

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

Condensed Consolidated Statement of Financial Position as at 31 March 2014
 (unaudited)

	Note	As at 31 March 2014 RM'000	As at 31 December 2013 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		30,987	31,570
Investment properties		471	477
Intangible assets		710	710
Deferred tax assets		1,356	1,286
Total non current assets		<u>33,524</u>	<u>34,043</u>
Current assets			
Inventories		16,646	16,753
Trade and other receivables		40,760	39,835
Current tax assets		874	546
Cash and cash equivalents		20,348	24,079
Total current assets		<u>78,628</u>	<u>81,213</u>
TOTAL ASSETS		<u>112,152</u>	<u>115,256</u>
Equity			
Share capital		44,800	44,800
Reserves		33,505	32,740
Less: 2,600,100 treasury shares, at cost		(1,166)	(1,166)
Total equity attributable to the shareholders of the Company		77,139	76,374
Non-controlling interests		5,606	4,888
Total equity		<u>82,745</u>	<u>81,262</u>
Non-current liabilities			
Other financial liabilities		426	426
Loans and borrowings	B8	2,183	2,227
Deferred tax liabilities		413	182
Total non current liabilities		<u>3,022</u>	<u>2,835</u>
Current liabilities			
Loans and borrowings	B8	5,055	5,498
Trade and other payables		20,404	24,638
Provision for warranties		489	489
Tax payable		437	534
Total current liabilities		<u>26,385</u>	<u>31,159</u>
TOTAL EQUITY AND LIABILITIES		<u>112,152</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
 (Company No. 491857-V)
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Condensed Consolidated Statement of Comprehensive Income for the 3 months period ended 31 March 2014
 (unaudited)

	Note	3 months period ended 31 March		3 months period ended 31 March	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue		35,482	29,798	35,482	29,798
Cost of sales		(29,597)	(23,910)	(29,597)	(23,910)
Gross profit		5,885	5,888	5,885	5,888
Operating expenses		(3,694)	(3,865)	(3,694)	(3,865)
Other operating income		251	182	251	182
Operating profit / (Loss)		2,442	2,205	2,442	2,205
Financing costs		(468)	(142)	(468)	(142)
Interest income		45	32	45	32
Profit / (Loss) before taxation		2,019	2,095	2,019	2,095
Tax expense	B5	(509)	(817)	(509)	(817)
Profit after taxation		1,510	1,278	1,510	1,278
Other comprehensive income, net of tax					
Fair value reserve		-	8	-	8
Foreign currency translation differences for foreign operations		(25)	7	(25)	7
Other comprehensive income for the period, net of tax		(25)	15	(25)	15
Total comprehensive income for the period		1,485	1,293	1,485	1,293
Profit attributable to:					
Owners of the Company		969	975	969	975
Non-controlling interests		541	303	541	303
Profit for the period		1,510	1,278	1,510	1,278
Total comprehensive income attributable to :					
Owners of the Company		883	990	883	990
Non-controlling interests		602	303	602	303
Total comprehensive income for the period		1,485	1,293	1,485	1,293
Basic earnings per ordinary share (sen)	B12	2.30	2.31	2.30	2.31
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 3 months period ended 31 March 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	-	-	-	-	-	(40)	35	(5)
Foreign currency translation differences for foreign operations	-	-	-	(23)	-	-	1	(22)
Total other comprehensive income for the financial period	-	-	-	(23)	-	(40)	36	(27)
Profit net of tax for the period	-	-	-	-	-	969	541	1,510
Total comprehensive income for the period	-	-	-	(23)	-	929	577	1,483
- Dilution of share capital	-	-	-	-	-	(141)	141	-
Total transaction with owners of the company	-	-	-	-	-	(141)	141	-
At 31 March 2014	44,800	4,891	(1,166)	30	-	28,584	5,606	82,745
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.

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Condensed Consolidated Cash Flow Statement for the 3 months period ended 31 March 2014
(unaudited)

	For the 3 months period ended 31 March 2014 RM'000	For the 3 months period ended 31 March 2013 RM'000
Cash flows from operating activities		
Profit before taxation from operations	2,019	2,095
Adjustment for non-cash items:		
Depreciation of investment properties	5	6
Depreciation of plant and equipment	1,236	978
Dilution of NCI's shares capital	(141)	-
Derecognised of Cleon	40	-
Loss on disposal of plant and equipment	1	-
Interest paid	417	135
Interest income	(233)	(32)
Unrealised foreign exchange (gain) / loss	86	(7)
Operating profit before changes in working capital	3,430	3,175
Changes in working capital:		
Inventories	107	264
Trade and other receivables	(1,012)	(2,640)
Trade and other payables	(4,233)	(2,209)
Cash (used in) / generated from operations	(1,708)	(1,410)
Income taxed paid	(1,023)	(729)
Income taxes refunded	250	-
Interest paid	(417)	(135)
Net cash (used in) / generated from operating activities	(2,898)	(2,274)
Cash flows from investing activities		
Purchase of property, plant and equipment	(655)	(454)
Interest received	233	32
Net cash used in investing activities	(422)	(422)
Cash flows from financing activities		
Purchase of treasury shares	-	(4)
Repayment of hire-Purchase	(38)	(36)
Repayment of BA	(492)	(193)
Drawdown of BA	188	-
Repayment of other borrowing	(301)	521
Repayment of term loan	(32)	(328)
Net cash used in financing activities	(675)	(40)
Net (decrease) / increase in cash and cash equivalents	(3,995)	(2,736)
Exchange rate fluctuaction reserve	76	7
Cash and cash equivalents at 1 January	21,214	20,677
Cash and cash equivalents at 31 Mar	17,295	17,948
@ Cash and cash equivalents comprise the following balance sheet amounts:		
Deposits placed with licensed banks	3,251	5,310
Cash and bank balances	17,096	15,695
Bank overdrafts	(3,052)	(3,057)
	17,295	17,948

(i)

For the 3 months period ended 31 March 2014, the Group acquired property, plant and equipment amounting to RM892,492 of which RM 421,618 was accrued for. There was payment for assets capitalised in year ended 31 December 2013 amounting to RM 875,237.

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.