



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

**Interim Financial Report for the 6 months ended 31 July 2008**

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 2008

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Sapura Resources Berhad (Company No.: 3136-D)  
Interim Financial Report for the 6 months ended 31 July 2008  
**Condensed Consolidated Income Statement**

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		31.7.2008 RM'000	31.7.2007 RM'000	31.7.2008 RM'000	31.7.2007 RM'000
Revenue	7	60,009	55,359	124,991	91,255
Purchases		(45,593)	(40,984)	(96,709)	(72,759)
Changes in inventories		3,462	(1,631)	4,545	5,138
Expenses		(17,985)	(14,561)	(34,754)	(27,338)
Other income		2,673	1,676	5,117	2,154
Profit/(loss) from operations	7	<u>2,566</u>	<u>(141)</u>	<u>3,190</u>	<u>(1,550)</u>
Finance cost		(2,155)	(2,041)	(4,263)	(3,819)
Share of profit of associates		67	455	233	445
Profit/(Loss) before tax		<u>478</u>	<u>(1,727)</u>	<u>(840)</u>	<u>(4,924)</u>
Taxation	17	<u>(1,231)</u>	<u>-</u>	<u>(1,231)</u>	<u>(13)</u>
<b>Loss for the period</b>		<b><u>(753)</u></b>	<b><u>(1,727)</u></b>	<b><u>(2,071)</u></b>	<b><u>(4,937)</u></b>
Attributable to:					
Equity holders of the company		(753)	(1,727)	(2,071)	(4,937)
Minority interest		-	-	-	-
		<b><u>(753)</u></b>	<b><u>(1,727)</u></b>	<b><u>(2,071)</u></b>	<b><u>(4,937)</u></b>
Loss per share attributable to equity holders of the company (sen) :					
Basic	25	<u>(0.54)</u>	<u>(1.24)</u>	<u>(1.48)</u>	<u>(3.54)</u>

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements

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Interim Financial Report for the 6 months ended 31 July 2008

## Condensed Consolidated Balance Sheet

	Note	Unaudited As at end of current quarter 31.7.2008	As at preceding financial year end 31.01.2008
		RM'000	RM'000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	8	100,236	97,915
Investment properties	8	112,146	113,834
Prepaid leasehold land		84,630	85,332
Investments in associates		1,286	1,053
Intangible Assets		2,697	2,697
		<u>300,995</u>	<u>300,831</u>
<b>CURRENT ASSETS</b>			
Other Investment	19	125	125
Inventories		27,728	23,177
Receivables		23,761	18,394
Due from related companies		4,486	4,224
Due from associated companies		264	1,168
Cash and bank balances		1,607	4,586
		<u>57,971</u>	<u>51,674</u>
<b>TOTAL ASSETS</b>		<u><b>358,966</b></u>	<u><b>352,505</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		139,600	139,600
Reserves		4,883	4,883
Retained Earnings		709	2,780
<b>Total Equity</b>		<u><b>145,192</b></u>	<u><b>147,263</b></u>
<b>Non-current liabilities</b>			
Deferred taxation		1,074	1,074
Borrowings	21	99,378	99,368
		<u>100,452</u>	<u>100,442</u>
<b>Current Liabilities</b>			
Borrowings	21	54,211	57,162
Trade & Other Payables		57,579	46,444
Amounts due to holding company		362	158
Amounts due to related companies		304	1,017
Current tax payable		866	19
		<u>113,322</u>	<u>104,800</u>
<b>Total liabilities</b>		<u><b>213,774</b></u>	<u><b>205,242</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>358,966</b></u>	<u><b>352,505</b></u>
<b>NET ASSETS PER SHARE</b>			
		<u><b>1.04</b></u>	<u><b>1.05</b></u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements

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Interim Financial Report for the 6 months ended 31 July 2008

## Condensed Consolidated Statement of Changes in Equity

	Attributable to Equity Holders of the Company						Minority Interest	Total Equity
	<----- Non-distributable ----->			<--- Distributable --->				
	Share Capital	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	
<b>For The 6 Months Period Ended 31 July 2008</b>								
Balance as at 1.2.2008	139,600	2,302	1,481	1,100	2,780	147,263	-	147,263
Loss for the period	-	-	-	-	(2,071)	(2,071)	-	(2,071)
<b>At 31.7.2008</b>	<b>139,600</b>	<b>2,302</b>	<b>1,481</b>	<b>1,100</b>	<b>709</b>	<b>145,192</b>	<b>-</b>	<b>145,192</b>
<b>For The 6 Months Period Ended 31 July 2007</b>								
Balance as at 1.2.2007	139,600	2,302	1,481	1,100	9,443	153,926	-	153,926
Loss for the period	-	-	-	-	(4,937)	(4,937)	-	(4,937)
<b>At 31.7.2007</b>	<b>139,600</b>	<b>2,302</b>	<b>1,481</b>	<b>1,100</b>	<b>4,506</b>	<b>148,989</b>	<b>-</b>	<b>148,989</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 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 2008  
**Condensed Consolidated Cash Flow Statement**

	Unaudited For the 6 months period ended 31.7.2008 <u>RM'000</u>	For the 6 months period ended 31.7.2007 <u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(840)	(4,924)
Adjustments for:		
Non-cash items	<u>9,868</u>	<u>8,297</u>
Operating profit before working capital changes	9,028	3,373
Net change in current assets	(10,532)	(6,459)
Net change in current liabilities	10,583	121
Taxes paid	(147)	-
Net cash generated from/(used in) operating activities	<u>8,932</u>	<u>(2,965)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash used in investing activities	<u>(4,707)</u>	<u>(4,342)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net cash (used in)/generated from financing activities	<u>(2,153)</u>	<u>9,287</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,072</b>	<b>1,980</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>(2,878)</b>	<b>1,872</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b><u>(806)</u></b>	<b><u>3,852</u></b>
Cash and cash equivalents comprise:		
Cash and bank balances	1,607	4,978
Bank overdraft	<u>(2,413)</u>	<u>(1,126)</u>
	<b><u>(806)</u></b>	<b><u>3,852</u></b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 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.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008. 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 2008.

### 2 ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those of the audited financial statements of the Group for the financial year ended 31 January 2008 except for the adoption of the following Amendments to FRSs and Interpretations that are effective for the financial period beginning on or after 1 February 2008:

- IC Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments
- IC Interpretation 5 Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IC Interpretation 6 Liabilities Arising From Participation in a Specific Market - Waste Electrical and Electronic Equipment
- IC Interpretation 7 Applying the Restatement Approach under FRS 129<sub>2004</sub> - Financial Reporting in Hyperinflationary Economies
- Amendments to FRS 107 Cash Flow Statements
- Amendments to FRS 111 Construction Contracts
- Amendments to FRS 112 Income Taxes
- Amendments to FRS 118 Revenue
- Amendments to FRS 120 Accounting for Government Grants and Disclosure of Government Assistance
- Amendments to FRS 121 The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operations
- Amendments to FRS 134 Interim Financial Reporting
- Amendments to FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of these Amendments to FRSs and Interpretations did not have any significant financial impact on the Group.

### 3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The auditors' report on the financial statements for the year ended 31 January 2008 was not qualified.

### 4 SEASONAL OR CYCLICAL FACTORS

The Group's performance is not significantly 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.

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7 SEGMENTAL INFORMATION

	6 months ended	
	31.7.2008	31.7.2007
	RM'000	RM'000
<b>Segment Revenue</b>		
Investment holdings/Property Investments	6,322	6,421
Education	22,385	14,095
Premium automotive sales & services	96,284	70,739
<b>Total revenue</b>	<b>124,991</b>	<b>91,255</b>
<b>Segment Results</b>		
Investment holdings/Property Investments	98	299
Education	4,049	1,008
Premium automotive sales & services	(957)	(2,857)
<b>Total results</b>	<b>3,190</b>	<b>(1,550)</b>

8 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.

9 SUBSEQUENT EVENTS

There were no material events subsequent to end of the financial period ended 31 January 2008.

10 CHANGES IN COMPOSITION OF THE GROUP

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

11 CHANGES IN CONTINGENT LIABILITIES

There were no changes in contingent liabilities of the Group since the last annual balance sheet date.

12 CAPITAL COMMITMENTS

	As at	As at
	31.7.2008	31.7.2007
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	838	2,939
Approved but not contracted for:		
Property, plant and equipment	2,801	5,532

## Notes to the Financial Information

### 13 REVIEW OF PERFORMANCE

Group revenue of RM125.0 million for the financial year to date showed an increase of 37% over the RM91.3 million registered in the preceding year's corresponding period. The increase is mainly due to increase in number of cars sold by its automotive business and also increase in number of students in its education business.

Group loss for the financial year to date was lower by 58.0% as compared to the preceding year's corresponding period mainly due to increase in revenue.

### 14 QUARTERLY RESULTS COMPARISON

The group recorded a loss of RM0.75 million in the current quarter under review which is lower by 43% as compared to the loss recorded in the immediate preceding quarter. This improvement in results is mainly due to better results recorded by the education business as a result of increase in number of its students.

### 15 PROSPECTS

The Board of Directors expect competition to continue to be challenging for the businesses. Barring any unforeseen circumstances, the Board of Directors expect the Group to record an improved results in financial year ending 31 January 2009.

### 16 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.

### 17 TAXATION

	6 months ended 31.7.2008	6 months ended 31.7.2007
	RM'000	RM'000
Malaysian taxation	<u>(1,231)</u>	<u>(13)</u>

### 18 SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

### 19 QUOTED SECURITIES

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

	As at 31.7.2008
	RM'000
Investments in quoted securities as at the reporting period:	
At carrying value/market value	<u>125</u>

### 20 CORPORATE PROPOSALS

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



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**Notes to the Financial Information**

**21 BORROWINGS**

Details of Group's borrowings as at 30 April 2008 are as shown below:

	<b>Balance Outstanding RM'000</b>	<b>Details of security</b>
<b>Short term borrowings</b>		
Term loan	867	Corporate guarantee by APIIT and charge on landed properties
Overdraft	2,413	Negative pledge
Revolving credit	34,938	Negative pledge
Banker's Acceptance	1,749	Negative pledge
Floor Stocking	12,600	Debenture on stocks
Hire Purchase	216	
Term Loan	1,428	Charge on landed property
	<u>54,211</u>	
<b>Long term borrowings</b>		
Term loan	85,425	Corporate guarantee by APIIT and charge on landed properties
Hire Purchase	1,274	
Term Loan	12,679	Charge on landed property
	<u>99,378</u>	
<b>Total borrowings</b>	<u><u>153,589</u></u>	

**22 OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

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

**23 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") for sums payable in respect of the construction of 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 appeal was heard in part on 16 April 2008 and on 24 July 2008 and will continue on 22 December 2008.

**24 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.

**25 LOSS PER SHARE**

The loss per share have been calculated based on the Group's loss attributable to equity holders of the company of RM2.071 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