

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2016

3 MONTHS PERIOD ENDED 30 APRIL 2015

Sapura Resources Berhad
Unaudited Financial Results Q1 FY2016
Period Ended 30 April 2015



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

Interim Financial Statements for the 1st quarter ended 30 April 2015

The Board of Directors is pleased to announce the
unaudited financial results of the Group for the 1st quarter ended 30 April 2015

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3 MONTHS PERIOD ENDED 30 APRIL 2015

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

Unaudited Condensed Consolidated Statements of Comprehensive Income for the 1st Quarter ended 30 April 2015

	Note	Individual Quarter		Cumulative Quarter	
		3 Months Ended		3 Months Ended	
		30.04.2015	30.04.2014	Unaudited 30.04.2015	Audited 30.04.2014
		RM'000	RM'000	RM'000	RM'000
Revenue		10,042	9,495	10,042	9,495
Operating expenses		(12,077)	(12,336)	(12,077)	(12,336)
Other income	3	617	780	617	780
Operating loss		(1,418)	(2,061)	(1,418)	(2,061)
Finance costs		(2,092)	(35)	(2,092)	(35)
Loss before tax before share of result		(3,510)	(2,096)	(3,510)	(2,096)
Share of result of associates		4,208	4,032	4,208	4,032
Share of result of joint ventures		(142)	(202)	(142)	(202)
Profit before tax		556	1,734	556	1,734
Taxation	17	(265)	(104)	(265)	(104)
Profit, net of tax		291	1,630	291	1,630
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		291	1,630	291	1,630
Profit, represent total comprehensive income for the period attributable to :					
Owners of the parent		291	1,630	291	1,630
Non-controlling interests		-	-	-	-
		291	1,630	291	1,630
Earnings per share attributable to Owners of the parent :		Sen	Sen	Sen	Sen
Basic, profit for the period	23	0.21	1.17	0.21	1.17

These unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2015

3 MONTHS PERIOD ENDED 30 APRIL 2015

Unaudited Condensed Consolidated Statements of Financial Position as at 30 April 2015

	Note	Unaudited 30.04.2015 RM'000	Audited 31.01.2015 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		41,157	42,651
Investment properties		126,472	127,401
Investments in associates		163,669	159,461
Investments in joint ventures		134,471	134,611
		<u>465,769</u>	<u>464,124</u>
CURRENT ASSETS			
Inventories		39	38
Trade and other receivables		12,109	11,193
Prepayments		4,829	3,574
Other current financial assets	18	434	435
Tax recoverable		560	507
Cash and bank balances		41,883	44,095
		<u>59,854</u>	<u>59,842</u>
TOTAL ASSETS		<u>525,623</u>	<u>523,966</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		227,696	227,405
Total equity		<u>369,877</u>	<u>369,586</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		6,653	6,653
Loan and borrowings	20	127,487	127,478
		<u>134,140</u>	<u>134,131</u>
CURRENT LIABILITIES			
Trade and other payables		16,356	17,748
Loan and borrowings	20	5,205	2,501
Tax liability		45	-
		<u>21,606</u>	<u>20,249</u>
TOTAL LIABILITIES		<u>155,746</u>	<u>154,380</u>
TOTAL EQUITY AND LIABILITIES		<u>525,623</u>	<u>523,966</u>
NET ASSETS PER SHARE (RM)		<u>2.65</u>	<u>2.65</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 2015

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2016

3 MONTHS PERIOD ENDED 30 APRIL 2015

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

Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 30 April 2015

	Attributable to owners of the parent					Non-Controlling Interests	Total Equity
	<-- Non-distributable -->		<--- Distributable --->				
	Share Capital	Capital Reserve	General Reserve	Retained Profits	Subtotal		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1.2.2015	139,600	1,481	1,100	227,405	369,586	-	369,586
Profit for the period, being total comprehensive income for the period	-	-	-	291	291	-	291
At 30.04.2015	139,600	1,481	1,100	227,696	369,877	-	369,877
At 1.2.2014	139,600	1,481	1,100	203,797	345,978	-	345,978
Profit for the period, being total comprehensive income for the period	-	-	-	1,630	1,630	-	1,630
At 30.04.2014	139,600	1,481	1,100	205,427	347,608	-	347,608

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 2015

3 MONTHS PERIOD ENDED 30 APRIL 2015

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

Unaudited Condensed Consolidated Statements of Cash Flows for the period ended 30 April 2015

	For the 3 months period ended 30.04.2015	For the 3 months period ended 30.04.2014
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	556	1,734
Adjustments:		
Non Cash Item	477	(1,420)
Operating cash flows before working capital changes	1,033	314
Net changes in current assets	(1,971)	(927)
Net changes in current liabilities	(1,654)	290
Net cash used in operating activities	(2,592)	(323)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(524)	(1,169)
Acquisition of jointly controlled entity	-	(147)
Proceeds from redemption of unit trust	-	35,721
Interest received	298	260
Net cash (used in)/generated from investing activities	(226)	34,665
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(135)	(124)
Drawdown of borrowings	2,700	-
Interest paid	(1,959)	(35)
Net cash generated from/(used in) financing activities	606	(159)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,212)	34,183
NET INCREASE IN RESTRICTED CASH	(2,687)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	44,095	5,038
CASH AND CASH EQUIVALENTS AT END OF PERIOD	39,196	39,221

These unaudited Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2015

3 MONTHS PERIOD ENDED 30 APRIL 2015

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
Amendments to MFRS 3: Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)	1 July 2014
Amendments to MFRS 8: Operating Segments (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 13: Fair Value Measurement (Annual Improvements 2011-2013 Cycle)	1 July 2014
Amendments to MFRS 116: Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 119: Employee Benefits - Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRS 124: Related Party Disclosures (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 138: Intangible Assets (Annual Improvements 2010-2012 Cycle)	1 July 2014
Amendments to MFRS 140: Investment Property (Annual Improvements 2010-2013 Cycle)	1 July 2014

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3 OTHER INCOME

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.4.2015	30.04.2014	30.04.2015	30.04.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	298	260	298	260
Miscellaneous income	319	520	319	520
	<u>617</u>	<u>780</u>	<u>617</u>	<u>780</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2015 was not qualified.

3 MONTHS PERIOD ENDED 30 APRIL 2015
EXPLANATORY NOTES (CON'T)
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.

9 SEGMENTAL REPORTING

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	30.04.2015 RM'000	30.04.2014 RM'000	30.04.2015 RM'000	30.04.2014 RM'000
Revenue:				
Continuing operation :				
Property investment	6,232	5,563	6,232	5,563
Aviation	3,810	3,932	3,810	3,932
	<u>10,042</u>	<u>9,495</u>	<u>10,042</u>	<u>9,495</u>
Profit before tax:				
Continuing operation :				
Investment holdings	(2,339)	115	(2,339)	115
Property investment	2,605	1,770	2,605	1,770
Aviation	(533)	12	(533)	12
Corporate services	(3,243)	(3,993)	(3,243)	(3,993)
	<u>(3,510)</u>	<u>(2,096)</u>	<u>(3,510)</u>	<u>(2,096)</u>
Share of result of associates	4,208	4,032	4,208	4,032
Share of result of joint ventures	(142)	(202)	(142)	(202)
	<u>556</u>	<u>1,734</u>	<u>556</u>	<u>1,734</u>

3 MONTHS PERIOD ENDED 30 APRIL 2015
EXPLANATORY NOTES (CON'T)

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to end of the reporting year other than note 19.

11 CHANGES IN COMPOSITION OF THE GROUP

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

12 CONTINGENT LIABILITIES

There were no changes in the composition of the Group from the current financial year until the date of this announcement.

13 CAPITAL COMMITMENTS

	As at 30.04.2015	As at 31.01.2015
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	489	562
Approved but not contracted for:		
Property, plant and equipment	31,905	32,092
	<u>32,394</u>	<u>32,654</u>

14 REVIEW OF PERFORMANCE

Three (3) months results – Q1FY2016 vs Q1FY2015

The Group revenue for the three (3) months period under review increase from RM9.5 million to RM10.0 million (an increase of RM0.5 million or 5%) mainly due to higher revenue registered in property investment.

Profit attributable to owners of the parent for the three (3) months decreased to RM0.3 million from RM1.6 million mainly due to higher finance costs related to loan for the acquisition of 50% equity interest in IBSB.

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

The Group recorded a profit attributable to owners of the parent of RM0.3 million in the period under review, compared to a profit of RM4.4 million in the immediate preceding quarter mainly due to higher share of result of associates recorded in the immediate preceding quarter.

16 PROSPECTS

The Board of Directors recognises the challenging environment because we are still in investing mode. However, the Board is confident that the prospect for the longer term will be positive.

3 MONTHS PERIOD ENDED 30 APRIL 2015
EXPLANATORY NOTES (CON'T)
17 TAXATION

	3 months ended 30.04.2015	3 months ended 30.04.2014
	RM'000	RM'000
Malaysian taxation	265	104
	<u>265</u>	<u>104</u>

18 OTHER CURRENT FINANCIAL ASSETS

	As at 30.04.2015	As at 31.01.2015
	RM'000	RM'000
Held for trading investments:		
Quoted equity shares	434	435
Total financial assets at fair value through profit or loss	<u>434</u>	<u>435</u>

19 CORPORATE PROPOSALS

On 20 April 2015, the Company announced that Impian Bebas Sdn. Bhd. ("IBSB"), a jointly controlled company of the Company has accepted the following financing facilities granted by Maybank Islamic Berhad, Public Islamic Bank Berhad and RHB Islamic Bank Berhad for the following purpose:

Facility	Amount	Purpose
Syndicated Commodity Murabahah Term Financing-I	Up to RM1.08 billion	To part finance up to 80% of the total construction costs and land costs of the proposed construction and development of a premier office tower, a convention centre, a retail podium and basement carpark located at Lot 91, Kuala Lumpur.

IBSB was incorporated as a private limited company on 29 November 1994. It has an authorised share capital of RM50,000,000 comprising 40,280,000 ordinary shares of RM1.00 each, 6,720,000 Non-Voting CPS and 3,000 Non-Cumulative Non-Convertible RPS of RM1,000 each, to which 22,948,250 ordinary shares of RM1.00 have been issued and fully paid up. SRB has 50% equity interest in IBSB.

IBSB is principally involved in property investment.

None of the Directors and/or major shareholders of SRB or persons connected to the Directors and/or major shareholders of SRB have any interest, direct or indirect in the financing facilities.

3 MONTHS PERIOD ENDED 30 APRIL 2015 EXPLANATORY NOTES (CON'T)

20 LOAN AND BORROWINGS

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

	As at 30.04.2015 RM'000
Current:	
Secured – Obligations under finance leases	501
Unsecured - Revolving credit	2,000
	<u>2,501</u>
Non-current:	
Secured:	
- Obligations under finance leases	1,012
- Loan from a financial institution	89,551
- Loan from a holding company	36,915
	<u>127,478</u>
Total borrowings	<u>129,979</u>

(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

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

23 EARNINGS PER SHARE

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

24 ADDITIONAL INFORMATION

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		3 Months Ended	
	30.04.2015	30.04.2014	30.04.2015	30.04.2014
	RM'000	RM'000	RM'000	RM'000
Interest expense	2,092	35	2,092	35
Depreciation and amortisation	2,409	2,608	2,409	2,608
Net fair value loss on held for trading investment securities	2	27	2	27
	<u>2</u>	<u>27</u>	<u>2</u>	<u>27</u>

3 MONTHS PERIOD ENDED 30 APRIL 2015
EXPLANATORY NOTES (CON'T)

25 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	<u>As at</u> <u>30.04.2015</u> RM'000	<u>As at</u> <u>31.01.2015</u> RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	88,709	92,480
- Unrealised	<u>5,765</u>	<u>5,765</u>
	94,474	98,245
Total share of retained profits from associated companies:		
- Realised	54,867	50,659
- Unrealised	<u>(2,188)</u>	<u>(2,188)</u>
	52,679	48,471
Total share of retained profits from joint ventures companies		
- Realised	(236)	(94)
- Unrealised	<u>14,292</u>	<u>14,292</u>
	14,056	14,198
Consolidation adjustments	<u>66,487</u>	<u>66,491</u>
Retained profits as per financial statements	<u>227,696</u>	<u>227,405</u>

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 25 June 2015.

Tai Yit Chan (MAICSA 7009143)
 Company Secretary