



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

Interim Financial Statements for the 2nd quarter ended 31 July 2013

The Board of Directors is pleased to announce the
unaudited financial results of the Group for the 2nd quarter ended 31 July 2013

CONTENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

EXPLANATORY NOTES

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

Unaudited Condensed Consolidated Statements of Comprehensive Income for the 2nd Quarter ended
31 July 2013

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		31.07.2013 RM'000	31.07.2012 RM'000	31.07.2013 RM'000	31.07.2012 RM'000
Revenue		8,713	5,490	18,673	10,968
Operating expenses		(13,808)	(9,732)	(26,860)	(18,394)
Other income	3	910	1,103	1,734	2,097
Operating loss		(4,185)	(3,139)	(6,453)	(5,329)
Finance costs		(247)	(19)	(476)	(59)
Loss before tax		(4,432)	(3,158)	(6,929)	(5,388)
Share of result of associates		5,798	4,018	10,031	7,502
Share of result of joint ventures		(32)	-	(166)	-
Profit before tax		1,334	860	2,936	2,114
Taxation		(8)	-	(131)	-
Profit net of tax		1,326	860	2,805	2,114
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,326	860	2,805	2,114
Profit, represent total comprehensive income for the period attributable to :					
Owners of the parent		1,326	860	2,805	2,114
Non-controlling interests		-	-	-	-
		1,326	860	2,805	2,114
Earnings per share attributable to Owners of the parent :		Sen	Sen	Sen	Sen
Basic, profit for the period	23	0.95	0.62	2.01	1.51

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

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

Unaudited Condensed Consolidated Statements of Financial Position as at 31 July 2013

	Note	31.07.2013 RM'000	31.01.2013 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		46,976	48,872
Investment properties		133,868	134,957
Investments in associates		136,213	126,393
Investments in joint ventures		1,244	1,410
		<u>318,301</u>	<u>311,632</u>
CURRENT ASSETS			
Inventories		16	10
Trade and other receivables		5,431	5,855
Other current assets		470	92
Investment securities	18	587	476
Cash and bank balances		66,559	77,300
		<u>73,063</u>	<u>83,733</u>
TOTAL ASSETS		<u>391,364</u>	<u>395,365</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital		139,600	139,600
Other reserves		2,581	2,581
Retained profits		197,125	210,350
Total equity		<u>339,306</u>	<u>352,531</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		8,082	8,082
Loan and borrowings	20	1,387	1,653
		<u>9,469</u>	<u>9,735</u>
CURRENT LIABILITIES			
Trade and other payables		23,818	14,467
Loan and borrowings	20	18,485	18,442
Tax payable		286	190
		<u>42,589</u>	<u>33,099</u>
TOTAL LIABILITIES		<u>52,058</u>	<u>42,834</u>
TOTAL EQUITY AND LIABILITIES		<u>391,364</u>	<u>395,365</u>
NET ASSETS PER SHARE (RM)		<u>2.43</u>	<u>2.53</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

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

Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 31 July 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
At 1.2.2013	139,600	1,481	1,100	210,350	352,531	-	352,531
Profit for the period, being total comprehensive income for the period	-	-	-	2,805	2,805	-	2,805
Dividend on ordinary shares	-	-	-	(16,030)	(16,030)	-	(16,030)
At 31.07.2013	139,600	1,481	1,100	197,125	339,306	-	339,306
At 1.2.2012	139,600	1,481	1,100	177,049	319,230	-	319,230
Profit for the period, being total comprehensive income for the period	-	-	-	2,114	2,114	-	2,114
At 31.07.2012	139,600	1,481	1,100	179,163	321,344	-	321,344

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

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

Unaudited Condensed Consolidated Statements of Cash Flows for the period ended 31 July 2013

	For the 6 months period ended 31.07.2013	For the 6 months period ended 31.07.2012
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,936	2,114
Adjustment for non-cash items:	<u>(5,822)</u>	<u>(4,586)</u>
Cash flows before working capital changes	(2,886)	(2,472)
Net changes in current assets	215	(708)
Net changes in current liabilities	451	8
Net cash used in operating activities	<u>(2,220)</u>	<u>(3,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,144)	(750)
Dividend received	210	146
Interest received	<u>1,104</u>	<u>1,342</u>
Net cash (used in)/ generated from investing activities	<u>(830)</u>	<u>738</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(476)	(59)
Dividend paid	(6,992)	-
Repayment of hire purchase creditors	<u>(223)</u>	<u>(214)</u>
Net cash used in financing activities	<u>(7,691)</u>	<u>(273)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,741)	(2,707)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>77,300</u>	<u>84,279</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>66,559</u>	<u>81,572</u>

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

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

Explanatory Notes

1 BASIS OF PREPARATION

The interim financial statements have been prepared under the historical cost convention. The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("MFRS") 134: Interim Financial Reporting and Chapter 9.22, part K of Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The interim financial report is in compliance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which 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.

2 CHANGES IN ACCOUNTING POLICIES

On 1 February 2013, the Group adopted the following new and amended MFRSs for annual financial period beginning on or after 1 February 2013.

Description	Effective for annual periods beginning on or after
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 11: Joint Arrangements	1 January 2013
MFRS 12: Disclosure of interests in Other Entities	1 January 2013
MFRS 13: Fair Value Measurement	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
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 – 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 MFRS 134: 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

The adoption of the above MFRS and amendments to MFRS that came into effect on 1 February 2013, as disclosed in the audited consolidated financial statements for the financial year ended 31 January 2013, did not have significant impact on the unaudited condensed financial statements upon the initial application on 1 February 2013.

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

2 CHANGES IN ACCOUNTING POLICIES (Cont'd.)

Standards and interpretations issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 132: Offsetting Financial Asset 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

The Group has not completed its assessment of the financial effects of standards and interpretations issued but not yet effective.

3 OTHER INCOME

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.07.2013	31.07.2012	31.07.2013	31.07.2012
	RM'000	RM'000	RM'000	RM'000
Interest income	541	679	1,104	1,342
Miscellaneous income	369	424	630	755
	910	1,103	1,734	2,097

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2013 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 ACCOUNTING ESTIMATES

There were no materials changes in accounting 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.

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

9 SEGMENTAL REPORTING

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.07.2013	31.07.2012	31.07.2013	31.07.2012
	RM'000	RM'000	RM'000	RM'000
Revenue:				
Investment holdings	210	320	210	320
Property investment	5,142	5,490	10,094	10,968
Aviation	3,571	-	8,579	-
Eliminations	(210)	(320)	(210)	(320)
	<u>8,713</u>	<u>5,490</u>	<u>18,673</u>	<u>10,968</u>
Profit before tax:				
Investment holdings	(4,258)	(3,379)	(7,891)	(6,774)
Property investment	1,213	1,742	2,493	3,568
Aviation	(1,177)	(1,201)	(1,321)	(1,862)
Eliminations	(210)	(320)	(210)	(320)
	<u>(4,432)</u>	<u>(3,158)</u>	<u>(6,929)</u>	<u>(5,388)</u>
Share of result of associates	5,798	4,018	10,031	7,502
Share of result of joint ventures	(32)	-	(166)	-
	<u>1,334</u>	<u>860</u>	<u>2,936</u>	<u>2,114</u>

10 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 19 (b).

11 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the current financial period except for the followings:

- i) On 19 February 2013, the company acquired the entire issued shares of a shelf private limited company incorporated in Malaysia, known as Sajjan Seribayu Sdn Bhd at a total cash consideration of RM2.00.
- ii) On 28 March 2013, the company acquired the entire issued shares of a shelf private limited company incorporated in Malaysia, AeroHandlers Sdn Bhd (formerly known as Top Superlink Sdn Bhd) at a total cash consideration of RM2.00 (hereinafter referred to as "ASB"). The principle activities of ASB shall be ground handling and other Aviation related activities.
- iii) On 29 March 2013, the Company's wholly-owned subsidiary, DASB has acquired the remaining 15% equity in AeroDome Sdn Bhd (formerly known as Dnest Aviation Services Sdn Bhd) from Captain Earnest Kunasingh a/l Koipillai, making AeroDome Sdn Bhd a wholly-owned subsidiary of DASB.

12 CONTINGENT LIABILITIES

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

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

13 CAPITAL COMMITMENTS

	As at 31.07.2013	As at 31.01.2013
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	812	1,073
Approved but not contracted for:		
Property, plant and equipment	5,963	11,435
	<u>6,775</u>	<u>12,508</u>

14 REVIEW OF PERFORMANCE

(a) Three (3) months results – Q2FY2014 vs. Q2FY2013

Revenue for the three (3) months period under review increased to RM8.7 million from RM5.5 million (an increase of RM3.2 million or 58%) 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 RM1.3 million from RM0.9 million mainly due to improvement in results of associates.

(b) Six (6) months results – YTFY2014 vs. YTFY2013

Revenue for the six (6) months period under review increased to RM18.7 million from RM11.0 million (an increase of RM7.7 million or 70%) mainly due to revenue generated from aviation, a newly acquired segment of business.

Profit attributable to owners of the parent for the six (6) months increased to RM2.8 million from RM2.1 million mainly due to improvement in results of associates.

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

The Group recorded a profit attributable to owners of the parent of RM1.3 million in the period under review, compared to a profit RM1.5 million in the immediate preceding quarter mainly due to decrease in results of aviation business.

16 PROSPECTS

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

17 TAXATION

	6 months ended 31.07.2013	6 months ended 31.07.2012
	RM'000	RM'000
Malaysian taxation	131	-
	<u>131</u>	<u>-</u>

18 INVESTMENT SECURITIES

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

	As at 31.07.2013	As at 31.01.2013
	RM'000	RM'000
Investments in quoted securities as at the reporting period:		
At market value	587	476

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

19 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 ("KLCCH") whereby both the Company and KLCCH ("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 6 June 2013, the Company announced that both Parties have mutually agreed to an extension of six (6) months commencing from 19 June 2013 for the Parties to fulfil the conditions precedent in accordance with the terms of the JVA.

(b) On 14 June 2013, the company announced that it had signed a Memorandum Of Understanding (MOU) with Majlis Amanah Rakyat for the parties to develop land in Subang, Selangor ("the Development").

The MOU shall be effective from 14 June 2013 and shall remain in force for 36 months or until it is replaced by other legally binding agreements detailing specific terms of the joint-venture and the Development, whichever is earlier.

The Board of Directors of the Company had approved the MOU on 27 June 2013.

20 LOAN AND BORROWINGS

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

	As at 31.07.2013	As at 31.01.2013
	RM'000	RM'000
Short term:-		
Secured	485	442
Unsecured	18,000	18,000
	18,485	18,442
Long term - secured	1,387	1,653
Total borrowings	19,872	20,095

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

21 MATERIAL LITIGATION

The Company and its subsidiaries have no outstanding material litigation as at the date of this announcement.

22 DIVIDEND

On 4 July 2013, the Company declared a special dividend of 8.63 sen per ordinary share less income tax of 25%. The dividend was paid on 6 August 2013 totaling RM9.0 million.

23 EARNINGS PER SHARE

The earnings per share has been calculated based on the profit attributable to Owners of the Parent of RM2,805,000 divided by the number of ordinary shares in issue during the period of 139,600,000.

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

24 ADDITIONAL INFORMATION

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
	31.07.2013	31.07.2012	31.07.2013	31.07.2012
	RM'000	RM'000	RM'000	RM'000
Interest expense	247	19	476	59
Depreciation and amortisation	2,593	2,011	5,158	4,020
Net fair value gain on held for trading investment securities	(69)	23	(111)	(65)

25 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 31.07.2013	As at 31.01.2013
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	112,807	139,271
- Unrealised	(7,217)	(5,840)
	105,590	133,431
Total share of retained profits from associated companies:		
- Realised	26,365	15,113
- Unrealised	(1,442)	(5,420)
	24,923	9,693
Consolidation adjustments	66,612	67,226
Retained profits as per financial statements	197,125	210,350

26 APPROVAL OF INTERIM FINANCIAL STATEMENT

The interim financial statements have been approved for issue in accordance with a resolution of The Board of Directors on 26 September 2013.

Eulis Rachmatiah Binti Iskandar Sastrawidjaja (LS 8774)
Company Secretary