



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

Interim Financial Statements for the 3rd quarter ended 31 October 2011

The Board of Directors is pleased to announce the
unaudited financial results of the Group for the 3rd quarter ended 31 October 2011

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Unaudited Condensed Statement of Comprehensive Income for the 3rd Quarter period ended 31 October 2011

| | Note | Individual Quarter 3 Months Ended | | Cumulative Quarter 9 Months Ended | |
|--|------|--------------------------------------|------------------------------------|--------------------------------------|------------------------------------|
| | | 31.10.2011 RM'000 | 31.10.2010 RM'000 (restated) | 31.10.2011 RM'000 | 31.10.2010 RM'000 (restated) |
| Continuing operations: | | | | | |
| Revenue | 9 | 5,152 | 4,620 | 15,122 | 13,134 |
| Operating Expenses | | (8,267) | (11,612) | (20,050) | (23,829) |
| Operating loss | | <u>(3,115)</u> | <u>(6,992)</u> | <u>(4,928)</u> | <u>(10,695)</u> |
| Other income | 3 | 1,168 | 299 | 130,682 | 872 |
| Finance costs | | (103) | (581) | (582) | (1,543) |
| Share of result of associates | 9 | 625 | 48 | 10,070 | 208 |
| (Loss)/profit before tax from continuing operations | | <u>(1,425)</u> | <u>(7,226)</u> | <u>135,242</u> | <u>(11,158)</u> |
| Taxation | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| (Loss)/profit from continuing operations, net of tax | | <u>(1,425)</u> | <u>(7,226)</u> | <u>135,242</u> | <u>(11,158)</u> |
| Discontinued operations: | | | | | |
| Profit from discontinued operations, net of tax | 2 | 156 | 20,292 | 1,221 | 28,106 |
| (Loss)/profit, net of tax | | <u>(1,269)</u> | <u>13,066</u> | <u>136,463</u> | <u>16,948</u> |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the period | | <u>(1,269)</u> | <u>13,066</u> | <u>136,463</u> | <u>16,948</u> |
| (Loss)/profit, represent total comprehensive income for the period attributable to : | | | | | |
| Owners of the parent | | (1,269) | 13,066 | 136,463 | 16,948 |
| Minority interests | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | <u>(1,269)</u> | <u>13,066</u> | <u>136,463</u> | <u>16,948</u> |
| (Loss)/Earnings per share attributable to | | | | | |
| Owners of the parent : | | Sen | Sen | Sen | Sen |
| Basic, (loss)/profit from continuing operations | 26 | (1.02) | (5.18) | 96.88 | (7.99) |
| Basic, profit from discontinued operations | 26 | 0.11 | 14.54 | 0.87 | 20.13 |
| Basic, (loss)/profit for the period | | <u>(0.91)</u> | <u>9.36</u> | <u>97.75</u> | <u>12.14</u> |

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

Unaudited Condensed Statement of Financial Position as at 31 October 2011

| | Note | 31.10.2011 | 31.01.2011 |
|--|------|----------------|----------------|
| | | RM'000 | RM'000 |
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | | 43,762 | 42,624 |
| Investment properties | | 141,164 | 144,056 |
| Investments in associates | | 127,367 | 19,476 |
| | | <u>312,293</u> | <u>206,156</u> |
| CURRENT ASSETS | | | |
| Inventories | | 916 | 1,584 |
| Trade and other receivables | | 5,683 | 2,747 |
| Other current assets | | 250 | 358 |
| Investment securities | 20 | 338 | 307 |
| Cash and bank balances | | 75,923 | 14,628 |
| Assets of disposal group classified as held for sale | | - | 128,815 |
| | | <u>83,110</u> | <u>148,439</u> |
| TOTAL ASSETS | | <u>395,403</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 | | 169,822 | 33,359 |
| Total Equity | | <u>314,305</u> | <u>177,842</u> |
| Non-current liabilities | | | |
| Deferred tax liabilities | | 2,934 | 2,934 |
| Loans and borrowings | 22 | 1,940 | 69,964 |
| | | <u>4,874</u> | <u>72,898</u> |
| Current Liabilities | | | |
| Trade and other payables | | 75,769 | 37,793 |
| Loans and borrowings | 22 | 328 | 13,182 |
| Tax payable | | 127 | 127 |
| Liabilities directly associated with disposal group classified as held for sale | | - | 52,753 |
| | | <u>76,224</u> | <u>103,855</u> |
| Total liabilities | | <u>81,098</u> | <u>176,753</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>395,403</u> | <u>354,595</u> |
| NET ASSETS PER SHARE (RM) | | | |
| | | <u>2.25</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 October 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 | - | - | - | - | 136,463 | 136,463 | - | (11,783) |
| At 31.10.2011 | 139,600 | 2,302 | 1,481 | 1,100 | 169,822 | 314,305 | - | 302,522 |
| 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 | - | - | - | - | 16,948 | 16,948 | - | 16,948 |
| At 31.10.2010 | 139,600 | 2,302 | 1,481 | 1,100 | 21,228 | 165,711 | - | 165,711 |

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 October 2011

| | For the 9 months period ended 31.10.2011 | For the 9 months period ended 31.10.2010 |
|---|--|--|
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit/(loss) before tax from continuing operations | 135,242 | (11,158) |
| Profit before tax from discontinued operations | 1,819 | 34,133 |
| Adjustment for: | | |
| Non-cash items | (122,225) | (6,223) |
| Operating profit before working capital changes | 14,836 | 16,752 |
| Net change in current assets | 45,777 | 35,174 |
| Net change in current liabilities | (5,223) | 63 |
| Taxes paid | - | (4,607) |
| Net cash generated from operating activities | 55,390 | 47,382 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (4,934) | (7,329) |
| Proceeds from disposal of property, plant and equipment | 87 | 33,314 |
| Net proceeds from disposal of subsidiaries | 67,927 | - |
| Net cash generated from/(used in) investing activities | 63,081 | 25,985 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net repayment of borrowings | (80,626) | (55,121) |
| Interest paid | (582) | (4,829) |
| Dividend paid on ordinary shares | (9,789) | - |
| Net cash used in financing activities | (90,997) | (59,950) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 27,474 | 13,417 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 48,449 | 19,026 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 75,923 | 32,443 |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | 75,923 | 32,443 |
| Bank overdraft | - | - |
| | 75,923 | 32,443 |

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

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

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 October 2011 and 31 October 2010 were the results of the Group's Premium automotive sales and services segment which has been discontinued

(a) Discontinued operations

Statement of comprehensive income disclosures

| | 31.10.2011 | 31.10.2010 |
|--------------------------|------------|------------|
| | RM'000 | RM'000 |
| Discontinued operations: | | |
| Revenue | 5,732 | 72,543 |
| Operating Expenses | (4,551) | (68,460) |
| Operating income | 1,181 | 4,083 |
| Other income | 638 | 33,336 |
| Finance costs | - | (3,286) |
| Profit before tax | 1,819 | 34,133 |
| Taxation | (598) | (6,027) |
| Profit for the period | 1,221 | 28,106 |

Note 18

Statement of cash flows disclosures

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

| | 31.10.2011 | 31.10.2010 |
|------------------|--------------|---------------|
| | RM'000 | RM'000 |
| Operating | 2,166 | 42,849 |
| Investing | 87 | 35,799 |
| Financing | - | (60,899) |
| Net cash inflows | <u>2,254</u> | <u>17,750</u> |

(b) Continuing operations**Statement of comprehensive income disclosures**

| | 19.02.2011 | 01.02.2010 |
|--------------------------------|---------------|------------|
| | to | to |
| | 31.10.2011 | 31.10.2010 |
| | RM'000 | RM'000 |
| Continuing operations: | | |
| Share of results of associates | <u>12,231</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 | 259 |
| | <u>36,596</u> |
| Disposal proceeds | (102,000) |
| Gain on disposal of 51% interest | (65,404) |
| Gain on revaluation of 49% interest retained | (63,088) |
| 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

| | 31.10.2011 | 31.10.2010 |
|--|-------------------|------------|
| | RM'000 | RM'000 |
| Gain on disposal of 51% interest | Note 2 (b) 65,404 | - |
| Gain on revaluation of 49% interest retained | Note 2 (b) 63,088 | - |
| Interest income | 1,191 | 35 |
| Miscellaneous | <u>999</u> | <u>837</u> |
| | <u>130,682</u> | <u>872</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.

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 31.10.2011 | | 9 months ended 31.10.2010 | |
|--|------------------------------|---|------------------------------|---|
| | Revenue RM'000 | Profit/(Loss) Before Taxation RM'000 | Revenue RM'000 | Profit/(Loss) Before Taxation RM'000 |
| Continuing operations: | | | | |
| Investment holdings/ Property Investments | 15,122 | 125,172 | 13,134 | (11,366) |
| | <u>15,122</u> | <u>125,172</u> | <u>13,134</u> | <u>(11,366)</u> |
| Share of result of associates | - | 10,070 | - | 208 |
| | <u>15,122</u> | <u>135,242</u> | <u>13,134</u> | <u>(11,158)</u> |
| Discontinued operations: | | | | |
| Education | 5,732 | 2,323 | 72,574 | 26,118 |
| Premium automotive sales & services | - | (504) | (31) | 8,015 |
| | <u>5,732</u> | <u>1,819</u> | <u>72,543</u> | <u>34,133</u> |
| | <u>20,854</u> | <u>137,061</u> | <u>85,677</u> | <u>22,975</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 31.10.2011 | As at 31.01.2011 |
|----------------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Approved and contracted for: | | |
| Property, plant and equipment | 765 | - |
| Approved but not contracted for: | | |
| Property, plant and equipment | 4,039 | 3,278 |
| | <u>4,804</u> | <u>3,278</u> |

15 REVIEW OF PERFORMANCE

Revenue from continuing operations for the nine (9) months period under review increased to RM15.1 million from RM13.1 million (an increase of 2.0 million or 15.3%) due to better rental rates obtained 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 nine (9) months period under review increased to RM136.4 million from RM16.9 million, mainly due to the gain from the disposal of the Group's 51% interest and the fair value gain on revaluation 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 loss attributable to Owners of the Parent of RM1.3 million in the period under review, compared to RM7.1 million profit recorded in the immediate preceding quarter. The loss recorded in the period under review was primarily due to a stock write-down in an associated company, involved in the manufacturing and distribution of power cables.

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

| | 9 months ended 31.10.2011 | 9 months ended 31.10.2010 |
|---------------------------|---------------------------------|---------------------------------|
| | RM'000 | RM'000 |
| Malaysian taxation | | |
| : continuing operations | - | - |
| : discontinued operations | (598) | (6,027) |
| | <u>(598)</u> | <u>(6,027)</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 31.10.2011 | As at 31.01.2011 |
|--|---------------------|---------------------|
| | RM'000 | RM'000 |
| Investments in quoted securities as at the reporting period: | | |
| At fair value | 338 | 307 |

21 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.

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

(b) On 7 July 2011, the Company announced that its wholly owned-subsiary, Nova Embun Sdn Bhd (now known as "DNest Aviation Sdn Bhd") 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.

22 BORROWINGS

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

| | As at 31.10.2011 | As at 31.01.2011 |
|-------------------------|---------------------|---------------------|
| | RM'000 | RM'000 |
| Short term - secured | 328 | 12,930 |
| -unsecured | - | 252 |
| | 328 | 13,182 |
| Long term - secured | 1,940 | 69,964 |
| -unsecured | - | - |
| | 1,940 | 69,964 |
| Total borrowings | 2,268 | 83,146 |

(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 30 June 2011, the Company had announced that its land held under PT 40446 H.S. (D) 259959 Pekan Sungai Buluh, Daerah Petaling measuring 86,570.55 square meters ("Subang Land") is the subject of a compulsory acquisition under the Land Acquisition Act 1960 for Majlis Amanah Rakyat ("MARA") to develop a campus for Universiti Kuala Lumpur Malaysian Institute of Aviation Technology ("UNIKL MIAT"). Compensation of RM62,960,394.00 was made by MARA via the Jabatan Ketua Pengarah Tanah dan Galian (Persekutuan) Negeri Selangor which was accepted under protest as provided by the Act.

The Company has lodged its objection to the compensation and had also filed an application for Judicial Review to challenge the acquisition. In this respect, the Company has not recognised any gain/(loss) in the Company's Statement of Comprehensive Income from the acquisition pending the outcome of the decision of the courts.

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 Parent from continuing operations of RM135,242,000 and discontinued operations of RM1,221,000 divided by the number of ordinary shares in issue during the period of 139,600,000.

27 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

| | As at 31.10.2011 | As at 31.01.2011 |
|---|---------------------|---------------------|
| | RM'000 | RM'000 |
| Total retained profits of the Company and its subsidiaries: | | |
| - Realised | 63,751 | 62,520 |
| - Unrealised | (2,934) | (6,032) |
| | <u>60,817</u> | <u>56,488</u> |
| Total share of retained profits from associated companies: | | |
| - Realised | 16,964 | (921) |
| - Unrealised | (887) | 626 |
| | <u>16,077</u> | <u>(295)</u> |
| Consolidation adjustments | 92,928 | (22,834) |
| Retained profits as per financial statements | <u>169,822</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