



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

Interim Financial Statements for the 3rd quarter ended 31 October 2010

The Board of Directors hereby announce the
unaudited financial results of the Group for the 3rd quarter ended 31 October 2010

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Unaudited Condensed Consolidated Statement of Comprehensive Income for the 3rd Quarter ended 31 October 2010

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 9 Months Ended	
		31.10.2010 RM'000	31.10.2009 RM'000 (restated)	31.10.2010 RM'000	31.10.2009 RM'000 (restated)
Continuing operations:					
Revenue	9	29,642	20,662	85,712	67,450
Operating Expenses		(30,792)	(15,688)	(76,832)	(55,683)
Operating profit		(1,150)	4,974	8,880	11,767
Other income		2,995	2,109	7,976	5,883
Finance costs		(315)	(216)	(2,104)	(2,430)
Share of result of associates		48	23	208	238
Profit before tax from continuing operations		1,578	6,890	14,960	15,458
Taxation	18	(2,376)	(984)	(6,027)	(4,458)
(Loss)/Profit from continuing operations, net of tax		(798)	5,906	8,933	11,000
Discontinued operation:					
Profit/(Loss) from discontinued operation, net of tax	3	13,864	(3,355)	8,015	(4,562)
Profit net of tax		13,066	2,551	16,948	6,438
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		13,066	2,551	16,948	6,438
Profit, represent total comprehensive income for the period attributable to :					
Owners of the Company		13,066	2,551	16,948	6,438
Minority interests		-	-	-	-
		13,066	2,551	16,948	6,438
Earnings/(Loss) per share attributable to Owners of the Company :					
Basic, (loss)/profit from continuing operations	26	Sen (0.57)	Sen 4.23	Sen 6.40	Sen 7.88
Basic, profit/(loss) from discontinued operation	26	Sen 9.93	Sen (2.40)	Sen 5.74	Sen (3.27)
Basic, profit for the period		Sen 9.36	Sen 1.83	Sen 12.14	Sen 4.61

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010

Sapura Resources Berhad (Company No.: 3136-D)

Unaudited Condensed Consolidated Statement of Financial Position as at 31 October 2010

	Note	31.10.2010 RM'000	(Restated) 31.01.2010 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		162,095	185,912
Investment properties		104,600	107,089
Prepaid land lease payments	2	-	-
Intangible Assets		259	259
Investments in associates		2,051	1,666
		<u>269,005</u>	<u>294,926</u>
CURRENT ASSETS			
Inventories		18	33,555
Amounts due from related parties		2,039	981
Trade and other receivables		27,127	18,018
Marketable securities		208	193
Cash and bank balances		32,443	19,026
Assets of disposal group classified as held for sale	3	4,285	-
		<u>66,120</u>	<u>71,773</u>
TOTAL ASSETS		<u>335,125</u>	<u>366,699</u>
EQUITY AND LIABILITIES			
		RM'000	RM'000
Equity attributable to Owners of the Company			
Share capital		139,600	139,600
Other reserves		4,883	4,883
Retained profits		21,228	4,280
Total Equity		<u>165,711</u>	<u>148,763</u>
Non-current liabilities			
Borrowings	22	72,794	90,329
Deferred taxation		6,518	6,257
		<u>79,312</u>	<u>96,586</u>
Current Liabilities			
Amounts due to related parties		1,034	668
Trade and other payables		75,904	70,306
Borrowings	22	12,657	50,376
Tax payable		375	-
Liabilities directly associated with disposal group classified as held for sale	3	132	-
		<u>90,102</u>	<u>121,350</u>
Total liabilities		<u>169,414</u>	<u>217,936</u>
TOTAL EQUITY AND LIABILITIES		<u>335,125</u>	<u>366,699</u>
NET ASSETS PER SHARE (RM)		<u>1.19</u>	<u>1.07</u>

These unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010

Sapura Resources Berhad (Company No.: 3136-D)

Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 31 October 2010

	Attributable to Owners of the Company						Minority Interests RM'000	Total Equity RM'000
	<----- Non-distributable ----->			<--- Distributable --->				
	Share Capital RM'000	Revaluation Reserve RM'000	Capital Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	Subtotal RM'000		
At 1.2.2010	139,600	2,302	1,481	1,100	4,280	148,763	-	148,763
Total comprehensive income for the period	-	-	-	-	16,948	16,948	-	16,948
At 31.10.2010	139,600	2,302	1,481	1,100	21,228	165,711	-	165,711
At 1.2.2009	139,600	2,302	1,481	1,100	(1,761)	142,722	-	142,722
Total comprehensive income for the period	-	-	-	-	6,438	6,438	-	6,438
At 31.10.2009	139,600	2,302	1,481	1,100	4,677	149,160	-	149,160

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010

Unaudited Condensed Consolidated Statement of Cash Flows for the period ended 31 October 2010

	For the 9 months period ended 31.10.2010 <u>RM'000</u>	For the 9 months period ended 31.10.2009 <u>RM'000</u> (restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from continuing operations	14,960	15,458
Profit/(Loss) before tax from discontinued operation	8,015	(4,562)
Adjustment for:		
Non-cash items	<u>(6,223)</u>	<u>17,368</u>
Operating profit before working capital changes	16,752	28,264
Net change in current assets	35,174	352
Net change in current liabilities	63	(3,480)
Taxes paid	<u>(4,607)</u>	<u>(3,208)</u>
Net cash generated from operating activities	<u>47,382</u>	<u>21,928</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,329)	(3,925)
Proceeds from disposal of property, plant and equipment	<u>33,314</u>	<u>-</u>
Net cash from/(used in) investing activities	<u>25,985</u>	<u>(3,925)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(55,121)	(16,354)
Interest paid	<u>(4,829)</u>	<u>(4,933)</u>
Net cash used in financing activities	<u>(59,950)</u>	<u>(21,287)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	13,417	(3,284)
CASH AND CASH EQUIVALENTS AT START OF PERIOD	19,026	8,173
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>32,443</u>	<u>4,889</u>
Cash and cash equivalents comprise:		
Cash and bank balances	32,443	5,382
Bank overdraft	-	(493)
	<u>32,443</u>	<u>4,889</u>

These unaudited Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2010

Explanatory Notes

1 BASIS OF PREPARATION

These unaudited condensed interim financial statements of the Group 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, and should be read in conjunction with the audited financial statements for the year ended 31 January 2010.

The accounting policies, method of computation and basis of consolidation applied in these unaudited condensed interim financial statements are consistent with those used in the preparation of the audited financial statements for the year ended 31 January 2010.

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 2010 except for the adoption of the following new Financial Reporting Standards ("FRS") and Interpretations, and amendments to certain Standards and Interpretation:

Effective for financial periods beginning on or after 1 July 2009:

FRS 8: Operating Segments

Effective for financial periods beginning on or after 1 January 2010:

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendment to FRS 2: Share-based Payment: Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation

Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

TR I – 3: Presentation of Financial Statements of Islamic Financial Institutions

The adoption of above new FRSs, Amendments to FRSs and Interpretations have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes arising from the adoption of FRS 7, FRS 8, FRS 101, FRS 139 and Amendments to FRSs 'Improvements to FRSs (2009)' as discussed below:

FRS 7: Financial Instruments: Disclosures

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of quantitative and qualitative information about exposures to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and foreign exchange risks, including sensitivity analysis to foreign exchange risks. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.

Explanatory Notes

2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

FRS 8: Operating Segments

FRS 8 replaces FRS 114₂₀₀₄ : Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. As this is a disclosure standard, there will be no impact on the financial position or results of the Group for the period.

FRS 101: Presentation of Financial Statements

The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transaction with owners, with all non-owner changes in equity presented in the statement of other comprehensive income. In addition, the standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group.

FRS 139: Financial Instruments: Recognition and Measurement

FRS 139 sets out the new requirements for the recognition and measurement of the Group's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of those instruments at balance sheet date reflects the designation of the financial instrument.

Loan and receivables

Prior to 1 February 2010, loans and receivables were stated at the gross proceeds receivable less provision for doubtful debts. Under FRS139, loans and receivables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains or losses are recognised in the consolidated statement of comprehensive income when the loans and receivables are derecognised, impaired or through amortisation process.

Payables

Under FRS 139, payables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Gains or losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised or through amortisation process.

Transitional provisions

In accordance with the transitional provision of FRS 139, the Group is required to remeasure the financial assets and liabilities as appropriate. Any adjustment of the previous carrying amount of the financial assets and liabilities shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial year in which FRS 139 is initially applied.

Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 117: Leases

Prior to 1 February 2010, leasehold land that normally had an indefinite economic life and where title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land was accounted for as prepaid land lease payments that were amortised over the lease term in accordance with the pattern of benefits provided.

Upon the adoption of the Amendment to FRS 117 in relation to classification of lease of land, the Group reassessed the classification of a leasehold land as a finance lease or an operating lease based on the extent of risks and rewards associated with the land. The Group has determined that all leasehold land of the Group are in substance finance leases and has reclassified its leasehold land from prepaid land lease payments to property, plant and equipment.

Explanatory Notes

2 CHANGES IN ACCOUNTING POLICIES (CONT'D)

Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 117: Leases (cont'd)

The reclassification has been made retrospectively and does not affect the income statement.

The effects of the reclassification on the consolidated balance sheet as at 31 January 2010 are as follows:

	As previously reported RM'000	Effects RM'000	As restated RM'000
Property, plant and equipment	100,947	84,965	185,912
Prepaid land lease payments	84,965	(84,965)	0
	<u>84,965</u>	<u>(84,965)</u>	<u>0</u>

3 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 10 May 2010, the Company announced that Sapura Auto Sdn. Bhd. ("SASB"), a wholly-owned subsidiary of the Company, had on 7 May 2010 entered into a conditional sale and purchase agreement ("SPA") with Sime Darby Motor Division Sdn. Bhd. for the disposal of a piece of freehold land together with the automobile showroom constructed thereon ("Property") for a cash consideration of RM49,054,503 (collectively referred to as "Proposed Disposal"). The SPA has become unconditional on 28 September 2010. The completion of the Proposed Disposal is still pending as at the date of this announcement.

Statements of financial position disclosures

The major classes of assets and liabilities of SASB classified as held for sale as at 31 October 2010 are as follows:

Assets:	RM'000
Property, plant & equipment	374
Inventories	3,911
Assets of disposal group classified as held for sale	<u>4,285</u>
Liabilities:	
Borrowings	<u>132</u>
Liabilities directly associated with disposal group classified as held for sale	<u>132</u>
Net current assets directly associated with disposal group classified as held for sale	<u>4,153</u>

Statement of comprehensive income disclosures

The results of SASB for the nine (9) months period ended 31 October 2010 are as follows:

	31.10.2010 RM'000	31.10.2009 RM'000
Revenue	84,453	137,635
Operating Expenses	(99,947)	(143,063)
Operating loss	(15,494)	(5,428)
Other income	26,234	3,369
Finance costs	(2,725)	(2,503)
Profit/(Loss) before tax	8,015	(4,562)
Taxation	0	0
Profit/(Loss) for the period	<u>8,015</u>	<u>(4,562)</u>

Explanatory Notes

3 DISCONTINUED OPERATION AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

Statement of cash flows disclosures

The cash flows attributable to SASB are as follows:

	31.10.2010	31.10.2009
	RM'000	RM'000
Operating	25,238	3,579
Investing	33,796	(455)
Financing	(58,408)	(2,518)
Net cash inflows	<u>626</u>	<u>606</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENT

The auditors' report on the financial statements for the year ended 31 January 2010 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

Other than the gain recorded from the disposal of a piece of freehold land together with the automobile showroom as referred to in Notes 15 & 16, there were no other unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

7 CHANGES IN ESTIMATES

There were no changes in estimates of the amounts reported in the previous financial year that have a material effect on the results of the current reporting period.

8 DEBT AND EQUITY SECURITIES

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

9 SEGMENTAL REPORTING

Analysis of the Group's revenue and results by segment are as follows:-

	9 months ended 31.10.2010		9 months ended 31.10.2009	
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000
Continuing operations:				
Education	72,697	21,544	55,248	15,583
Investment holdings/Property Investments	13,015	(6,969)	12,202	(360)
	<u>85,712</u>	<u>14,575</u>	<u>67,450</u>	<u>15,223</u>
Eliminations	0	177	0	(3)
Share of result of associates	0	208	0	238
	<u>85,712</u>	<u>14,960</u>	<u>67,450</u>	<u>15,458</u>
Discontinued operation:				
Premium automotive sales & services	84,453	8,015	137,635	(4,562)
	<u>84,453</u>	<u>8,015</u>	<u>137,635</u>	<u>(4,562)</u>
	<u>170,165</u>	<u>22,975</u>	<u>205,085</u>	<u>10,896</u>

Explanatory Notes

10 VALUATION OF PROPERTY, PLANT & EQUIPMENT

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

11 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 4 November 2010, the Company had announced that the proposed disposal of ordinary shares in APIIT Sdn Bhd ("APIIT") and Asia Pacific UCTI Sdn Bhd ("UCTI") representing 51% Equity interest each in APIIT and UCTI to Ontime Direction Sdn Bhd ("ONTIME") for a total cash consideration of RM102,000,000 ("Proposed Disposal"). The Proposed Disposal is expected to be completed by the end of first quarter of 2011.

12 CHANGES IN COMPOSITION OF THE GROUP

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

13 CONTINGENT LIABILITIES

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

14 CAPITAL COMMITMENTS

	As at 31.10.2010 RM'000	As at 31.01.2010 RM'000
Approved but not contracted for: Property, plant and equipment	12,518	5,232

15 REVIEW OF PERFORMANCE

Revenue from continuing operations for the quarter and for the nine (9) months period under review increased to RM29.6 million from RM20.7 million (an increase of RM8.9 million or 43%) and to RM85.7 million from RM 67.5 million (an increase of RM18.2 million or 27%) respectively, due to the increase in the revenue from the Group's education business.

However, the revenue from discontinued operation for the quarter and for the nine (9) months period under review dropped to RM5.1 million from RM41.2 million (a decrease of RM36.1 million or 88%) and to RM84.5 million from RM137.6 million (a decrease of RM53.1 million or 39%) mainly due to the lower units of cars sold at the Group's premium auto sales & services business.

Profit attributable to Owners of the Company for quarter and for the nine (9) months period under review rose to RM13.1 million from RM2.6 million and to RM16.9 million from RM6.4 million respectively, mainly due to realisation of the gain from the disposal of a piece of freehold land together with the automobile showroom and profit from the Group's education business.

16 MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO THE PRECEDING QUARTER

The Group recorded a profit attributable to Owners of the Company of RM13.1 million in the period under review which is more than 100% increase compared to RM2.0 million recorded in the immediate preceding quarter mainly due to the net gain arising from the disposal of a piece of freehold land together with the automobile showroom less the associated cost incurred for the cessation of the Group's premium auto sales & services business.

17 PROSPECTS

Barring any unforeseen circumstances, the Board of Directors expects the Group to record a better result in this financial year.

Explanatory Notes

18 TAXATION

	9 months ended 31.10.2010	9 months ended 31.10.2009
	RM'000	RM'000
Malaysian taxation	<u>(6,027)</u>	<u>(4,458)</u>

19 SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

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

20 QUOTED SECURITIES

There were no purchase and disposals of quoted securities during the quarter.

	As at 31.10.2010	As at 31.01.2010
	RM'000	RM'000
Investments in quoted securities as at the reporting period: At carrying value/market value	<u>208</u>	<u>193</u>

21 CORPORATE PROPOSALS

There were no corporate proposals entered into during the reporting period.

22 BORROWINGS

(a) Details of Group's borrowings are as follows:

	As at 31.10.2010	As at 31.01.2010
	RM'000	RM'000
Short term - secured	12,657	30,723
'-unsecured	<u>0</u>	<u>19,653</u>
	<u>12,657</u>	<u>50,376</u>
Long term - secured	72,794	90,329
'-unsecured	<u>0</u>	<u>0</u>
	<u>72,794</u>	<u>90,329</u>
Total borrowings	<u>85,451</u>	<u>140,705</u>

(b) Currency denominations

All the borrowings are denominated in Ringgit Malaysia.

23 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

24 MATERIAL LITIGATION

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 allegedly payable in respect of the construction of Sapura@Mines building. BFJV filed an application for summary judgement on their claim. Summary judgement has been entered in the High Court on 18 January 2010 in favour of BFJV for the sum of RM8 million, together with interest and costs. The Company's appeal was dismissed with costs on 8 October 2010. On 22 October 2010, the Company has filed an application to the Federal Court for leave to appeal to the Federal Court, and for a stay pending appeal. The Court of Appeal has granted an interim stay pending the hearing of the application to the Federal Court.

Sapura Resources Berhad (Company No.: 3136-D)

Explanatory Notes

25 DIVIDEND

The Board of Directors does not recommend any dividend for the current quarter under review.

26 EARNINGS PER SHARE

The earnings per share has been calculated based on the profit attributable to Owners of the Company from continuing operations of RM8,933,000 and discontinued operation of RM8,015,000 divided by the number of ordinary shares in issue during the period of 139,600,000.

BY ORDER OF THE BOARD

Zain Azrai Zainal Abidin (MIA 20859)

Company Secretary