



SAPURA RESOURCES BERHAD
(Company No.: 3136-D)

Interim Financial Report for the 12 months ended 31st January 2007

The Directors of Sapura Resources Berhad (SRB) are pleased to announce the unaudited financial results of the Group for the 12 months ended 31st January 2007

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Condensed Consolidated Income Statements

	Note	3 Months Ended		12 Months Ended	
		31.01.2007 RM'000	31.01.2006 RM'000	31.01.2007 RM'000	31.1.2006 RM'000
Continuing Operations					
Revenue	7	33,480	8,326	69,043	38,034
Expenses		(37,544)	(6,671)	(76,726)	(32,325)
Other income		1,576	(84)	2,963	1,551
Finance income		-	-	-	-
Finance cost		(2,135)	(173)	(6,915)	(3,190)
Share of loss of associates		22	(445)	(151)	(507)
Results arising from investing activities		2,068	(860)	2,068	(860)
(Loss)/profit before taxation	7	<u>(2,533)</u>	<u>93</u>	<u>(9,718)</u>	<u>2,703</u>
Taxation	18	<u>(13)</u>	<u>(1)</u>	<u>(56)</u>	<u>(21)</u>
(Loss)/profit for the period from continuing operations		(2,546)	92	(9,774)	2,682
Discontinued Operation					
Loss for the period from discontinued operation		(2)	(1,286)	(723)	(2,129)
(Loss)/profit for the period		<u>(2,548)</u>	<u>(1,194)</u>	<u>(10,497)</u>	<u>553</u>
Attributable to :					
Equity holders of the company		(2,499)	(1,019)	(10,448)	943
Minority Interests		(49)	(175)	(49)	(390)
		<u>(2,548)</u>	<u>(1,194)</u>	<u>(10,497)</u>	<u>553</u>
Loss per share attributable to equity holders of the company (sen) :					
Basic, for loss from continuing operations	26	(1.82)	0.07	(7.00)	1.92
Basic, for loss from discontinued operation	26	(0.00)	(0.92)	(0.52)	(1.53)
Basic, for loss for the year		<u>(1.83)</u>	<u>(0.86)</u>	<u>(7.52)</u>	<u>0.40</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements

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Condensed Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent							Minprity Interest	Total Equity	
	Non-distributable					Distributable				
	Foreign		Revaluation Reserve	Capital Reserve	Other Reserve	General Reserve	Retained Earnings			TOTAL
	Share Capital	Exchange Reserve								
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
For The 12 Months Period Ended 31 Jan 2006										
Balance as at 1.2.2005	139,600	57	2,302	1,481	25	1,100	24,672	169,237	363	169,600
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	73	73
Foreign entity translation differences	-	1	-	-	-	-	-	1	3	4
Dividends Paid							(3,015)	(3,015)	-	(3,015)
Net profit for the period	-	-	-	-	-	-	943	943	(390)	553
At 31 Jan 2006	139,600	58	2,302	1,481	25	1,100	22,600	167,166	49	167,215
For The 12 Months Period Ended 31 Jan 2007										
Balance as at 1.2.2006										
As previously stated	139,600	58	2,302	1,481	25	1,100	22,600	167,166	49	167,215
Effect of adopting FRS 3	-	-	-	-	(25)	-	25	-	-	-
As restated	139,600	58	2,302	1,481	-	1,100	22,625	167,166	49	167,215
Foreign entity translation differences	-	(14)	-	-	-	-	-	(14)	-	(14)
Disposal of subsidiary	-	(44)	-	-	-	-	-	(44)	-	(44)
Dividends Paid	-	-	-	-	-	-	(2,010)	(2,010)	-	(2,010)
Net loss for the period	-	-	-	-	-	-	(10,448)	(10,448)	(49)	(10,497)
At 31 Jan 2007	139,600	-	2,302	1,481	-	1,100	10,167	154,650	-	154,650

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements

Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 12 months ended 31st January 2007
Condensed Consolidated Balance Sheet

		Unaudited	Audited
		As at end of	As at preceding
	Note	current quarter	financial year end
		31.1.2007	31.01.2006
		RM'000	RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	182,506	160,661
Investment properties	9	119,781	120,752
Investments in associates		1,681	836
Intangible Assets		49	49
Goodwill		2,648	259
		<u>306,665</u>	<u>282,557</u>
CURRENT ASSETS			
Other Investment	20	65	65
Inventories		17,791	62
Receivables		6,063	3,523
Due from related companies		4,398	6,827
Due from associated companies		46	98
Tax Recoverable		-	41
Cash and bank balances		4,176	1,549
		<u>32,539</u>	<u>12,165</u>
TOTAL ASSETS		<u>339,204</u>	<u>294,722</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	6	139,600	139,600
Reserves		4,883	4,941
Retained Earnings		10,167	22,625
Shareholders' equity		<u>154,650</u>	<u>167,166</u>
Minority interest		<u>-</u>	<u>49</u>
Total Equity		<u>154,650</u>	<u>167,215</u>
Non-current liabilities			
Borrowings	22	<u>106,882</u>	<u>77,015</u>
Current Liabilities			
Provision for other liabilities		3,436	538
Borrowings	22	31,023	12,089
Trade Payables		8,461	7
Other Payables		26,965	31,799
Due to holding company		324	142
Due to a related companies		781	612
Bank Overdraft	22	2,275	805
Current tax payable		4,407	4,500
		<u>77,672</u>	<u>50,492</u>
Total liabilities		<u>184,554</u>	<u>127,507</u>
TOTAL EQUITY AND LIABILITIES		<u>339,204</u>	<u>294,722</u>
NET ASSETS PER SHARE		<u>1.11</u>	<u>1.20</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements

Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 12 months ended 31st January 2007
Condensed Consolidated Cash Flow Statement

	Unaudited	For the
	For the	For the
	12 months ended	12 months ended
	31.1.2007	31.1.2006
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(10,441)	574
Adjustments for:		
Non-cash items	12,933	13,934
Operating profit before working capital changes	2,492	14,508
Net change in current assets	(17,803)	(5,237)
Net change in current liabilities	8,616	(5,073)
Cash generated from operations	(6,695)	4,198
Non-operating items	-	3,901
Net cash (used in)/generated from operating activities	(6,695)	8,099
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(30,963)	(33,435)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	38,829	20,028
NET DECREASE IN CASH AND CASH EQUIVALENTS		
Effects of exchange rate changes	(14)	42
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	744	6,010
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,901	744
Cash and cash equivalents comprise:		
Cash and bank balances	4,176	1,549
Bank overdraft	(2,275)	(805)
	1,901	744

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements

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Interim Financial Report for the 12 months ended 31st January 2007
Notes to the Financial Information

1 BASIS OF PREPARATION

The Interim Financial Statements are unaudited and have been prepared in accordance with requirements of FRS 134 "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The Interim Financial Statements of the Group and of the Company have been prepared under the historical cost convention except for the revaluation of leasehold land and buildings included within property, plant and equipment.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2006. These 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 year ended 31 January 2006.

2 CHANGES IN ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 February 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 2, 5, 102, 110, 121, 127, 128, 131, 132, 133 and 138 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 3: Business Combinations and FRS 136: Impairment of Assets

The new FRS 3 has resulted in consequential amendments to one other accounting standard, FRS 136.

Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in income statement and subsequent reversal is not allowed.

Under FRS 3, any excess of the Group's interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), after reassessment, is now recognised immediately in income statement. Prior to 1 February 2006, negative goodwill was recognised as consolidation reserve. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 February 2006 of RM25,000 was derecognised with a corresponding increase in opening retained earnings.

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2 CHANGES IN ACCOUNTING POLICIES (CONTD.)

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

(c) FRS 140: Investment Property

The adoption of this new FRS has resulted in the reclassification of investment properties from property, plant and equipment and presented as a separate line item in non-current assets. Investment properties are measured at depreciated cost less any impairment loss.

3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The auditors' report on the financial statements for the year ended 31 January 2006 was not qualified.

4 SEASONAL OR CYCLICAL FACTORS

The Group's performance is not affected by any seasonal or cyclical fluctuations.

5 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

6 DEBT AND EQUITY SECURITIES

There were no issuances, cancellations, repurchases, resale or repayment of debt and equity securities.

7 SEGMENTAL INFORMATION

	12 months ended	
	31.1.2007	31.1.2006
	RM'000	RM'000
Segment Revenue		
Revenue from continuing operations :		
Investment holding	12,701	15,006
Education	21,135	23,028
Premium automotive sales & services	35,207	-
Total revenue from continuing operations	69,043	38,034
Total revenue from discontinued operation	138	1,054
Segment Results		
Results from continuing operations :		
Investment holding	(5,715)	(1,918)
Education	(757)	4,621
Premium automotive sales & services	(3,246)	-
Total results from continuing operations	(9,718)	2,703
Total results from discontinued operation	(723)	(2,129)

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7 SEGMENTAL INFORMATION (CONTD.)

	12 months ended	
	31.1.2007 RM'000	31.1.2006 RM'000
Geographical Segment Revenue		
Malaysia	69,043	38,034
Total revenue from continuing operations	69,043	38,034
Australia	138	1,054
Total revenue from discontinued operation	138	1,054
Geographical Segment Results		
Malaysia	(9,718)	2,703
Total results from continuing operations	(9,718)	2,703
Australia	(723)	(2,129)
Total results from discontinued operation	(723)	(2,129)

Details of discontinued operation as disclosed under Notes 11 and 14 below.

8 CHANGES IN ESTIMATES

The revised FRS 116: Property, Plant and Equipment requires the review of the residual value and remaining useful life of an item of property, plant and equipment at least at each financial year end. The Group revised the residual values of certain buildings and motor vehicles with effect from 1 February 2006. The revisions were accounted for as change in accounting estimates under FRS 108: Accounting Policies, Changes in Estimates and Errors and as a result, the depreciation charges for the current quarter have been reduced by RM981,000.

There were no other changes in estimates that have had a material effect in the current quarter results.

9 CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment and investment properties have been brought forward without amendment from the previous financial statements.

10 SUBSEQUENT EVENTS

There were no material events subsequent to end of the financial period ended 31 January 2007.

11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial period save for the disposal of APIIT Sdn Bhd's entire 51% equity interest in Australia PCC Pty Ltd to a third party for a total cash consideration of AUD1.00 completed and announced on 30 January 2007.

12 CHANGES IN CONTINGENT LIABILITIES

There were no changes in contingent liabilities of the Group since the last annual balance sheet as at 31 January 2006.

13 CAPITAL COMMITMENTS

	As at 31.1.2007 RM'000	As at 31.1.2006 RM'000
	Approved and contracted for:	
Property, plant and equipment	5,274	23,567
Approved but not contracted for:		
Property, plant and equipment	6,884	8,076

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14 REVIEW OF PERFORMANCE

The Group recorded an increase in revenue from RM38m in previous financial year to RM69m for the current financial year mainly due the revenue contribution by premium automotive sales & services sector of RM35m which commenced operations on 1 September 2006.

However, the Group recorded a net loss for the year of RM10.5m as compared to a profit of RM0.5m in the preceding year, largely attributable to the commencement of two new businesses and vacancy of rental properties due to expiry of leases, as per the following :

- a. The losses incurred in line with the initial years of operations for Smart School amounting to RM5.4m which includes finance costs and depreciation.
- b. Vacancy in respect of rental properties amounting to a loss of rental of approximately RM1.6m, predominantly within the first two quarters of the current financial year, and
- c. The first quarter operations of Sapura Auto Sdn Bhd which commenced operations on 1 September 2006 incurred an operating loss of RM2.6m.

Included in the Group's results for the year and current quarter is a RM2.1m gain on disposal of its subsidiary, Australia PCC Pty Ltd ("APCC"), as announced on 30 January 2007. The disposal was carried out after taking into consideration the change in education policy by the local authorities with regards to the conduct of vocational courses at schools instead of private colleges which affect the main revenue stream of APCC and its business moving forward.

15 QUARTERLY RESULTS COMPARISON

Results of the Group in the current quarter amounts to loss of RM2.5m as compared to the loss of approximately RM2.3m in the immediate preceding quarter due to reasons mentioned above.

16 CURRENT YEAR PROSPECTS

Barring any unforeseen circumstances, the Board of Directors expect the Group to record improved results for the financial year ending 31 January 2008.

17 PROFIT FORECAST OR PROFIT GUARANTEE

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

18 TAXATION

	3 months ended	12 months ended
	31.1.2007	31.1.2007
	RM'000	RM'000
Malaysian income tax	(13)	(56)
Share of taxation of associated companies	0	0
	<u>(13)</u>	<u>(56)</u>

19 SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sale of unquoted investments and/or properties for the current financial period, save for the disposal of a subsidiary as mentioned under Note 11.

20 QUOTED SECURITIES

There were no purchase and disposal of quoted securities for the current financial period.

	As at
	31.1.2007
	RM'000
Investments in quoted securities as at the reporting period:	
At carrying value	65
At market value	65

21 CORPORATE PROPOSALS

There were no corporate proposals announced but not completed as at the date of announcement.

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22 BORROWINGS

Details of Group's borrowings as at 31 January 2007 are as shown below:

	Balance Outstanding RM'000	Details of security
Short term borrowings		
Overdraft	2,275	Negative pledge
Revolving credit	25,511	Negative pledge
Banker's Acceptance	4,110	Negative pledge
Floor Stocking	783	Debenture on stocks
Hire Purchase	619	
	<u>33,298</u>	
Long term borrowings		
Term loan	91,480	Corporate guarantee by APIIT and charge on landed properties
Hire Purchase	1,317	
Term Loan	14,085	Charge on landed property
	<u>106,882</u>	
Total borrowings	<u><u>140,180</u></u>	

23 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the date of announcement.

24 MATERIAL LITIGATION

Details of material litigation pending as at the date of announcement:

On 9 April 2001, the Company was served with a writ of summons in respect of a claim by Bridgecon Engineering Sdn Bhd and Fujita Corporation (M) Sdn Bhd (collectively, "BFJV") in respect of retention sums payable for the construction of SRB's HQ known as Sapura@Mines. BFJV filed an application for summary judgment on their claim. The summary judgment application was dismissed with costs on 25 October 2002. BFJV has filed a Notice of Appeal against the said dismissal. The hearing of the appeal is now fixed on 13 September 2007.

SRB is defending the claim and opposing the said appeal, and are further raising a counter claim against BFJV for reimbursement and damages incurred by SRB for rectification of defects in the construction of the said HQ. The amount of the counterclaim raised by SRB exceeds the claim of BFJV. The solicitors acting for SRB are of the view that there is a fair chance of success in opposing BFJV's appeal.

25 DIVIDENDS PAYABLE

No dividend was declared by the Company for the current financial year.

A final dividend in respect of the previous financial year ended 31 January 2006 of 2 sen per share or shares less 28% taxation amounting to a total net dividend of RM2,010,242 was paid on 25 October 2006 to Depositors whose names appear in the Record of Depositors as at 26 September 2006.

26 LOSS PER SHARE

The loss per share have been calculated based on the Group's loss after taxation and minority interests of RM10.497 million and on the number of shares in issue during the period of 139,600,000.

BY ORDER OF THE BOARD

Liyana Lee Bt Abdullah (MIA10293)
 Company Secretary