



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

**Interim Financial Statements for the 4<sup>th</sup> quarter ended 31 January 2013**

The Board of Directors is pleased to announce the  
unaudited financial results of the Group for the 4<sup>th</sup> quarter ended 31 January 2013

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## 12 MONTHS YEAR ENDED 31 JANUARY 2013

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

Unaudited Condensed Consolidated Statements of Comprehensive Income for the 4<sup>th</sup> Quarter ended 31 January 2013

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
		31.01.2013 RM'000	31.01.2012 RM'000	31.01.2013 RM'000	31.01.2012 RM'000
<b>Continuing operations:</b>					
Revenue	10	8,885	5,494	28,093	20,616
Operating expenses		(13,584)	(7,784)	(43,654)	(27,834)
Other income	4	36,252	1,192	39,342	131,874
<b>Operating profit/(loss)</b>		<b>31,553</b>	<b>(1,098)</b>	<b>23,781</b>	<b>124,656</b>
Finance costs		(230)	(30)	(509)	(612)
<b>Profit/(loss) before tax from continuing operations</b>		<b>31,323</b>	<b>(1,128)</b>	<b>23,272</b>	<b>124,044</b>
Share of result of associates		1,020	4,932	7,482	15,002
Share of result of joint ventures		(19)	-	(95)	-
<b>Profit before tax</b>		<b>32,324</b>	<b>3,804</b>	<b>30,659</b>	<b>139,046</b>
Taxation		238	1,060	138	1,060
<b>Profit from continuing operations, net of tax</b>		<b>32,562</b>	<b>4,864</b>	<b>30,797</b>	<b>140,106</b>
<b>Discontinued operations:</b>					
<b>Profit from discontinued operations, net of tax</b>	3	-	61	-	1,282
<b>Profit, net of tax</b>		<b>32,562</b>	<b>4,925</b>	<b>30,797</b>	<b>141,388</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period/year</b>		<b>32,562</b>	<b>4,925</b>	<b>30,797</b>	<b>141,388</b>
<b>Profit, represent total comprehensive income for the period/year attributable to :</b>					
Owners of the parent		32,562	4,925	30,797	141,388
Non-controlling interests		-	-	-	-
		<b>32,562</b>	<b>4,925</b>	<b>30,797</b>	<b>141,388</b>
<b>Earnings per share attributable to</b>					
<b>Owners of the parent :</b>					
Basic, profit from continuing operations	25	23.33	3.48	22.06	100.36
Basic, profit from discontinued operations	25	0.00	0.04	0.00	0.92
<b>Basic, profit for the period/year</b>		<b>23.33</b>	<b>3.53</b>	<b>22.06</b>	<b>101.28</b>

These unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2013

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## Unaudited Condensed Consolidated Statements of Financial Position as at 31 January 2013

	Note	31.01.2013 RM'000	31.01.2012 RM'000
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		48,872	45,718
Investment properties		134,957	138,735
Investments in associates		123,687	124,633
Investments in joint ventures		1,410	-
		<u>308,926</u>	<u>309,086</u>
<b>CURRENT ASSETS</b>			
Inventories		13	11
Trade and other receivables		5,923	5,214
Other current assets		85	330
Investment securities	20	476	405
Cash and cash equivalents		77,319	84,279
		<u>83,816</u>	<u>90,239</u>
<b>TOTAL ASSETS</b>		<u>392,742</u>	<u>399,325</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to Owners of the Parent</b>			
Share capital		139,600	139,600
Other reserves		2,581	2,581
Retained profits		207,846	177,049
<b>Total Equity</b>		<u>350,027</u>	<u>319,230</u>
<b>NON CURRENT LIABILITIES</b>			
Deferred tax liabilities		8,112	2,040
Loan and borrowings	22	1,654	1,840
		<u>9,766</u>	<u>3,880</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		14,507	75,882
Loan and borrowings	22	18,442	333
		<u>32,949</u>	<u>76,215</u>
<b>TOTAL LIABILITIES</b>		<u>42,715</u>	<u>80,095</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>392,742</u>	<u>399,325</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>2.51</u>	<u>2.29</u>

These unaudited Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2013

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

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

## Unaudited Condensed Consolidated Statement of Changes in Equity for the year ended 31 January 2013

	Attributable to Owners of the Parent				Subtotal	Non-Controlling Interests	Total Equity
	<-- Non-distributable -->		<--- Distributable --->				
	Share Capital	Capital Reserve	General Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 1.2.2012</b>	139,600	1,481	1,100	177,049	319,230	-	319,230
Profit for the year, being total comprehensive income for the year	-	-	-	30,797	30,797	-	30,797
<b>At 31.01.2013</b>	139,600	1,481	1,100	207,846	350,027	-	350,027
<b>At 1.2.2011</b>	139,600	1,481	1,100	35,661	177,842	-	177,842
Profit for the year, being total comprehensive income for the year	-	-	-	141,388	141,388	-	141,388
<b>At 31.01.2012</b>	139,600	1,481	1,100	177,049	319,230	-	319,230

These unaudited Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2013

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

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

## Unaudited Condensed Consolidated Statements of Cash Flows for the year ended 31 January 2013

	For the 12 months year ended 31.01.2013 RM'000	For the 12 months year ended 31.01.2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operations	25,977	139,046
Profit before tax from discontinued operations	-	1,880
Adjustment for non-cash items:	(27,412)	(138,287)
Operating (loss)/profit before working capital changes	(1,435)	2,639
Net change in current assets	(324)	(127)
Net change in current liabilities	570	(14,124)
Net cash used in operating activities	(1,189)	(11,612)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,893)	(6,625)
Proceeds from disposal of property, plant and equipment	-	100
Acquisition of new subsidiaries	-	-
Acquisition of jointly controlled entity	(1,505)	-
Net proceeds from disposal of subsidiaries	(28,000)	67,927
Dividend received	5,610	7,867
Interest received	2,323	1,965
Settlement of cash at completion from disposal of subsidiaries	-	4,867
Net cash generated from investing activities	(23,465)	76,101
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net repayment of borrowings	18,681	(80,958)
Interest paid	(509)	(612)
Dividend paid on ordinary shares	-	(9,789)
Cash received for Subang land	-	63,013
Repayment of hire purchase creditors	(478)	(313)
Net cash generated from/(used in) financing activities	17,694	(28,659)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(6,960)</b>	<b>35,830</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>84,279</b>	<b>48,449</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>77,319</b>	<b>84,279</b>

These unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2013

12 MONTHS YEAR ENDED 31 JANUARY 2013

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

Explanatory Notes

**1 FIRST ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS")**

These condensed consolidated statements of comprehensive income, for the year ended 31 January 2013, have been prepared in accordance with the requirements of MFRS 134: Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia"). These condensed consolidated financial statements also comply with IAS 34 Financial Reporting issued by the International Accounting Standard Board. For the year ended 31 January 2013, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

These condensed consolidated financial statements are Group's first MFRS annual financial statements for the financial year ended 31 January 2013. MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

These explanatory notes attached to these condensed consolidated 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 financial year ended 31 January 2012.

The date of transition to the MFRS Framework is 1 February 2011. The transition from FRS to MFRS has not had material impact on the financial position, financial performance and cash flows of the Group and the Company.

**2 CHANGES IN ACCOUNTING POLICIES AND APPLICATION OF MFRS 1**

The audited financial statements of the Group for the financial year ended 31 January 2013 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this condensed consolidated financial statements are consistent with those of the audited financial statements for the financial year ended 31 January 2012 except as discussed below:

a) Investment properties

The Group has previously adopted the transitional provisions available of the first application of MASB Approved Accounting Standards IAS16 (Revised) Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group has recorded certain leasehold land and buildings at revalued amounts and had not adopted a policy of revaluation and continued to carry those leasehold land and buildings on the basis of their previous revaluations subject to continuity in its depreciation policy and requirement to write down the assets to their recoverable amounts for impairment adjustments.

At the date of transition to MFRS, the Group elected to regard the revalued amounts of leasehold land and buildings as at 31 January 2004 as deemed cost. As a result, a revaluation surplus of RM2,302,000 was transferred to retained profits on the date of transition to MFRS.

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## 2 CHANGES IN ACCOUNTING POLICIES AND APPLICATION OF MFRS 1 (Cont'd.)

## (a) Investment properties (Cont'd.)

Reconciliation of equity as at 1 February 2011

	FRS as at 01.02.2011 RM'000	Reclassification RM'000	MFRS as at 01.02.2011 RM'000
Revaluation reserve	2,302	(2,302)	-
Retained profits	33,359	2,302	35,661

Reconciliation of equity as at 31 January 2012

	FRS as at 31.01.2012 RM'000	Reclassification RM'000	MFRS as at 31.01.2012 RM'000
Revaluation reserve	2,302	(2,302)	-
Retained profits	174,747	2,302	177,049

At the date of authorisation of these interim financial statements, the following MFRSs, Amendments to MFRSs and Issues Committee ("IC") Interpretation were issued but not yet effective and have not been applied by the Group:

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

<u>Adoption to MFRSs, Amendments to MFRSs and IC Interpretations</u>		<u>Effective for annual period beginning on or after</u>
MFRS 101	Presentation of Items of Other Comprehensive Income (Amendments to MFRS 101)	1 July 2012
Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)	1 January 2013
MFRS 3	Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2004)	1 January 2013
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 12	Disclosure of interests in Other Entities	1 January 2013
MFRS 13	Fair Value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investment in Associate and Joint Ventures	1 January 2013
MFRS 127	Consolidated and Separate Financial Statements (IAS 27 as revised by IASB in December 2003)	1 January 2013
Amendment to IC	Interpretation 2 Members' Shares in Co-operative Entities And Similar Instruments ( Annual Improvements 2009-2011 Cycle)	1 January 2013
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to MFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)	1 January 2013
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to MFRS 11	Joint Arrangements: Transition Guidance	1 January 2013
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10 MFRS 12 and MFRS 127	Investment Entities	1 January 2014
MFRS 9	Financial Instruments	1 January 2015



## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## 3 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.

The results of Education Group from 1 February 2011 to 18 February 2011 have been treated as results of discontinued operations in preceding year, 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 year ended 31 Jan 2012 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

	<u>31.01.2013</u>	<u>31.01.2012</u>
	RM'000	RM'000
<b>Discontinued operations:</b>		
Revenue	-	7,004
Operating Expenses	-	(6,658)
Other income	-	1,534
<b>Profit before tax</b>	-	1,880
	Note 19	
Taxation	-	(598)
<b>Profit for the year</b>	-	1,282

Statement of cash flows disclosures

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

	<u>31.01.2013</u>	<u>31.01.2012</u>
	RM'000	RM'000
Operating	-	(435)
Investing	-	87
Financing	-	-
<b>Net cash outflows</b>	-	(348)

## (b) Continuing operations

Statement of comprehensive income disclosures

	<u>01.02.2012</u>	<u>19.02.2011</u>
	to	to
	<u>31.01.2013</u>	<u>31.01.2012</u>
	RM'000	RM'000
<b>Continuing operations:</b>		
Share of results of associates	15,668	17,712

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## 3 DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (Cont'd.)

## (b) Continuing operations (Cont'd.)

Gain on disposal of subsidiaries and fair value gain on revaluation of interest retained in the former subsidiaries :

	<u>18.02.2011</u>
	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	Note 4 (65,404)
Gain on revaluation of 49% interest retained	Note 4 (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:

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

## 4 OTHER INCOME

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	<u>31.01.2013</u>	<u>31.01.2012</u>	<u>31.01.2013</u>	<u>31.01.2012</u>
	RM'000	RM'000	RM'000	RM'000
Gain on disposal of property, plant and equipment	32,043	-	32,043	-
Bargain purchase gain	3,287	-	3,287	-
Gain on disposal of 51% interest (Note 3(b))	-	-	-	65,404
Gain on revaluation of 49% interest retained (Note 3(b))	-	-	-	63,088
Interest income	385	774	2,323	1,965
Miscellaneous	573	418	1,689	1,417
	<u>36,252</u>	<u>1,192</u>	<u>39,342</u>	<u>131,874</u>

## 5 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2012 was not qualified.

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## 6 SEASONAL OR CYCLICAL FACTORS

The Group's performance is not significantly affected by any seasonal or cyclical fluctuations.

## 7 UNUSUAL ITEMS

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group.

## 8 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.

## 9 DEBT AND EQUITY SECURITIES

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

## 10 SEGMENTAL REPORTING

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.01.2013 RM'000	31.01.2012 RM'000	31.01.2013 RM'000	31.01.2012 RM'000
<b>Revenue:</b>				
<b>Continuing operations:-</b>				
Investment holding	6,087	6,851	6,407	21,085
Property investment	4,272	5,480	20,797	20,616
Aviation	5,508	-	8,286	-
Eliminations	(6,982)	(6,837)	(7,395)	(21,085)
	<u>8,885</u>	<u>5,494</u>	<u>28,093</u>	<u>20,616</u>
<b>Discontinued operations:-</b>				
Education	-	-	-	5,732
Premium Automotive	-	1,272	-	1,272
	<u>-</u>	<u>1,272</u>	<u>-</u>	<u>7,004</u>
<b>Profit before tax:</b>				
<b>Continuing operations:-</b>				
Investment holdings	28,653	4,428	18,049	140,246
Property investment	1,813	2,238	7,200	6,023
Aviation	(2,610)	-	(5,131)	-
Adjustment and elimination	3,467	(14)	3,154	(24,105)
	<u>31,323</u>	<u>(3,008)</u>	<u>23,272</u>	<u>122,164</u>
Share of result of associates	1,020	4,932	7,482	15,002
Share of result of joint ventures	(19)	-	(95)	-
	<u>32,324</u>	<u>1,924</u>	<u>30,659</u>	<u>137,166</u>
<b>Discontinued operations:-</b>				
Education	-	2,323	-	2,323
Premium automotive sales and services	-	(443)	-	(443)
	<u>-</u>	<u>1,880</u>	<u>-</u>	<u>1,880</u>
	<u>32,324</u>	<u>3,804</u>	<u>30,659</u>	<u>139,046</u>

12 MONTHS YEAR ENDED 31 JANUARY 2013

11 VALUATION OF INVESTMENT PROPERTIES

At the date of transition to MFRS, the Group elected to regard the revalued amounts of leasehold land and buildings as at 31 January 2004 as deemed cost. As a result, a revaluation surplus of RM2,302,000 was transferred to retained profits on the date of transition to MFRS (Note 2 (a)).

12 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to end of the reporting period other than note 23.

13 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial year except for the Note 21.

14 CONTINGENT LIABILITIES

Other than note 23, there were no material changes in contingent liabilities of the Group since the last annual reporting date.

15 CAPITAL COMMITMENTS

	As at 31.01.2013	As at 31.01.2012
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	1,073	480
Approved but not contracted for:		
Property, plant and equipment	11,435	4,550
	<u>12,508</u>	<u>5,030</u>

16 REVIEW OF PERFORMANCE

a) Three (3) months results

Revenue from continuing operations for the three (3) months period under review increased to RM8.9 million from RM5.5 million (an increase of RM3.4 million or 62%) mainly due to revenue generated from aviation, a newly acquired segment of business.

Profit attributable to Owners of the Parent for the three (3) months increased to RM32.5 million from RM4.9 million mainly due to gain on disposal of property, plant and equipment of RM32.0 million.

b) Twelve (12) months results

Revenue from continuing operations for the twelve (12) months period under review increased to RM28.1 million from RM20.6 million (an increase of RM7.5 million or 36%) mainly due to revenue generated from aviation, a newly acquired segment of business.

Profit attributable to Owners of the Parent for the twelve (12) months period under review decreased to RM30.8 million from RM140.1 million mainly due to a gain arising 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 recorded in the preceding year as disclosed in Note 3.

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

The Group recorded a profit attributable to Owners of the Parent of RM32.5 million in the period under review, compared to a loss RM3.9 million in the immediate preceding quarter mainly due to gain on disposal of property, plant and equipment of RM32.0 million.

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## 18 PROSPECTS

The Group is currently in investing mode, the Board of Directors expects challenging environment going forward.

## 19 TAXATION

	12 months ended 31.01.2013	12 months ended 31.01.2012
	RM'000	RM'000
Malaysian taxation		
: continuing operations	138	1,658
: discontinued operations	-	(598)
	<u>138</u>	<u>1,060</u>

Note 3 (a)

## 20 QUOTED SECURITIES

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

	As at 31.01.2013	As at 31.01.2012
	RM'000	RM'000
Investments in quoted securities as at the reporting period:		
At market value	<u>476</u>	<u>405</u>

## 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 the Company and KLCC ("Parties") have agreed to collaborate with each other, via a joint venture vehicle known as Impian Bebas Sdn Bhd 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.

On 4 December 2012, the Company announced that both Parties have mutually agreed to an extension of six (6) months commencing from 18 December 2012 for the Parties to fulfill the conditions precedent in accordance with the terms of the JVA.

(b) On 16 August 2012, DNest Aviation Sdn. Bhd. ("DASB") entered into the following agreements:

(i) DNest Aviation Services Sdn. Bhd. ("DASSB") Share Sale Agreement to acquire 2,002,600 shares of RM1.00 each ("DASSB Sale Shares") representing 85% of the total issued and paid capital of DASSB from Captain Earnest Kunasingh a/l Koilpillai and Mrs. Prema Daniel a/p J. G Daniel ("DASSB's Vendors") for a cash consideration of RM28.0 million;

(ii) DNest Aviation Training Centre Sdn. Bhd. ("DATCSB") Share Sale Agreement to acquire 200,000 shares of RM1.00 each ("DATCSB Sale Shares") representing 100% of the total issued and paid capital of DATCSB from Captain Earnest Kunasingh a/l Koilpillai and Encik Azmi bin Ishak ("DATCSB's Vendors") for a cash consideration of RM1 ("Proposed DATCSB Acquisition"); and

(iii) Shareholders Agreement between DASSB, DASB and Captain Earnest Kunasingh a/l Koilpillai.

The above agreements have been completed on 16 August 2012.

The acquisition of DASSB and DATCSB are in substitution to the initial acquisition of business assets vide 2 Sale of Business Agreements both dated 7 July 2012 duly executed by DASB with DASSB and DATCSB respectively announced earlier. The said Sale of Business Agreements have been terminated on even date upon mutual consensus.

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

**22 LOAN AND BORROWINGS**

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

	As at 31.01.2013	As at 31.01.2012
	RM'000	RM'000
Short term:-		
Secured	442	333
Unsecured	18,000	-
	18,442	333
Long term - secured	1,654	1,840
<b>Total borrowings</b>	<b>20,096</b>	<b>2,173</b>

(b) Currency denominations

All the borrowings are denominated in Ringgit Malaysia.

**23 MATERIAL LITIGATION**

On 30 June 2011, the Company had announced that its land held under PT 40446 H.S. (D) 259959 Pekan Sungai Buloh, Daerah Petaling measuring approximately 86,570.55 square meters ("Subang Land") is subject to compulsory acquisition under the Land Acquisition Act 1960 ("Act") for Majlis Amanah Rakyat ("MARA") for the development of Universiti Kuala Lumpur Malaysian Institute of Aviation Technology campus ("UNIKL MIAT"). Compensation of RM63,012,404 was paid by MARA and received under protest by the Company as provided by the Act. On 1 August 2011, the Company via Form N, filed a land reference application to appeal for the amount of compensation granted ("Land Reference"). The Company has obtained a stay order resulting in the Land Reference proceeding to be stayed until the final disposal of the Judicial Review.

Concurrently, the Company also on 22 July 2011 filed an application for Judicial Review to challenge the acquisition of the Subang Land ("Judicial Review Application"). On 13 August 2012, the Company has obtained Leave to commence Judicial Review, as well as a stay order resulting in the Land Reference proceeding to be stayed until the final disposal of the Judicial Review proper. On 6 September 2012, the Company has also filed an Amendment application seeking to include more relief in the Judicial Review.

The Company has on 20 March 2013 announced that the two legal actions have been withdrawn.

**24 DIVIDEND**

The Board of Directors has declared a special dividend of 6.68 sen per ordinary share of RM1.00 each less income tax of 25% in respect of the financial year ended 31 January 2013. The dividend will be paid on 8 May 2013 to shareholders whose names appear in the Record of Depositors at the close of business on 15 April 2013.

**25 EARNINGS PER SHARE**

The earnings per share has been calculated based on the profit attributable to Owners of the Parent of RM30,797,276 divided by the number of ordinary shares in issue during the period of 139,600,000.

## 12 MONTHS YEAR ENDED 31 JANUARY 2013

## 26 ADDITIONAL INFORMATION

The following items are included in the statement of comprehensive income:

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.01.2013 RM'000	31.01.2012 RM'000	31.01.2013 RM'000	31.01.2012 RM'000
Profit before taxation is stated after (crediting)/charging:-				
Interest expense	230	30	509	612
Depreciation and amortisation	2,950	1,420	9,161	7,382
Reversal of allowance for Impairment:-				
- Trade receivables	-	-	-	(634)
Impairment provision				
- Trade receivables	198	-	198	-
- Properties, Plant and Equipment	241	-	241	-
- Investment in associates	2,704	-	2,704	-
Net fair value gain on held for trading investment securities	(67)	(33)	(71)	(98)

## 27 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 31.01.2013 RM'000	As at 31.01.2012 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	136,737	70,663
- Unrealised	(8,112)	262
	128,625	70,925
Total share of retained profits from associated companies:		
- Realised	15,113	34,843
- Unrealised	(5,420)	6,479
	9,693	41,322
Consolidation adjustments	69,528	64,802
Retained profits as per financial statements	207,846	177,049

## 28 APPROVAL ON INTERIM FINANCIAL STATEMENTS

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 29 March 2013.

Eulis Rachmatiah binti Iskandar Sastrawidjaja (LS 8774)  
Company Secretary

