



SAPURA RESOURCES BERHAD

(Company No.: 3136-D)

Interim Financial Report for the 3 months ended 30 April 2007

The Directors of Sapura Resources Berhad (SRB) are pleased to announce the unaudited financial results of the Group for the 3 months ended 30 April 2007

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Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 3 months ended 30 April 2007
Condensed Consolidated Income Statement

	Note	3 Months Ended		3 Months Ended	
		30.04.2007	30.04.2006	30.04.2007	30.04.2006
		RM'000	RM'000	RM'000	RM'000
Continuing Operations					
Revenue	8	35,896	7,299	35,896	7,299
Expenses		(37,783)	(8,569)	(37,783)	(8,569)
Other income		481	503	481	503
Loss from operations		<u>(1,406)</u>	<u>(767)</u>	<u>(1,406)</u>	<u>(767)</u>
Finance cost		(1,778)	(1,337)	(1,778)	(1,337)
Share of loss of associates		(10)	(8)	(10)	(8)
Results arising from investing activities		(3)	-	(3)	-
Loss before taxation	8	<u>(3,197)</u>	<u>(2,112)</u>	<u>(3,197)</u>	<u>(2,112)</u>
Taxation	19	<u>(13)</u>	<u>(13)</u>	<u>(13)</u>	<u>(13)</u>
Loss for the period from continuing operations		<u>(3,210)</u>	<u>(2,125)</u>	<u>(3,210)</u>	<u>(2,125)</u>
Discontinued Operation					
Loss for the period from discontinued operation	7	-	(173)	-	(173)
Loss for the period		<u>(3,210)</u>	<u>(2,298)</u>	<u>(3,210)</u>	<u>(2,298)</u>
Attributable to :					
Equity holders of the company		<u>(3,210)</u>	<u>(2,298)</u>	<u>(3,210)</u>	<u>(2,298)</u>
Loss per share attributable to equity holders of the company (sen) :					
Basic, for loss from continuing operations	26	(2.30)	(1.52)	(2.30)	(1.52)
Basic, for loss from discontinued operation	26	0.00	(0.12)	0.00	(0.12)
Basic, for loss for the year		<u>(2.30)</u>	<u>(1.65)</u>	<u>(2.30)</u>	<u>(1.65)</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements

Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 3 months ended 30 April 2007
Condensed Consolidated Balance Sheet

		Unaudited	Audited
		As at end of	As at preceding
	Note	current quarter	financial year end
		30.04.2007	31.01.2007
		RM'000	RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	95,671	95,788
Investment properties	10	117,199	117,990
Prepaid leasehold land		86,441	86,739
Investments in associates		1,568	1,578
Intangible Assets		49	49
Goodwill		2,648	2,648
		<u>303,576</u>	<u>304,792</u>
CURRENT ASSETS			
Other Investment	21	65	65
Inventories		26,316	19,547
Receivables		16,432	8,226
Due from related companies		5,225	4,555
Due from associated companies		9	46
Cash and bank balances		3,104	4,210
		<u>51,151</u>	<u>36,649</u>
TOTAL ASSETS		<u>354,727</u>	<u>341,441</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	6	139,600	139,600
Reserves		4,884	4,884
Retained Earnings		6,232	9,442
Total Equity		<u>150,716</u>	<u>153,926</u>
Non-current liabilities			
Deferred taxation		594	594
Borrowings	23	107,418	106,894
		<u>108,012</u>	<u>107,488</u>
Current Liabilities			
Provision for other liabilities		-	-
Borrowings	23	46,520	31,011
Trade Payables		8,844	8,180
Other Payables		33,940	32,993
Due to holding company		121	324
Due to a related companies		773	777
Bank Overdraft	23	1,393	2,338
Current tax payable		4,408	4,404
		<u>95,999</u>	<u>80,027</u>
Total liabilities		<u>204,011</u>	<u>187,515</u>
TOTAL EQUITY AND LIABILITIES		<u>354,727</u>	<u>341,441</u>
NET ASSETS PER SHARE		<u>1.08</u>	<u>1.10</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements

Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 3 months ended 30 April 2007

Condensed Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Parent						Minority Interest	Total Equity	
	Non-distributable			Distributable					
	Share Capital	Foreign Exchange Reserve	Revaluation Reserve	Capital Reserve	General Reserve	Retained Earnings			TOTAL
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
For The 3 Months Period Ended 30 April 2007									
Balance as at 1.2.2007	139,600		2,302	1,482	1,100	9,442	153,926		153,926
Net loss for the period	-	-	-	-	-	(3,210)	(3,210)	-	(3,210)
At 30.04.2007	139,600	-	2,302	1,482	1,100	6,232	150,716	-	150,716
For The 3 Months Period Ended 30 April 2006									
Balance as at 1.2.2006									
As previously stated	139,600	58	2,302	1,481	1,100	22,600	167,141	49	167,190
Effect of adopting FRS 3	-	-	-	-	-	25	25	-	25
As restated	139,600	58	2,302	1,481	1,100	22,625	167,166	49	167,215
Foreign entity translation differences	-	4	-	-	-	-	4	-	4
Disposal of subsidiary	-	-	-	-	-	-	-	-	-
Dividends Paid	-	-	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(2,298)	(2,298)	-	(2,298)
At 30.04.2006	139,600	62	2,302	1,481	1,100	20,327	164,872	49	164,921

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements

Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 3 months ended 30 April 2007
Condensed Consolidated Cash Flow Statement

	Unaudited For the 3 months period ended 30.04.2007 <u>RM'000</u>	Unaudited For the 3 months period ended 30.04.2006 <u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,210)	(2,285)
Adjustments for:		
Non-cash items	4,019	3,374
	<u>809</u>	<u>1,089</u>
Operating profit before working capital changes	809	1,089
Net change in current assets	(15,608)	2,631
Net change in current liabilities	1,408	(2,394)
Net cash (used in)/generated from operating activities	<u>(13,391)</u>	<u>1,326</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	<u>(1,025)</u>	<u>(7,980)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	<u>14,255</u>	<u>5,802</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(161)	(852)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,872</u>	<u>768</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>1,711</u>	<u>(84)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	3,104	1,185
Bank overdraft	(1,393)	(1,269)
	<u>1,711</u>	<u>(84)</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements

Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 3 months ended 30 April 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 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 2007. 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 2007.

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 2007 as follows:

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

In addition to the above, the Group has adopted FRS 117 Leases and FRS 124 Related Party Disclosures effective for financial period beginning 1 February 2007. The principle effects of the changes in accounting policies resulting from the adoption of the above FRSs are discussed below :

(a) FRS 117 : Leases

Leasehold land / Prepaid lease payments

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided.

The Group had previously classified a lease of land as property, plant and equipment and was stated at cost less accumulated depreciation. On adoption of FRS 117, Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provisions in FRS 117 Para 67A. Such prepaid lease payments is amortised over the remaining lease term.

The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 3, the comparative amount as at 31 January 2007 have been restated.

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2 CHANGES IN ACCOUNTING POLICIES (CONTD.)

(b) FRS 124: Related Party Disclosure

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associates, Directors and key management personnel.

3 COMPARATIVES

The following comparatives amounts have been restated due to the adoption of new and revised FRS:

	Previously Stated RM'000	Adjustment FRS 117 (Note 2 (a)) RM'000	Restated RM'000
At 31 January 2007			
Property, plant and equipment	182,527	(86,739)	95,788
Prepaid lease payments	0	86,739	86,739

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The auditors' report on the financial statements for the year ended 31 January 2007 was not qualified.

5 SEASONAL OR CYCLICAL FACTORS

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

6 UNUSUAL ITEMS

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

7 DEBT AND EQUITY SECURITIES

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

8 SEGMENTAL INFORMATION

	3 months ended	
	30.4.2007 RM'000	30.4.2006 RM'000
Segment Revenue		
Revenue from continuing operations :		
Investment holding	3,286	2,875
Education	6,207	4,424
Premium automotive sales & services	26,403	-
Total revenue from continuing operations	35,896	7,299
Total revenue from discontinued operation	0	248
Segment Results		
Results from continuing operations :		
Investment holding	46	(176)
Education	55	(591)
Premium automotive sales & services	(1,507)	-
Total results from continuing operations	(1,406)	(767)
Total results from discontinued operation	0	(145)

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9 SEGMENTAL INFORMATION (CONTD.)

	3 months ended	
	30.4.2007	30.4.2006
	RM'000	RM'000
Geographical Segment Revenue		
Malaysia	35,896	7,299
Total revenue from continuing operations	35,896	7,299
Australia	0	248
Total revenue from discontinued operation	0	248
Geographical Segment Results		
Malaysia	(1,406)	(767)
Total results from continuing operations	(1,406)	(767)
Australia	0	(145)
Total results from discontinued operation	0	(145)

10 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.

11 SUBSEQUENT EVENTS

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

12 CHANGES IN COMPOSITION OF THE GROUP

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

13 CHANGES IN CONTINGENT LIABILITIES

There were no changes in contingent liabilities of the Group since the last annual balance sheet as at 31 January 2007.

14 CAPITAL COMMITMENTS

	As at	As at
	30.4.2007	30.04.2006
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	2,939	7,650
Approved but not contracted for:		
Property, plant and equipment	5,532	7,953

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15 REVIEW OF PERFORMANCE

The Group recorded an increase in revenue from RM7.3m in Quarter 1 of the previous financial year to RM35.9m in Quarter 1 of the current financial year, mainly due to the inclusion of its premium automotive business which commenced its operations in September 2006.

Total loss from continuing operations of RM3.2m for Quarter 1 of the current financial year arose mainly due to the losses incurred for the start-up operations of smart school and premium automotive business.

16 QUARTERLY RESULTS COMPARISON

Continuing operations results of the Group in the current quarter amounts to loss of RM3.2m as compared to the loss of approximately RM5.3m in the immediate preceding quarter, mainly due to increase in turnover and lower expenses incurred.

17 CURRENT YEAR PROSPECTS

Due to the new start-up operations mentioned under Note 15 above, the Board of Directors expect the Group to record a loss for the financial year ending 31 January 2008.

18 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.

19 TAXATION

	3 months ended	3 months ended
	30.04.2007	30.04.2006
	RM'000	RM'000
Malaysian income tax	(13)	(13)
	<u>(13)</u>	<u>(13)</u>

20 SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

There were no sale of unquoted investments and/or properties for the current financial period.

21 QUOTED SECURITIES

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

	As at
	30.04.2006
	RM'000
Investments in quoted securities as at the reporting period:	
At carrying value	65
At market value	120

22 CORPORATE PROPOSALS

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

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23 BORROWINGS

Details of Group's borrowings as at 30 April 2007 are as shown below:

	Balance Outstanding RM'000	Details of security
Short term borrowings		
Overdraft	1,393	Negative pledge
Revolving credit	32,379	Negative pledge
Banker's Acceptance	3,610	Negative pledge
Floor Stocking	9,921	Debenture on stocks
Hire Purchase	610	
	<u>47,913</u>	
Long term borrowings		
Term loan	91,786	Corporate guarantee by APIIT and charge on landed properties
Hire Purchase	1,174	
Term Loan	14,458	Charge on landed property
	<u>107,418</u>	
Total borrowings	<u><u>155,331</u></u>	

24 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

25 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.

26 DIVIDEND

No dividend was declared by the Company for the current financial period to date.

No dividend was paid by the Company for the current financial period to date.

27 LOSS PER SHARE

The loss per share have been calculated based on the Group's loss attributable to equity holders of the company of RM3.210 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