



**SAPURA RESOURCES BERHAD**

(Company No.: 3136-D)

**Interim Financial Statements for the 2nd quarter ended 31 July 2015**

The Board of Directors is pleased to announce the  
unaudited financial results of the Group for the 2nd quarter ended 31 July 2015

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

Unaudited Condensed Consolidated Statements of Comprehensive Income for the 2<sup>nd</sup> Quarter ended 31 July 2015

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 6 Months Ended	
		31.07.2015 RM'000	31.07.2014 RM'000	31.07.2015 RM'000	31.07.2014 RM'000
Revenue		10,653	9,991	20,695	19,486
Operating expenses		(12,437)	(13,761)	(24,514)	(26,097)
Other income	3	921	550	1,538	1,330
<b>Operating loss</b>		<b>(863)</b>	<b>(3,220)</b>	<b>(2,281)</b>	<b>(5,281)</b>
Finance costs		(2,159)	(36)	(4,251)	(71)
<b>Loss before tax before share of result</b>		<b>(3,022)</b>	<b>(3,256)</b>	<b>(6,532)</b>	<b>(5,352)</b>
Share of result of joint ventures		(394)	292	(536)	90
Share of result of associates		4,598	5,199	8,806	9,231
<b>Profit before tax</b>		<b>1,182</b>	<b>2,235</b>	<b>1,738</b>	<b>3,969</b>
Taxation	17	(436)	(178)	(701)	(282)
<b>Profit, net of tax</b>		<b>746</b>	<b>2,057</b>	<b>1,037</b>	<b>3,687</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>746</b>	<b>2,057</b>	<b>1,037</b>	<b>3,687</b>
<b>Profit, represent total comprehensive income for the period attributable to :</b>					
Owners of the parent		746	2,057	1,037	3,687
Non-controlling interests		-	-	-	-
		<b>746</b>	<b>2,057</b>	<b>1,037</b>	<b>3,687</b>
<b>Earnings per share attributable to Owners of the parent :</b>		<b>Sen</b>	<b>Sen</b>	<b>Sen</b>	<b>Sen</b>
Basic, profit for the period	24	0.53	1.47	0.74	2.64

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.

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

Unaudited Condensed Consolidated Statements of Financial Position as at 31 July 2015

	Note	Unaudited 31.07.2015 RM'000	Audited 31.01.2015 RM'000
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		39,833	42,651
Investment properties		128,566	127,401
Investments in associates		168,267	159,461
Investments in joint ventures		134,074	134,611
		<u>470,740</u>	<u>464,124</u>
<b>CURRENT ASSETS</b>			
Inventories		39	38
Trade and other receivables		10,289	11,193
Prepayments		9,875	3,574
Other current financial assets	18	399	435
Tax recoverable		373	507
Cash and bank balances	19	38,540	44,095
		<u>59,515</u>	<u>59,842</u>
<b>TOTAL ASSETS</b>		<u>530,255</u>	<u>523,966</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		224,952	227,405
<b>Total equity</b>		<u>367,133</u>	<u>369,586</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		6,653	6,653
Loan and borrowings		127,657	127,478
		<u>134,310</u>	<u>134,131</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		17,589	17,748
Loan and borrowings	21	11,223	2,501
		<u>28,812</u>	<u>20,249</u>
<b>TOTAL LIABILITIES</b>		<u>163,122</u>	<u>154,380</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>530,255</u>	<u>523,966</u>
<b>NET ASSETS PER SHARE (RM)</b>		<u>2.63</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 (Company No.: 3136-D)

Unaudited Condensed Consolidated Statement of Changes in Equity for the period ended 31 July 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	
<b>At 1.2.2015</b>	139,600	1,481	1,100	227,405	369,586	-	369,586
Profit for the period, being total comprehensive income for the period	-	-	-	1,037	1,037	-	1,037
Dividend on ordinary shares	-	-	-	(3,490)	(3,490)	-	(3,490)
<b>At 31.07.2015</b>	<b>139,600</b>	<b>1,481</b>	<b>1,100</b>	<b>224,952</b>	<b>367,133</b>	-	<b>367,133</b>
<b>At 1.2.2014</b>	139,600	1,481	1,100	203,797	345,978	-	345,978
Profit for the period, being total comprehensive income for the period	-	-	-	3,687	3,687	-	3,687
<b>At 31.07.2014</b>	<b>139,600</b>	<b>1,481</b>	<b>1,100</b>	<b>207,484</b>	<b>349,665</b>	-	<b>349,665</b>

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.

## 6 MONTHS PERIOD ENDED 31 JULY 2015

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

## Unaudited Condensed Consolidated Statements of Cash Flows for the period ended 31 July 2015

	For the 6 months period ended 31.07.2015	For the 6 months period ended 31.07.2014
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,738	3,969
Adjustments:		
Non Cash Item	33	(4,295)
Operating profit/(loss) before working capital changes	1,771	(326)
Net changes in current assets	(5,398)	(4,225)
Net changes in current liabilities	(159)	(122)
Tax paid	(587)	(209)
Net cash used in operating activities	(4,373)	(4,882)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,773)	(1,230)
Acquisition of jointly controlled entity	-	(147)
Proceeds from redemption of unit trust	-	35,748
Interest received	618	552
Net cash (used in)/generated from investing activities	(2,155)	34,923
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(248)	(136)
Drawdown of borrowings	8,700	2,500
Dividend paid	(3,490)	-
Interest paid	(3,989)	(71)
Net cash generated from financing activities	973	2,293
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(5,555)</b>	<b>32,334</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>41,408</b>	<b>5,038</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (NOTE 19)</b>	<b>35,853</b>	<b>37,372</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 2015.

## 6 MONTHS PERIOD ENDED 31 JULY 2015

## 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 6 Months Ended	
	31.07.2015	31.07.2014	31.07.2015	31.07.2014
	RM'000	RM'000	RM'000	RM'000
Interest income	320	31	618	291
Miscellaneous income	601	519	920	1,039
	<u>921</u>	<u>550</u>	<u>1,538</u>	<u>1,330</u>

## 6 MONTHS PERIOD ENDED 31 JULY 2015

## EXPLANATORY NOTES (CON'T)

**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.

**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		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.07.2015	31.07.2014	31.07.2015	31.07.2014
	RM'000	RM'000	RM'000	RM'000
<b>Revenue:</b>				
Property investment	6,158	5,542	12,390	11,105
Aviation	4,495	4,449	8,305	8,381
Corporate services	699	591	699	591
Elimination	(699)	(591)	(699)	(591)
	<u>10,653</u>	<u>9,991</u>	<u>20,695</u>	<u>19,486</u>
<b>Profit before tax:</b>				
Investment holdings	(2,128)	(441)	(3,982)	(108)
Property investment	3,162	1,935	5,766	3,705
Aviation	92	(115)	(441)	(103)
Corporate services	(3,449)	(4,044)	(7,176)	(8,255)
Eliminations	(699)	(591)	(699)	(591)
	<u>(3,022)</u>	<u>(3,256)</u>	<u>(6,532)</u>	<u>(5,352)</u>
Share of result of associates	4,598	5,199	8,806	9,231
Share of result of joint ventures	(394)	292	(536)	90
	<u>1,182</u>	<u>2,235</u>	<u>1,738</u>	<u>3,969</u>

## 6 MONTHS PERIOD ENDED 31 JULY 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 period other than Note 19.

**11 CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group since the last annual reporting date.

**12 CONTINGENT LIABILITIES**

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

**13 CAPITAL COMMITMENTS**

	As at 31.07.2015	As at 31.01.2015
	RM'000	RM'000
Approved and contracted for:		
Property, plant and equipment	247	562
Approved but not contracted for:		
Property, plant and equipment	33,756	32,092
	<u>34,003</u>	<u>32,654</u>

**14 REVIEW OF PERFORMANCE****(a) Three (3) months results – Q2FY2016 vs Q2FY2015**

Revenue for the three (3) months period under review increased from RM9.9 million to RM10.6 million (an increase of RM0.7 million or 7% mainly due to higher revenue registered in property investment).

Profit attributable to owners of the parent for the three (3) months decreased to RM0.7 million from RM2.1 million mainly due to higher finance costs related to loan for the acquisition of 50% equity interest in IBSB.

**(b) Six (6) months results – YTFY16 vs YTFY15**

Revenue for the six (6) months period under review increased from RM19.5 million to RM20.7 million (an increase of RM1.2 million or 6% mainly due to higher revenue registered in property investment).

Profit attributable to owners of the parent for the six (6) months decreased to RM1.0 million from a profit of RM3.7 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 RM0.7 million in the current quarter, compared to a profit of RM0.3 million in the immediate preceding quarter mainly due to lower operating expenses.



## 6 MONTHS PERIOD ENDED 31 JULY 2015

## EXPLANATORY NOTES (CON'T)

## 16 PROSPECTS

The current challenging economic environment is expected to impact our Aviation business that may result in a possible loss for the Group's full year FY16 results. However, the Board is confident that the long term prospect of the Group remains positive.

## 17 TAXATION

	6 months ended 31.07.2015	6 months ended 31.07.2014
	RM'000	RM'000
Malaysian taxation	701	282
	<u>701</u>	<u>282</u>

## 18 OTHER CURRENT FINANCIAL ASSETS

	As at 31.07.2015	As at 31.01.2015
	RM'000	RM'000
Held for trading investments:		
Quoted equity shares	399	435
Total financial assets at fair value through profit or loss	<u>399</u>	<u>435</u>

## 19 CASH AND BANK BALANCES

	As at 31.07.2015	As at 31.01.2015
	RM'000	RM'000
Cash in hand and banks	6,214	8,279
Deposit with licensed institutions	<u>32,326</u>	<u>35,816</u>
	38,540	44,095
Less: Restricted cash*	<u>(2,687)</u>	<u>(2,687)</u>
Cash and cash equivalents	<u>35,853</u>	<u>41,408</u>

\* Restricted cash is deposit with licensed bank pledged for credit facility granted to the Group.

## 6 MONTHS PERIOD ENDED 31 JULY 2015

## EXPLANATORY NOTES (CON'T)

## 20 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.

## 21 LOAN AND BORROWINGS

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

	As at 31.07.2015 RM'000
Current:	
Secured – Obligations under finance leases	523
Unsecured - Revolving credit	10,700
	<u>11,223</u>
Non-current:	
Secured:	
- Obligations under finance leases	876
- Loan from a financial institution	89,667
- Loan from the holding company	37,114
	<u>127,657</u>
<b>Total borrowings</b>	<u><b>138,880</b></u>

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

## 22 MATERIAL LITIGATION

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

## 6 MONTHS PERIOD ENDED 31 JULY 2015

## EXPLANATORY NOTES (CON'T)

## 23 DIVIDEND

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

## 24 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.

## 25 ADDITIONAL INFORMATION

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

	Individual Quarter		Cumulative Quarter	
	3 Months Ended		6 Months Ended	
	31.07.2015	31.07.2014	31.07.2015	31.07.2014
	RM'000	RM'000	RM'000	RM'000
Interest expense	2,159	36	4,251	71
Depreciation and amortisation	2,154	2,587	4,563	5,195
Net fair value loss on held for trading investment securities	35	-	36	27

## 26 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 31.07.2015	As at 31.01.2015
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	81,312	92,480
- Unrealised	5,765	5,765
	87,077	98,245
Total share of retained profits from associated companies:		
- Realised	59,465	50,659
- Unrealised	(2,188)	(2,188)
	57,277	48,471
Total share of retained profits from joint ventures companies:		
- Realised	(630)	(94)
- Unrealised	14,292	14,292
	13,662	14,198
Consolidation adjustments	66,936	66,491
Retained profits as per financial statements	224,952	227,405

## 27 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 18 September 2015.

Tai Yit Chan (MAICSA 7009143)  
Company Secretary