



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

Interim Financial Statements for the six months period ended 31 July 2011

The Board of Directors is pleased to announce the
unaudited financial results of the Group for the six months period ended 31 July 2011

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Unaudited Condensed Statement of Comprehensive Income for the 2nd Quarter period ended 31 July 2011

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		31.07.2011 RM'000	31.07.2010 RM'000 (restated)	31.07.2011 RM'000	31.07.2010 RM'000 (restated)
Continuing operations:					
Revenue	9	5,106	4,202	9,970	8,514
Operating Expenses		(3,343)	(6,581)	(11,783)	(12,217)
Operating profit/(loss)		<u>1,763</u>	<u>(2,379)</u>	<u>(1,813)</u>	<u>(3,703)</u>
Other income	3	592	259	129,514	573
Finance costs		(143)	(519)	(479)	(962)
Share of result of associates		5,228	32	9,445	160
Profit/(loss) before tax from continuing operations		<u>7,440</u>	<u>(2,607)</u>	<u>136,667</u>	<u>(3,932)</u>
Taxation	18	-	-	-	-
Profit/(loss) from continuing operations, net of tax		<u>7,440</u>	<u>(2,607)</u>	<u>136,667</u>	<u>(3,932)</u>
Discontinued operations:					
(Loss)/Profit from discontinued operations, net of tax	2	(302)	4,649	1,065	7,814
Profit, net of tax		<u>7,138</u>	<u>2,042</u>	<u>137,732</u>	<u>3,882</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		<u>7,138</u>	<u>2,042</u>	<u>137,732</u>	<u>3,882</u>
Profit, represent total comprehensive income for the period attributable to:					
Owners of the parent		7,138	2,042	137,732	3,882
Minority interests		-	-	-	-
		<u>7,138</u>	<u>2,042</u>	<u>137,732</u>	<u>3,882</u>
Earnings/(Loss) per share attributable to					
Owners of the parent :					
Basic, profit/(loss) from continuing operations	27	5.33	(1.87)	97.90	(2.82)
Basic, (loss)/profit from discontinued operations	27	(0.22)	3.33	0.76	5.60
Basic, profit for the period		<u>5.11</u>	<u>1.46</u>	<u>98.66</u>	<u>2.78</u>

These unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011

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

Unaudited Condensed Statement of Financial Position as at 31 July 2011

	Note	31.07.2011	31.01.2011
		RM'000	RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		44,616	42,624
Investment properties		142,118	144,056
Investments in associates		126,742	19,476
		<u>313,476</u>	<u>206,156</u>
CURRENT ASSETS			
Inventories		942	1,584
Trade and other receivables		5,317	2,747
Other current assets		380	358
Investment securities	20	372	307
Cash and bank balances	21	85,890	14,628
Assets of disposal group classified as held for sale		-	128,815
		<u>92,901</u>	<u>148,439</u>
TOTAL ASSETS		<u>406,377</u>	<u>354,595</u>
EQUITY AND LIABILITIES			
		RM'000	RM'000
Equity attributable to Owners of the Parent			
Share capital		139,600	139,600
Other reserves		4,883	4,883
Retained profits		171,091	33,359
Total Equity		<u>315,574</u>	<u>177,842</u>
Non-current liabilities			
Deferred tax liabilities		2,934	2,934
Loans and borrowings	23	2,024	69,964
		<u>4,958</u>	<u>72,898</u>
Current Liabilities			
Trade and other payables		85,395	37,793
Loans and borrowings	23	323	13,182
Tax payable	18	127	127
Liabilities directly associated with disposal group classified as held for sale		-	52,753
		<u>85,845</u>	<u>103,855</u>
Total liabilities		<u>90,803</u>	<u>176,753</u>
TOTAL EQUITY AND LIABILITIES		<u>406,377</u>	<u>354,595</u>
NET ASSETS PER SHARE (RM)		<u>2.26</u>	<u>1.27</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 2011

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

Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 31 July 2011

	Attributable to Owners of the Parent							Total Equity
	<----- Non-distributable ----->			<--- Distributable --->				
	Share Capital	Revaluation Reserve	Capital Reserve	General Reserve	Retained Profits	Subtotal	Minority Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.2.2011	139,600	2,302	1,481	1,100	33,359	177,842	-	177,842
Profit for the period, being total comprehensive income for the period	-	-	-	-	137,732	137,732	-	137,732
At 31.07.2011	139,600	2,302	1,481	1,100	171,091	315,574	-	315,574
At 1.2.2010	139,600	2,302	1,481	1,100	4,280	148,763	-	148,763
Profit for the period, being total comprehensive income for the period	-	-	-	-	3,882	3,882	-	3,882
At 31.07.2010	139,600	2,302	1,481	1,100	8,162	152,645	-	152,645

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 2011

Unaudited Statement of Cash Flows for the period ended 31 July 2011

	For the 6 months period ended 31.07.2011	For the 6 months period ended 31.07.2010
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax from continuing operations	136,667	(3,932)
Profit before tax from discontinued operations	1,663	11,465
Adjustment for:		
Non-cash items	(123,809)	6,993
	<u>14,521</u>	<u>14,526</u>
Operating profit before working capital changes	14,521	14,526
Net change in current assets	45,964	25,030
Net change in current liabilities	5,057	(24,726)
Taxes paid	(598)	(3,157)
Net cash generated from operating activities	<u>64,944</u>	<u>11,673</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,703)	(5,097)
Proceeds from disposal of property, plant and equipment	88	-
Net proceeds from disposal of subsidiaries	67,927	-
Net cash generated from/(used in) investing activities	<u>63,312</u>	<u>(5,097)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of borrowings	(80,547)	(610)
Interest paid	(479)	(1,789)
Dividend paid on ordinary shares	(9,789)	-
Net cash used in financing activities	<u>(90,815)</u>	<u>(2,399)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	37,441	4,177
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>48,449</u>	<u>19,026</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>85,890</u>	<u>23,203</u>
Cash and cash equivalents comprise:		
Cash and bank balances	85,890	23,421
Bank overdraft	-	(218)
	<u>85,890</u>	<u>23,203</u>

These unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2011

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 2011.

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 2011, except for the adoption of applicable new and amended FRS and IC Interpretations on 1 February 2011. The adoptions of the new and amended FRS and IC Interpretations have no material impact on the unaudited condensed interim financial statements except for the adoption of the Amendments to FRS 127, which require the Group to recognise any interest retained in the former subsidiaries at their fair values at the date when control is lost, the impact of which is disclosed in Note 2 below.

2 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 4 November 2010, the Company had announced that it had entered into a conditional share sale and purchase agreement ("SSPA") with Ontime Direction Sdn Bhd ("Ontime") for the proposed disposal of 1,275,001 APIIT Shares and 1,275,001 UCTI Shares representing 51% equity interest each in APIIT and UCTI ("Education Group") for a total cash consideration of RM102,000,000. The SSPA have been fully satisfied on 18 February 2011.

As at 31 January 2011, the assets and liabilities of the Education Group have been classified as held for sale in accordance with Financial Reporting Standard 5 Non-Current Assets Held for Sale and Discontinued Operations.

The results of Education Group from 1 February 2011 to 18 February 2011 have been treated as results of discontinued operations, while its results after 18 February 2011, have been equity accounted for pursuant to FRS 127 Investments in Associates and reported as part of share of results of associates in the unaudited statement of comprehensive income. Also included in the discontinued operations for the period ended 31 July 2011 & 31 July 2010 were the results of the Group's Premium automotive sales & services segment which has been discontinued.

(a) Discontinued operations

Statement of comprehensive income disclosures

	31.07.2011	31.07.2010
	RM'000	RM'000
Discontinued operations:		
Revenue	5,732	126,924
Operating Expenses	<u>(4,657)</u>	<u>(120,984)</u>
Operating income	1,075	5,940
Other income	588	7,881
Finance costs	<u>-</u>	<u>(2,356)</u>
Profit before tax	1,663	11,465
Taxation	<u>(598)</u>	<u>(3,651)</u>
Profit for the period	<u>1,065</u>	<u>7,814</u>

Statement of cash flows disclosures

The cash flows attributable to the discontinued operations are as follows:

	31.07.2011	31.07.2010
	RM'000	RM'000
Operating	1,994	17,421
Investing	88	(1,075)
Financing	<u>-</u>	<u>(23,271)</u>
Net cash inflows	<u>2,082</u>	<u>(6,926)</u>

Explanatory Notes

(b) Continuing operations

Statement of comprehensive income disclosures

	19.02.2011 to 31.07.2011 RM'000	01.02.2010 to 31.07.2010 RM'000
Continuing operations:		
Share of results of associates	<u>7,843</u>	<u>-</u>
Gain on disposal of subsidiaries and fair value gain on remeasurement of interest retained in the former subsidiaries :		18.02.2011 RM'000
Net assets of Education Group		<u>71,249</u>
Net assets of Education Group disposed (51%)		36,337
Attributable Goodwill		<u>259</u>
		36,596
Disposal proceeds		(102,000)
Gain on disposal of Education Group	Note 3	<u>(65,404)</u>
Fair value gain on remeasurement of interest retained	Note 3	<u>(63,088)</u>
Total gain recognised in profit or loss, reported as part of other income		<u>(128,492)</u>

Statement of cash flows disclosures

Net cash flows from disposal of subsidiaries:

	18.02.2011 RM'000
Disposal proceeds	102,000
Cash and cash equivalents of subsidiaries disposed	<u>(34,073)</u>
Net cash inflow of the Group	<u>67,927</u>

3 OTHER INCOME

	31.07.2011 RM'000	31.07.2010 RM'000
Gain on disposal of Education Group	Note 2 (b) 65,404	-
Fair value gain on remeasurement of interest retained	Note 2 (b) 63,088	-
Interest income	424	25
Miscellaneous	598	548
	<u>129,514</u>	<u>573</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2011 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 CHANGES IN ESTIMATES

There were no material 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.

Explanatory Notes

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:-

	6 months ended 31.07.2011		6 months ended 31.07.2010	
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Revenue RM'000	Profit/(Loss) Before Taxation RM'000
Continuing operations:				
Investment holdings/ Property Investments	<u>9,970</u>	<u>127,222</u>	<u>8,514</u>	<u>(4,092)</u>
	9,970	127,222	8,514	(4,092)
Share of result of associates	<u>-</u>	<u>9,445</u>	<u>-</u>	<u>160</u>
	<u>9,970</u>	<u>136,667</u>	<u>8,514</u>	<u>(3,932)</u>
Discontinued operations:				
Education	5,732	2,323	47,556	18,795
Premium automotive sales & services	<u>-</u>	<u>(660)</u>	<u>79,368</u>	<u>(7,330)</u>
	<u>5,732</u>	<u>1,663</u>	<u>126,924</u>	<u>11,465</u>
	<u>15,702</u>	<u>138,330</u>	<u>135,438</u>	<u>7,533</u>

10 VALUATION OF PROPERTY, PLANT & EQUIPMENT AND INVESTMENT PROPERTIES

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

There were no material events subsequent to end of the reporting period.

12 CHANGES IN COMPOSITION OF THE GROUP

Other than the disposal of the Group's 51% equity interest in APIIT & UCTI as referred to in Note 2, there were no changes in the composition of the Group for the current financial period.

13 CONTINGENT LIABILITIES

There were no material changes in contingent liabilities of the Group since the last annual reporting date.

14 CAPITAL COMMITMENTS

	As at 31.07.2011 RM'000	As at 31.01.2011 RM'000
Approved and contracted for:		
Property, plant and equipment	779	-
Approved but not contracted for:		
Property, plant and equipment	<u>4,062</u>	<u>3,278</u>
	<u>4,841</u>	<u>3,278</u>

Explanatory Notes

15 REVIEW OF PERFORMANCE

Revenue from continuing operations for the six (6) months period under review rose to RM9.9 million from RM8.5 million (an increase of 1.4 million or 16.4%) due to better rental rates achieved from the Group's property investment business.

Revenue from discontinued operations of RM5.7 million was attributed by the Group's Education business for the period from 1 Feb to 18 Feb 2011.

Profit attributable to Owners of the Parent for the six (6) months period under review rose to RM137.7 million from RM3.8 million, mainly due to the gain from the disposal of the Group's 51% interest and the fair value gain on remeasurement of the 49% interest retained in the Education business as disclosed in Note 2.

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

The Group recorded a profit attributable to Owners of the Parent of RM7.1 million in the period under review, compared to RM130.6 million recorded in the immediate preceding quarter. The higher profit recorded in the immediate preceding quarter was mainly due to the gain from the disposal of the Group's 51% interest and the fair value gain on remeasurement of the 49% interest retained in the Education business as disclosed in Note 2.

17 PROSPECTS

The Group will be mainly involved in the Property and Education business, and will continue to develop the Education business together with Ekuinas. Barring any unforeseen circumstances, the Board of Directors expects the Group to record positive results for the financial year ending 31 January 2012.

18 TAXATION

	6 months ended 31.07.2011	6 months ended 31.07.2010
	RM'000	RM'000
Malaysian taxation		
: continuing operations	-	-
: discontinued operations	(598)	(3,651)
	<u>(598)</u>	<u>(3,651)</u>

19 SALE OF UNQUOTED INVESTMENTS AND PROPERTIES

Other than the disposal of the Group's 51% equity interest in APIIT & UCTI as referred to in Note 2, there were no sale of unquoted investments and/or properties for the current financial period.

20 QUOTED SECURITIES

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

	As at 31.07.2011	As at 31.01.2011
	RM'000	RM'000
Investments in quoted securities as at the reporting period:		
At fair value	<u>372</u>	<u>307</u>

21 CASH AND BANK BALANCES

Included in the cash and bank balances is RM63.0 million, being compensation received under protest from the compulsory acquisition of our Subang land under the Land Acquisition Act 1960. The Company has lodged with the courts its objection to challenge the compensation and also filed an application for Judicial Review to challenge the acquisition.

Explanatory Notes

22 CORPORATE PROPOSALS

(a) On 19 July 2011, the Company announced that it had entered into a joint venture agreement ("JVA") with KLCC (Holdings) Sdn Bhd ("KLCC") whereby both our Company and KLCC ("Parties") have agreed to collaborate with each other, via a joint venture vehicle known as Impian Bebas for the following:

- (i) to construct a premier Grade A office tower ("Office Tower") together with a convention centre or exhibition hall ("Convention Centre") and a retail podium ("Retail Podium") (collectively referred to as "Commercial Buildings") on the Land; and
- (ii) leasing of the Commercial Buildings upon the completion thereof.

(Collectively referred to as the "Project")

The completion of the Project is still pending as at the date of this announcement.

(b) On 7 July 2011, the Company announced that its wholly owned subsidiary, Nova Embun Sdn Bhd ("**Nova Embun**") has entered into Sale of Business **Agreements ("the Agreement")** with DNest Aviation Services Sdn Bhd and DNest Aviation Training Centre Sdn Bhd ("**collectively** referred to as "**DNest Group**") to acquire their business assets ("**Proposed Acquisition**") for a total purchase consideration of RM28.0 million ("**Purchase Price**"), subject to the terms and conditions stated on the Agreement.

The completion of the Proposed Acquisition is still pending as at the date of this announcement.

23 BORROWINGS

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

	As at 31.07.2011 RM'000	As at 31.01.2011 RM'000
Short term - secured	323	12,930
-unsecured	0	252
	<u>323</u>	<u>13,182</u>
Long term - secured	2,024	69,964
-unsecured	-	-
	<u>2,024</u>	<u>69,964</u>
Total borrowings	<u>2,347</u>	<u>83,146</u>

(b) Currency denominations

All the borrowings are denominated in Ringgit Malaysia.

24 OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

25 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 judgment was entered in the High Court on 18 January 2010 in favour of BFJV for the sum of RM8 million, together with interest thereon at 8% per annum from 21 October 2000 until date of payment in full, and costs. **The Company's appeal was dismissed with costs on 8 October 2010.**

The Company, on 28 March 2011, applied to the High Court for a stay of execution of the summary judgment entered against the Company pending full and final disposal of the Company's counter claim against BFJV. The application for stay was heard on 12 May 2011, and judgment reserved. Subsequently, the Court on 20 May 2011 allowed **SRB's** application for stay of execution of the summary judgment. The Plaintiff appealed to the Court of Appeal against the said decision.

Subsequently, the Court had on 20 May 2011 allowed **SRB's** stay application and the Plaintiff has filed an appeal against the said decision. In order to bring this long outstanding dispute to an end, SRB agreed to pay the sum of RM8 million to BFJV ("**Settlement Sum**") on or before 26 August 2011, in full and final settlement of all disputes between SRB and BFJV. These terms were recorded at the Kuala Lumpur High Court on 29 July 2011. SRB has accordingly made payment of the Settlement Sum, and the matter is now fully resolved.

26 DIVIDEND

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

27 EARNINGS PER SHARE

The earnings per share has been calculated based on the profit attributable to Owners of the Parent from continuing operations of RM136,667,000 and discontinued operations of RM1,065,000 divided by the number of ordinary shares in issue during the period of 139,600,000.

28 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 31.07.2011	As at 31.01.2011
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	65,648	62,520
- Unrealised	(2,934)	(6,032)
	<u>62,714</u>	<u>56,488</u>
Total share of retained profits from associated companies:		
- Realised	16,337	(921)
- Unrealised	(887)	626
	<u>15,450</u>	<u>(295)</u>
Consolidation adjustments	92,927	(22,834)
Retained profits as per financial statements	<u>171,091</u>	<u>33,359</u>

BY ORDER OF THE BOARD

Eulis Rachmatiah binti Iskandar Sastrawidjaja (LS 8774)

Zain Azrai Zainal Abidin (MIA 20859)

Company Secretaries