



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

Interim Financial Report for the 6 months ended 31 July 2007

The Directors of Sapura Resources Berhad (SRB) are pleased to announce the unaudited financial results of the Group for the 6 months ended 31 July 2007

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Sapura Resources Berhad (Company No.: 3136-D)
Interim Financial Report for the 6 months ended 31 July 2007
Condensed Consolidated Income Statement

	Note	3 Months Ended		6 Months Ended	
		31.07.2007 RM'000	31.07.2006 RM'000	31.07.2007 RM'000	31.07.2006 RM'000
Continuing Operations					
Revenue	8	55,359	8,591	91,255	16,014
Purchases		(42,615)	-	(67,621)	-
Expenses		(14,558)	(10,842)	(27,338)	(18,966)
Other income		1,673	353	2,154	833
Loss from operations	8	(141)	(1,898)	(1,550)	(2,119)
Finance cost		(2,041)	(1,505)	(3,819)	(2,828)
Share of profit/(loss) of associates		455	51	445	43
Loss before taxation		(1,727)	(3,352)	(4,924)	(4,904)
Taxation	19	-	(16)	(13)	(29)
Loss for the period from continuing operations		(1,727)	(3,368)	(4,937)	(4,933)
Discontinued Operation					
Loss for the period from discontinued operation		-	(560)	-	(733)
Loss for the period		(1,727)	(3,928)	(4,937)	(5,666)
Attributable to:					
Equity holders of the company		(1,727)	(3,928)	(4,937)	(5,666)
Loss per share attributable to equity holders of the company (sen) :					
Basic, for loss from continuing operations	27	(1.24)	(2.41)	(3.54)	(3.53)
Basic, for loss from discontinued operation	27	0.00	(0.40)	0.00	(0.53)
Basic, for loss for the year		(1.24)	(2.81)	(3.54)	(4.06)

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 6 months ended 31 July 2007

Condensed Consolidated Balance Sheet

	Note	Unaudited As at end of current quarter 31.07.2007 RM'000	Audited As at preceding financial year end 31.01.2007 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	10	96,729	95,788
Investment properties	10	116,917	117,988
Prepaid leasehold land		86,143	86,739
Investments in associates		2,023	1,578
Intangible Assets		2,697	2,697
		<u>304,509</u>	<u>304,790</u>
CURRENT ASSETS			
Other Investment	21	212	65
Inventories		24,685	19,547
Receivables		9,727	8,228
Due from related companies		4,413	4,555
Due from associated companies		10	46
Cash and bank balances		4,978	4,210
		<u>44,025</u>	<u>36,651</u>
TOTAL ASSETS		<u>348,534</u>	<u>341,441</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	6	139,600	139,600
Reserves		4,883	4,883
Retained Earnings		4,506	9,443
Total Equity		<u>148,989</u>	<u>153,926</u>
Non-current liabilities			
Deferred taxation		594	594
Borrowings	23	107,786	106,894
		<u>108,380</u>	<u>107,488</u>
Current Liabilities			
Borrowings	23	44,351	33,349
Trade & Other Payables		41,186	41,173
Amounts due to holding company		153	324
Amounts due to a related companies		1,081	777
Current tax payable		4,394	4,404
		<u>91,165</u>	<u>80,027</u>
Total liabilities		<u>199,545</u>	<u>187,515</u>
TOTAL EQUITY AND LIABILITIES		<u>348,534</u>	<u>341,441</u>
NET ASSETS PER SHARE		<u>1.07</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 6 months ended 31 July 2007

Condensed Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Company						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							
For The 6 Months Period Ended 31 July 2007										
Balance as at 1.2.2007	139,600		2,302	1,481	1,100	9,443	153,926		153,926	
Net loss for the period	-	-	-	-	-	(4,937)	(4,937)	-	(4,937)	
At 31.07.2007	139,600	-	2,302	1,481	1,100	4,506	148,989	-	148,989	
For The 6 Months Period Ended 31 July 2006										
Balance as at 1.2.2006	139,600	62	2,302	1,481	1,100	20,327	164,872	49	164,921	
As previously stated	-	-	-	-	-	-	-	-	-	
Effect of adopting FRS 3	-	-	-	-	-	-	-	-	-	
As restated	139,600	62	2,302	1,481	1,100	20,327	164,872	49	164,921	
Foreign entity translation differences	-	(110)	-	-	-	-	(110)	-	(110)	
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	
Dividends Paid	-	-	-	-	-	-	-	-	-	
Net loss for the period	-	-	-	-	-	(3,368)	(3,368)	-	(3,368)	
At 31.07.2006	139,600	(48)	2,302	1,481	1,100	16,959	161,394	49	161,443	

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 6 months ended 31 July 2007
Condensed Consolidated Cash Flow Statement

	Unaudited For the 6 months period ended 31.07.2007 <u>RM'000</u>	Unaudited For the 6 months period ended 31.07.2006 <u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation		
Continuing operations	(4,924)	(4,904)
Discontinued operations	-	(733)
Adjustments for:		
Non-cash items	<u>8,297</u>	<u>6,635</u>
Operating profit before working capital changes	3,373	998
Net change in current assets	(6,459)	3,329
Net change in current liabilities	<u>121</u>	<u>(4,886)</u>
Net cash (used in)/generated from operating activities	<u>(2,965)</u>	<u>(559)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	<u>(4,342)</u>	<u>(17,635)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	<u>9,287</u>	<u>16,326</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,980	(1,868)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,872</u>	<u>768</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>3,852</u>	<u>(1,100)</u>
Cash and cash equivalents comprise:		
Cash and bank balances	4,978	851
Bank overdraft	<u>(1,126)</u>	<u>(1,951)</u>
	<u>3,852</u>	<u>(1,100)</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

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.

Notes to the Financial Information

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 significantly 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

	6 months ended	
	31.7.2007 RM'000	31.7.2006 RM'000
Segment Revenue		
Revenue from continuing operations :		
Investment holding	6,421	5,907
Education	14,095	10,107
Premium automotive sales & services	70,739	-
Total revenue from continuing operations	91,255	16,014
Total revenue from discontinued operation	0	124
Segment Results		
Results from continuing operations :		
Investment holding	299	(898)
Education	1,008	(900)
Premium automotive sales & services	(2,857)	(321)
Total results from continuing operations	(1,550)	(2,119)
Total results from discontinued operation	0	(691)

Notes to the Financial Information

9 SEGMENTAL INFORMATION (CONTD.)

	6 months ended	
	31.7.2007 RM'000	31.7.2006 RM'000
Geographical Segment Revenue		
Malaysia	91,255	16,014
Total revenue from continuing operations	91,255	16,014
Australia	0	124
Total revenue from discontinued operation	0	124
Geographical Segment Results		
Malaysia	(1,550)	(2,119)
Total results from continuing operations	(1,550)	(2,119)
Australia	0	(691)
Total results from discontinued operation	0	(691)

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 31.07.2007 RM'000	As at 31.07.2006 RM'000
Approved and contracted for:		
Property, plant and equipment	3,118	7,650
Approved but not contracted for:		
Property, plant and equipment	5,092	7,953

Notes to the Financial Information

15 REVIEW OF PERFORMANCE

The Group's revenue for the financial year to date was higher by 470% compared to the preceding year's corresponding period due to inclusion of its premium automotive business in September 2006.

The Group's loss for the financial year to date was lower by 13% as compared to the preceding year's corresponding period mainly due to improved performance recorded by the property and education group as a result of increase in occupancy rate and number of students respectively.

16 QUARTERLY RESULTS COMPARISON

The Group had recorded lower loss in the current quarter as compared to the previous quarter due to improvement in revenue.

17 CURRENT YEAR PROSPECTS

As its new investments are still in the infancy stage, the Board of Directors expect the Group to record a loss for the financial year ending 31 January 2008. The Directors will continue to evaluate various strategies to improve the operations and financial performance of the Group.

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

	6 months ended 31.07.2007	6 months ended 31.07.2006
	RM'000	RM'000
Malaysian income tax	(13)	(29)
	<u>(13)</u>	<u>(29)</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 31.07.2007
	RM'000
Investments in quoted securities as at the reporting period:	
At carrying value	212
At market value	212

22 CORPORATE PROPOSALS

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

Notes to the Financial Information

23 BORROWINGS

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

	Balance Outstanding RM'000	Details of security
Short term borrowings		
Overdraft	1,126	Negative pledge
Revolving credit	28,333	Negative pledge
Banker's Acceptance	1,502	Negative pledge
Floor Stocking	12,766	Debenture on stocks
Hire Purchase	624	
	<u>44,351</u>	
Long term borrowings		
Term loan	92,393	Corporate guarantee by APIIT and charge on landed properties
Hire Purchase	1,009	
Term Loan	14,384	Charge on landed property
	<u>107,786</u>	
Total borrowings	<u><u>152,137</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 expected to be on 12 June 2008.

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 RM4.937 million and on the number of shares in issue during the period of 139,600,000.

BY ORDER OF THE BOARD

Mazlina Mohd Zain (LS 8287)

Company Secretary