Current assets			
Inventories		15,183	16,753
Trade and other receivables		39,769	39,835
Current tax assets		873	546
Cash and cash equivalents		24,585	24,079
Total current assets		<u>80,410</u>	<u>81,213</u>
TOTAL ASSETS		<u>115,382</u>	<u>115,256</u>
Equity			
Share capital		44,800	44,800
Reserves		33,592	32,740
Less: 2,610,100 treasury shares, at cost		(1,173)	(1,166)
Total equity attributable to the shareholders of the Company		77,219	76,374
Non-controlling interests		5,944	4,888
Total equity		<u>83,163</u>	<u>81,262</u>
Non-current liabilities			
Other financial liabilities		426	426
Loans and borrowings	B8	2,126	2,227
Deferred tax liabilities		153	182
Total non current liabilities		<u>2,705</u>	<u>2,835</u>
Current liabilities			
Loans and borrowings	B8	4,606	5,498
Trade and other payables		24,063	24,638
Provision for warranties		489	489
Tax payable		356	534
Total current liabilities		<u>29,514</u>	<u>31,159</u>
TOTAL EQUITY AND LIABILITIES		<u>115,382</u>	<u>115,256</u>
Net assets per share (RM)		1.72	1.70

Note:-

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
SMIS Corporation Berhad
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Condensed Consolidated Statement of Comprehensive Income for the 9 months period ended 30 September 2014
(unaudited)

	Note	3 months period ended 30 September		9 months period ended 30 September	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		36,975	34,341	110,978	97,472
Cost of sales		(31,524)	(27,761)	(92,915)	(78,133)
Gross profit		5,451	6,580	18,063	19,339
Operating expenses		(4,747)	(3,988)	(13,423)	(11,949)
Other operating income		120	222	272	628
Operating profit / (Loss)		824	2,814	4,912	8,018
Financing costs		(115)	(141)	(366)	(446)
Interest income		34	33	130	143
Profit / (Loss) before taxation		743	2,706	4,676	7,715
Tax expense	B5	(468)	(962)	(1,717)	(2,815)
Profit after taxation		275	1,744	2,959	4,900
Other comprehensive income, net of tax					
Fair value reserve		-	19	-	55
Foreign currency translation differences for foreign operations		80	63	4	206
Other comprehensive income for the period, net of tax		80	82	4	261
Total comprehensive income for the period		355	1,826	2,963	5,161
Profit attributable to:					
Owners of the Company		238	1,555	2,080	4,172
Non-controlling interests		37	189	879	728
Profit for the period		275	1,744	2,959	4,900
Total comprehensive income attributable to :					
Owners of the Company		242	1,636	1,994	4,427
Non-controlling interests		113	190	969	734
Total comprehensive income for the period		355	1,826	2,963	5,161
Basic earnings per ordinary share (sen)	B12	0.56	3.68	4.93	9.88
Diluted earnings per ordinary share (sen)		N/A	N/A	N/A	N/A

Notes :-

N/A = Not applicable

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Condensed Consolidated Statement of Changes in Equity for the 9 months period ended 30 September 2014
 (unaudited)

	Attributable to the owners of the Company					Retained profits RM'000	Non- controlling interests RM'000	Total Equity RM'000
	Non- distributable		Distributable					
	Share capital RM'000	Share premium RM'000	Treasury share RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000			
At 1 January 2014	44,800	4,891	(1,166)	53	-	27,796	4,888	81,262
Derecognised of Cleon financial assets	-	-	-	-	-	(38)	38	-
Foreign currency translation differences for foreign operations	-	-	-	4	-	2	(2)	4
Total other comprehensive income for the financial period	-	-	-	4	-	(36)	36	4
Profit net of tax for the period	-	-	-	-	-	2,080	879	2,959
Total comprehensive income for the period	-	-	-	4	-	2,044	915	2,963
- Purchase of own shares	-	-	(7)	-	-	-	-	(7)
- Dividends to owners of the Company	-	-	-	-	-	(1,055)	-	(1,055)
- Dilution of share capital	-	-	-	-	-	(141)	141	-
Total transaction with owners of the company	-	-	(7)	-	-	(1,196)	141	(1,062)
At 30 September 2014	44,800	4,891	(1,173)	57	-	28,644	5,944	83,163
At 1 January 2013	44,800	4,891	(1,156)	(180)	88	24,355	4,373	77,171
Fair value of available-for-sale financial assets	-	-	-	-	(88)	-	-	(88)
Remeasurement of financial liabilities	-	-	-	-	-	281	-	281
Foreign exchange translation differences	-	-	-	233	-	-	8	241
Total other comprehensive income for the financial year	-	-	-	233	(88)	281	8	434
Profit net of tax for the year	-	-	-	-	-	4,217	737	4,954
Total comprehensive income for the period	-	-	-	233	(88)	4,498	745	5,388
- Purchase of own shares	-	-	(10)	-	-	-	-	(10)
- Dividends to owners of the Company	-	-	-	-	-	(1,057)	(158)	(1,215)
- Derecognition of subsidiary	-	-	-	-	-	-	(72)	(72)
Total transaction with owners of the company	-	-	(10)	-	-	(1,057)	(230)	(1,297)
At 31 December 2013	44,800	4,891	(1,166)	53	-	27,796	4,888	81,262

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.

Interim Report
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Condensed Consolidated Cash Flow Statement for the 9 months period ended 30 September 2014
(unaudited)

	For the 9 months period ended 30 September 2014 RM'000	For the 9 months period ended 30 September 2013 RM'000
Cash flows from operating activities		
Profit before taxation from operations	4,676	7,715
Adjustment for non-cash items:		
Depreciation of investment properties	17	17
Depreciation of plant and equipment	4,106	3,519
Dilution of NCI's shares capital	(141)	-
Gain on disposal of the investment in subsidiary	-	(71)
Loss/(Gain) on disposal of plant and equipment	1	(61)
Derecognised of Cleon	39	-
Fixed asset written off	-	2
Interest paid	310	420
Interest income	(130)	(143)
Unrealised foreign exchange (gain) / loss	(253)	83
Operating profit before changes in working capital	8,625	11,481
Changes in working capital:		
Inventories	1,570	(1,584)
Trade and other receivables	319	(4,387)
Trade and other payables	(1,504)	1,110
Cash (used in) / generated from operations	9,010	6,620
Income taxed paid	(2,776)	(2,125)
Income taxes refunded	250	-
Interest paid	(310)	(420)
Net cash (used in) / generated from operating activities	6,174	4,075
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,865)	(4,011)
Interest received	130	143
Proceed from disposal of property, plant and equipment	-	61
Net cash used in investing activities	(3,735)	(3,807)
Cash flows from financing activities		
Purchase of treasury shares	(7)	(10)
Repayment of hire-Purchase	(114)	(109)
Repayment of BA	(3,527)	(1,573)
Drawdown of BA	3,084	-
Drawdown/(Repayment) of other borrowing	(525)	2,027
Repayment of term loan	(96)	(691)
Dividend paid	(1,055)	(1,057)
Net cash used in financing activities	(2,240)	(1,413)
Net (decrease) / increase in cash and cash equivalents	199	(1,145)
Exchnage rate fluctuaction reserve	121	206
Cash and cash equivalents at 1 January	21,214	20,677
Cash and cash equivalents at 30 September	21,534	19,738
@		
@ Cash and cash equivalents comprise the following balance sheet amounts:		
Deposits placed with licensed banks	3,294	17,372
Cash and bank balances	21,291	5,384
Bank overdrafts	(3,051)	(3,018)
	21,534	19,738

(i)

For the 9 months period ended 30 September 2014, the Group acquired property, plant and equipment amounting to RM4,961,261 of which RM 928,955 was accrued for. There was payment for assets capitalised in year ended 31 December 2013 amounting to RM 3,156.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2013 and the accompanying explanatory notes attached to the interim financial statements.