

# **SMIS Corporation Berhad**

Registration No. 199901016957 (491857–V)  
(Incorporated in Malaysia)

Interim Financial Report  
31 March 2024

**Interim Financial Report**  
**SMIS Corporation Berhad**  
Registration No. 199901016957 (491857-V)  
(Incorporated in Malaysia)  
**and its subsidiaries**

**Unaudited Condensed Consolidated Statements of Financial Position**

	Note	As at 31 March 2024 RM'000	As at 31 December 2023 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		27,797	27,976
Right-of-use assets		15,861	16,229
Deferred tax assets		5	5
<b>Total non-current assets</b>		43,663	44,210
<b>Current assets</b>			
Inventories		22,062	23,240
Tax recoverable		390	348
Trade and other receivables		26,117	25,195
Prepayments		1,566	708
Cash and cash equivalents		37,262	38,385
<b>Total current assets</b>		87,397	87,876
<b>TOTAL ASSETS</b>		<b>131,060</b>	<b>132,086</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		49,691	49,691
Reserves		32,590	30,356
Less: 2,637,000 treasury shares, at cost		(1,192)	(1,192)
Total equity attributable to the shareholders of the Company		81,089	78,855
Non-controlling interest		19,675	18,229
<b>Total equity</b>		100,764	97,084
<b>Non-current liabilities</b>			
Loans and borrowings	B8	2,710	2,818
Lease liabilities		2,535	2,545
Deferred tax liabilities		511	511
Provision		92	74
<b>Total non-current liabilities</b>		5,848	5,948

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**Unaudited Condensed Consolidated Statements of Financial Position (Continued)**

	Note	As at 31 March 2024 RM'000	As at 31 December 2023 RM'000
<b>Current liabilities</b>			
Loans and borrowings	<b>B8</b>	428	428
Lease liabilities		765	858
Trade and other payables		22,742	27,248
Tax payable		513	520
<b>Total current liabilities</b>		24,448	29,054
<b>Total liabilities</b>		30,296	35,002
<b>TOTAL EQUITY AND LIABILITIES</b>		131,060	132,086
<b>Net assets per share (RM)</b>		<b>1.81</b>	<b>1.76</b>

The Unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial reports.

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**Unaudited Condensed Consolidated Statements of Comprehensive Income for the Period Ended 31 March 2024**

	Note	3 months period ended 31 March	
		2024 RM'000	2023 RM'000
<b>Continuing operations</b>			
<b>Revenue</b>		42,495	41,848
Cost of sale		(34,553)	(36,587)
<b>Gross profit</b>		7,942	5,261
Operating expenses		(4,564)	(3,951)
Other operating income		560	235
<b>Operating profit</b>		3,938	1,545
Finance costs		(47)	(56)
Interest income		15	20
Profit before taxation		3,906	1,509
Tax expenses	<b>B5</b>	(280)	-
<b>Profit for the period</b>		3,626	1,509
<b>Other comprehensive income, net of tax</b>			
<b>Item that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of foreign operations		54	847
<b>Total other comprehensive income for the period, net of tax</b>		54	847
<b>Total comprehensive income for the period</b>		3,680	2,356
<b>Profit attributable to:</b>			
Owners of the Company		2,180	1,068
Non-controlling interests		1,446	441
		3,626	1,509
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		2,234	1,905
Non-controlling interests		1,446	451
		3,680	2,356
<b>Basic earnings per ordinary share (sen)</b>	<b>B11</b>	<b>5.17</b>	<b>2.53</b>

The Unaudited Condensed Consolidated Statements 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 2023 and the accompanying explanatory notes to the interim financial reports.

**Unaudited Condensed Consolidated Statements of Changes in Equity for the Period Ended 31 March 2024**

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Foreign currency translation reserve RM'000	Distributable Retained profits RM'000			
<b>At 1 January 2024</b>	49,691	(1,192)	347	30,009	78,855	18,229	97,084
Profit net of tax for the financial period	-	-	-	2,180	2,180	1,446	3,626
Other comprehensive income for the financial period	-	-	54	-	54	-	54
<b>Total comprehensive income for the financial period</b>	-	-	54	2,180	2,234	1,446	3,680
<b>At 31 March 2024</b>	<b>49,691</b>	<b>(1,192)</b>	<b>401</b>	<b>32,189</b>	<b>81,089</b>	<b>19,675</b>	<b>100,764</b>

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**Unaudited Condensed Consolidated Statements of Changes in Equity for the Period Ended 31 March 2024 (Continued)**

	← <b>Attributable to owners of the Company</b> →				<b>Total</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share capital</b>	<b>Treasury shares</b>	<b>Foreign currency translation reserve</b>	<b>Retained profits</b>			
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 1 January 2023</b>	49,691	(1,192)	(764)	24,938	72,673	14,969	87,642
(Loss)/Profit net of tax for the financial year	-	-	-	(385)	(385)	1,793	1,408
Other comprehensive loss for the financial year	-	-	1,111	-	1,111	14	1,125
<b>Total comprehensive income/(loss) for the financial year</b>	-	-	1,111	(385)	726	1,807	2,533
Dividend paid on shares	-	-	-	-	-	(191)	(191)
Changes in ownership interests in subsidiaries	-	-	-	5,456	5,456	1,644	7,100
<b>Total transaction with owners of the Company</b>	-	-	-	<b>5,456</b>	<b>5,456</b>	<b>1,453</b>	<b>6,909</b>
<b>At 31 December 2023</b>	<b>49,691</b>	<b>(1,192)</b>	<b>347</b>	<b>30,009</b>	<b>78,855</b>	<b>18,229</b>	<b>97,084</b>

The Unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial reports.

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**Unaudited Condensed Consolidated Statement of Cash Flows for the  
Period Ended 31 March 2024**

	<b>3 months period ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash Flows From Operating Activities</b>		
Profit before tax	3,906	1,509
<b>Adjustment for non-cash items:-</b>		
Non-cash items arising from property, plant and equipment, right-of-use assets, and investment properties	1,406	1,640
Interest income	(15)	(20)
Interest expense on borrowings	43	51
Interest expense on lease obligations	4	5
Unrealised gain on foreign currency exchange	(109)	(162)
<b>Operating profit before working capital changes</b>	<u>5,235</u>	<u>3,023</u>
<b>Changes in working capital:-</b>		
Inventories	1,177	(312)
Receivables	(1,671)	1,799
Payables	(4,491)	(4,865)
<b>Cash generated from/(used in) operations</b>	<u>250</u>	<u>(355)</u>
Interest paid	(4)	(5)
Tax paid	(329)	(192)
<b>Net cash used in operating activities</b>	<u>(83)</u>	<u>(552)</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property, plant and equipment	(804)	(1,610)
Interest received	15	20
<b>Net cash used in investing activities</b>	<u>(789)</u>	<u>(1,590)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from equity interest to non-controlling interests	-	892
Net repayment of borrowings	(107)	(107)
Interest paid	(43)	(51)
Repayment of lease liabilities	(81)	(91)
Dividend paid to non-controlling interests in subsidiary	-	(191)
<b>Net cash (used in)/generated from financing activities</b>	<u>(231)</u>	<u>452</u>

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**Unaudited Condensed Consolidated Statement of Cash Flows for the  
Period Ended 31 March 2024 (Continued)**

	<b>3 months period ended 31 March</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Effect of exchange rate changes</b>	(20)	182
<b>Net decrease in cash and cash equivalents</b>	(1,123)	(1,508)
<b>Cash and cash equivalents brought forward</b>	38,385	25,028
<b>Cash and cash equivalents carried forward</b>	<u>37,262</u>	<u>23,520</u>
<b>@</b>		
<b>@ Cash and cash equivalents comprise of the following:-</b>		
Deposits placed with licensed banks	6,055	-
Cash and bank balances	<u>31,207</u>	<u>23,520</u>
	<u>37,262</u>	<u>23,520</u>

The Unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes to the interim financial reports.



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**A Notes to the Interim Financial Report on Consolidated Results  
for the Period Ended 31 March 2024**

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**A1 Basis of preparation**

This interim financial report is based on the unaudited financial statements for the quarter ended 31 March 2024 and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting in Malaysia. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023.

**A2 Changes in Accounting Policies**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 December 2023.

**A3 Auditors’ report on preceding annual financial statements**

The auditors’ report on the financial statements for the year ended 31 December 2023 was not subject to any qualifications.

**A4 Seasonal or cyclical factors**

The Malaysian Automotive Association (“MAA”), reported that passenger vehicles recorded 184,994 new registrations for the period ended 31 March 2024, which represents a 7.58% increase as compared to 171,964 units for the corresponding period in the previous year.

**A5 Unusual nature and amount of items affecting assets, liabilities, equity, net income and cash flows**

There were no unusual items which affected the the assets, liabilities, equity, net income and cash flows of the Group during the quarter under review.

**A6 Material changes in estimates of amounts reported in prior periods in current financial year or prior financial years which have material effect in the current interim period**

There were no material changes in estimates during the quarter under review.

**A7 Dividend**

There were no dividends paid during the quarter under review.

**A8 Debts and equity securities**

During the quarter under review, the Company did not purchase any ordinary shares from the open market. Aside from the above, there were no new debts and equity securities issued during the quarter.

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**A Notes to the Interim Financial Report on Consolidated Results  
for the Period Ended 31 March 2024 (Continued)**

**A9 Segmental reporting**

Segmental analysis of the results and assets employed for the period ended 31 March 2024:

Business segments	Automotive	Machinery	Others	Consolidated
	Parts	Parts		
	RM'000	RM'000	RM'000	RM'000
Revenue from external customers	41,635	860	-	42,495
Segment results	4,368	(203)	(227)	3,938
Interest income				15
Finance costs				(47)
Profit before taxation				3,906
Tax expenses				(280)
Profit from continuing operations, net of tax				3,626
Profit from discontinued operation, net of tax				-
Profit after taxation				3,626
Exchange differences on translation of foreign operations				54
Total comprehensive income for the year				3,680
Segment assets	94,178	19,787	18,162	132,127
Unallocated corporate assets	84	309	1	394
<b>Total assets</b>				<b>132,521</b>
Segment liabilities	29,086	95	1,553	30,734
Unallocated corporate liabilities	1,023	-	-	1,023
<b>Total liabilities</b>				<b>31,757</b>
Capital expenditure	3,495	-	-	3,495
Depreciation and amortisation	1,237	57	112	1,406

**A10 Statement on the effect on interim results concerning valuation of property, plant and equipment brought forward without amendment from the previous annual financial statements**

There were no valuations of property, plant and equipment performed or brought forward from the previous financial year.

**A11 Material events**

In the opinion of the Directors, there are no items, transactions or events of a material and unusual nature which have arisen since 31 March 2024 to the date of this announcement.

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**A Notes to the Interim Financial Report on Consolidated Results  
for the Period Ended 31 March 2024 (Continued)**

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**A12 Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter.

**A13 Contingent assets and contingent liabilities**

There were no contingent assets and contingent liabilities for the current quarter.

**A14 Capital commitments**

The capital commitments of the Group for the quarter under review are as follows:

	<b>As at 31.3.2024 RM'000</b>	<b>As at 31.3.2023 RM'000</b>
Plant and equipment contracted but not provided for in the financial statements	3,495	178

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**B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”)  
Main Market Listing Requirements**

**B1 Review of performance**

	Individual and Cumulative Period				
	Current Year	Preceding Year		Changes	
	Quarter	Quarter			
	31.03.2024 RM'000	31.03.2023 RM'000	RM'000	%	
Revenue	42,495	41,848	647	1.5	
Gross profit	7,942	5,261	2,681	51.0	
Profit before interest and taxation	3,938	1,545	2,393	154.9	
Profit before taxation	3,906	1,509	2,397	158.8	
Profit after taxation	3,626	1,509	2,117	140.3	
Profit attributable to the owners of the company	2,180	1,068	1,112	104.1	

The Group reported revenue of RM42.49m and profit before taxation (“PBT”) of RM3.91m for the current quarter (“Q1'24”) as compared to revenue of RM41.85m and PBT of RM1.51m recorded in the previous year's corresponding quarter (“Q1'23”). Despite the revenue having remained consistent, Q1'24 recorded a higher PBT as compared to Q1'23 mainly due to the better margin from the product mix and the effective cost control from carpet segment.

**Automotive parts**

Revenue from the carpet segment in Malaysia increased by RM3.23m to RM24.92m mainly contributed by increased in demand from Honda. The segment recorded a PBT of RM3.82m compared to PBT of RM1.25m in Q1'23 as a result of better margin from product mix and effective cost control.

In Indonesia, the revenue increased by RM1.05m to RM5.27m mainly due to increase in demand from Daihatsu. It recorded a PBT of RM0.06m in Q1'24.

Revenue from braking components decreased by RM2.40m to RM11.44m due to decrease in sales to Proton and Thailand market. The segment recorded a higher PBT of RM0.44m compared to PBT of RM0.08m in Q1'23 as a result of effective cost control.

**Machinery parts**

Revenue for Q1'24 decreased by RM1.24m to RM0.86m. It recorded a loss before taxation (“LBT”) of RM0.19m compared to PBT RM0.20m in Q1'23 as a result of decrease in sales.

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**B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”)  
Main Market Listing Requirements (Continued)**

**B2 Variation of results against preceding quarter**

	<b>Current Quarter 31.03.2024 RM'000</b>	<b>Immediate Preceding Quarter 30.12.2023 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	42,495	41,271	1,224	3.0
Gross profit	7,942	5,615	2,327	41.4
Profit/(Loss) before interest and taxation	3,938	(160)	4,098	N/M
Profit/(Loss) before taxation	3,906	(108)	4,014	N/M
Profit/(Loss) after taxation	3,626	(1,424)	5,050	N/M
Profit/(Loss) attributable to the owners of the company	2,180	(1,736)	3,916	N/M

*Note: N/M = not meaningful*

The Group’s revenue for the reporting period has increased by RM1.22m in comparison to the immediate preceding quarter ("Q4'23"). It recorded a PBT of RM3.91m as compared to LBT of RM0.11m in Q4'23 as a result of an increase in sales and there was a provision made for Indonesia import duty in Q4'23.

**Automotive parts**

Revenue from the carpet segment in Malaysia having remained consistent with a slight decrease of RM0.01m to RM24.92m as compared to Q4'23. Despite the revenue having remained consistent, the segment recorded a higher PBT of RM3.82m in Q1'24 as there was a provision of employees' bonus made in Q4'23.

In Indonesia, the revenue decreased by RM0.11m to RM5.27m as compared to Q4'23. Despite the revenue having remained consistent, it recorded a PBT of RM0.06m as compared to LBT of RM0.86 in Q4'23 which was due to the provision made for Indonesia import duty of RM1.46m in Q4'23.

Revenue from braking components increased by RM1.27m to RM11.44m as compared to Q4'23. The segment recorded a PBT of RM0.44m as compared to LBT of RM0.59m in Q4'23 as a results of increase in sales.

**Machinery parts**

Revenue for Q1'24 increased by RM0.07m to RM0.86m. It recorded a lower LBT of RM0.19m compared to LBT of RM0.28m in Q4'23 as a result of increase in sales.

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**B Additional Information Required by Bursa Malaysia Securities Berhad ("Bursa Malaysia")**  
**Main Market Listing Requirements (Continued)**

**B3 Prospects for 2024**

**Automotive parts**

Malaysian Automotive Association ("MAA") industry forecast for 2024 are as follows:

<b>Market segment</b>	<b>2024 Forecast</b>	<b>2023 Actual</b>	<b>Variance Units</b>	<b>%</b>
Passenger vehicles	666,000	719,160	(53,160)	(7.4)
Commercial vehicles	74,000	80,571	(6,571)	(8.2)
<b>Total vehicles</b>	<b>740,000</b>	<b>799,731</b>	<b>(59,731)</b>	<b>(7.5)</b>

Based on the above, the local automotive parts segment is expected to perform in line with the industry forecast.

**Machinery parts**

The Management remain cautious of its performance as the market remains competitive. Nonetheless, Management will continue to strive to increase sales for the following quarter.

**B4 Profit estimate, forecast, projection or internal targets and profit guarantee**

The Group did not announce or provide any profit estimate, forecast, projection or internal targets for the period ended 31 March 2024.

**B5 Taxation**

	<b>3 months period ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Income tax expenses:		
Current income tax:		
- Current year	280	-
- Prior year	-	-
Deferred tax:		
- Origination and reversal of temporary differences	-	-
	<u>280</u>	<u>-</u>

The effective tax rate for the financial period under review was lower than the statutory tax rate due to the availability of unutilised tax losses in certain subsidiaries.

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**B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”)  
Main Market Listing Requirements (Continued)**

**B6 Status of corporate proposals announced**

The Group does not have any corporate proposals at the date of this announcement.

**B7 Notes to the Statements of Comprehensive Income**

Profit for the period is arrived after crediting/(charging):

	<b>3 months period ended</b>	
	<b>31.03.2024</b>	<b>31.03.2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	15	20
Other income including investment income	451	21
Interest expenses	(47)	(56)
Depreciation and amortisation	(1,406)	(1,640)
Development cost	(61)	(115)
Net foreign currency exchange (loss)/gain	(91)	24

Other than the above, there was no gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items included in the results for the current period ended 31 March 2024.

**B8 Group borrowings**

	<b>As at 31 March 2024</b>			<b>As at 31 March 2023</b>		
	<b>Long term</b>	<b>Short term</b>	<b>Total</b>	<b>Long term</b>	<b>Short term</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Secured:-</b>						
Term loans	2,710	428	3,138	3,139	428	3,567
	<u>2,710</u>	<u>428</u>	<u>3,138</u>	<u>3,139</u>	<u>428</u>	<u>3,567</u>

All the above borrowings are denominated in Ringgit Malaysia and the Group does not have any foreign denominated borrowings or any unsecured borrowings. The term loans bears interest rate range from 4.47% to 4.72% per annum.

**B9 Material litigation**

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

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**B Additional Information Required by Bursa Malaysia Securities Berhad (“Bursa Malaysia”)  
Main Market Listing Requirements (Continued)**

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**B10 Dividend**

The Board of Directors does not recommend any dividend for the current period ended 31 March 2024.

**B11 Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share for the quarter is based on the following:

	<b>For the quarter ended 31.03.2024 RM'000</b>
Profit attributable to Owners of the Company	2,180
Profit attributable to Non-Controlling Interests	1,446
Profit for the period	<u>3,626</u>
Weighted average number of ordinary shares	<u>42,163</u>
Basic earnings per share (sen)	<u>5.17</u>

There were no dilutive potential ordinary shares outstanding as at 31 March 2024 and that of the previous financial year. As a result, there were no diluted earnings per share for the financial period ended 31 March 2024 and the previous financial period.