

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2016

YEAR ENDED 31 JANUARY 2016

Sapura Resources Berhad
Unaudited Financial Results Q4 FY2016
Period Ended 31 January 2016

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q4 FY2016

YEAR ENDED 31 JANUARY 2016

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

Unaudited Condensed Consolidated Statements of Comprehensive Income for the 4th Quarter ended 31 January 2016

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
		31.01.2016	31.01.2015	Unaudited 31.01.2016	Audited 31.01.2015
		RM'000	RM'000	RM'000	RM'000
Revenue		13,697	9,840	45,777	39,575
Operating expenses		(15,016)	(15,793)	(54,709)	(55,823)
Other income	3	(23)	790	2,237	2,753
Operating loss		<u>(1,342)</u>	<u>(5,163)</u>	<u>(6,695)</u>	<u>(13,495)</u>
Finance costs		(2,418)	(2,036)	(8,935)	(2,155)
Loss before tax before share of result		<u>(3,760)</u>	<u>(7,199)</u>	<u>(15,630)</u>	<u>(15,650)</u>
Share of result of associates		7,647	10,030	20,636	24,849
Share of result of joint ventures		137	7	(649)	14,198
Profit before tax		<u>4,024</u>	<u>2,838</u>	<u>4,357</u>	<u>23,397</u>
Taxation	17	(523)	665	(1,404)	211
Profit, net of tax		<u>3,501</u>	<u>3,503</u>	<u>2,953</u>	<u>23,608</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		<u>3,501</u>	<u>3,503</u>	<u>2,953</u>	<u>23,608</u>
Profit, represent total comprehensive income for the period attributable to :					
Owners of the parent		3,501	3,503	2,953	23,608
Non-controlling interests		-	-	-	-
		<u>3,501</u>	<u>3,503</u>	<u>2,953</u>	<u>23,608</u>
Earnings per share attributable to Owners of the parent :		Sen	Sen	Sen	Sen
Basic, profit for the period	26	<u>2.51</u>	<u>2.51</u>	<u>2.12</u>	<u>16.91</u>

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 - UNAUDITED FINANCIAL RESULTS Q4 FY2016

YEAR ENDED 31 JANUARY 2016

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

Unaudited Condensed Consolidated Statements of Financial Position as at 31 January 2016

	Note	Unaudited 31.01.2016 RM'000	Audited 31.01.2015 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		43,148	42,651
Investment properties		124,224	127,401
Investments in associates	18	5,160	159,461
Investments in joint ventures		133,962	134,611
		<u>306,494</u>	<u>464,124</u>
CURRENT ASSETS			
Inventories		22	38
Trade and other receivables		16,530	11,193
Prepayments		2,979	3,574
Other current financial assets	19	300	435
Tax recoverable		1,102	507
Cash and bank balances	20	38,115	44,095
Non-current assets held for sale	21	174,937	-
		<u>233,985</u>	<u>59,842</u>
TOTAL ASSETS		<u>540,479</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		226,868	227,405
Total equity		<u>369,049</u>	<u>369,586</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		7,434	6,653
Loan and borrowings	23	53,138	127,478
		<u>60,572</u>	<u>134,131</u>
CURRENT LIABILITIES			
Trade and other payables		19,814	17,748
Loan and borrowings	23	91,044	2,501
		<u>110,858</u>	<u>20,249</u>
TOTAL LIABILITIES		<u>171,430</u>	<u>154,380</u>
TOTAL EQUITY AND LIABILITIES		<u>540,479</u>	<u>523,966</u>
NET ASSETS PER SHARE (RM)		2.64	2.65

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 Q4 FY2016

YEAR ENDED 31 JANUARY 2016

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

Unaudited Condensed Consolidated Statement of Changes in Equity for the year ended

	<-- Non-distributable -->		<--- Distributable --->		Total Equity RM'000
	Share Capital RM'000	Capital Reserve RM'000	General Reserve RM'000	Retained Profits RM'000	
At 1.02.2015	139,600	1,481	1,100	227,405	369,586
Profit for the period, being total comprehensive income for the period	-	-	-	2,953	2,953
Dividend on ordinary shares	-	-	-	(3,490)	(3,490)
At 31.01.2016	139,600	1,481	1,100	226,868	369,049
At 1.02.2014	139,600	1,481	1,100	203,797	345,978
Profit for the period, being total comprehensive income for the period	-	-	-	23,608	23,608
At 31.01.2015	139,600	1,481	1,100	227,405	369,586

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.

YEAR ENDED 31 JANUARY 2016

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

Unaudited Condensed Consolidated Statements of Cash Flows for the period ended 31 January 2016

	For the 12 months period ended Unaudited 31.01.2016	For the 12 months period ended Audited 31.01.2015
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,357	23,397
Adjustments:		
Non Cash Item	(3,094)	(26,215)
Operating profit/(loss) before working capital changes	1,263	(2,818)
Net changes in current assets	(4,727)	(7,161)
Net changes in current liabilities	2,972	1,843
Tax paid	(1,223)	(686)
Net cash used in operating activities	(1,715)	(8,822)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,091)	(3,117)
Subscription of shares in a joint venture	-	(108,655)
Additional Investment in a joint venture	-	(11,000)
Proceeds from redemption of unit trust	-	35,721
Proceeds from disposal of property, plant and equipment	-	205
Dividend received	-	7,650
Interest received	1,182	665
Dividend received from unit trust	-	173
Net cash used in investing activities	(5,909)	(78,358)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	(512)	(536)
Drawdown of other short term borrowings	13,900	2,000
Drawdown of other long term borrowings	-	126,466
Dividend paid	(3,490)	-
Interest paid	(8,254)	(1,693)
Net cash generated from financing activities	1,644	126,237
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(5,980)	39,057
NET INCREASE IN RESTRICTED CASH	-	(2,687)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	41,408	5,038
LESS: DEPOSIT WITH LICENSED INSTITUTION	(32,326)	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	20 3,102	41,408

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.

YEAR ENDED 31 JANUARY 2016

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 2015, the Group adopted the following new and amended MFRSs for annual financial period beginning on or after 1 February 2014.

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 12 Months Ended	
	31.01.2016	31.01.2015	31.01.2016	31.01.2015
	RM'000	RM'000	RM'000	RM'000
Interest income	285	285	1,182	838
Miscellaneous income	(308)	505	1,055	1,915
	<u>(23)</u>	<u>790</u>	<u>2,237</u>	<u>2,753</u>

YEAR ENDED 31 JANUARY 2016

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 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.01.2016 RM'000	31.01.2015 RM'000	31.01.2016 RM'000	31.01.2015 RM'000
Revenue:				
Investment holding	-	7,650	-	7,650
Property investment	6,322	6,478	24,940	23,512
Aviation	7,375	3,813	20,837	16,377
Corporate services	1,354	1,120	3,019	2,438
Elimination	(1,354)	(9,221)	(3,019)	(10,402)
	<u>13,697</u>	<u>9,840</u>	<u>45,777</u>	<u>39,575</u>
Profit before tax:				
Investment holdings	(2,399)	7,754	(9,074)	5,215
Property investment	2,088	1,730	10,829	7,942
Aviation	(1,588)	(6,349)	(3,575)	(6,857)
Corporate services	(507)	(1,527)	(10,791)	(11,962)
Eliminations	(1,354)	(8,807)	(3,019)	(9,988)
	<u>(3,760)</u>	<u>(7,199)</u>	<u>(15,630)</u>	<u>(15,650)</u>
Share of result of associates	7,647	10,030	20,636	24,849
Share of result of joint ventures	137	7	(649)	14,198
	<u>4,024</u>	<u>2,838</u>	<u>4,357</u>	<u>23,397</u>

YEAR ENDED 31 JANUARY 2016

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 22.

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 31.01.2016 RM'000	As at 31.01.2015 RM'000
Approved and contracted for:		
Property, plant and equipment	1,041	562
Approved but not contracted for:		
Property, plant and equipment	<u>11,934</u>	<u>32,092</u>
	<u>12,975</u>	<u>32,654</u>

14 REVIEW OF PERFORMANCE

(a) Three (3) months results – Q4FY2016 vs Q4FY2015

The Group revenue for the three (3) months period under review increase from RM9.8 million to RM13.7 million (an increase of RM3.8 million or 39% mainly due to higher revenue registered in Aviation).

Profit attributable to owners of the parent for the three (3) months remained at RM3.5 million.

(b) Twelve (12) months results – YTFY16 vs YTFY15

Revenue for the year under review increase from RM39.6 million to RM45.7 million (an increase of RM6.2 million or 16% mainly due to higher revenue registered in Aviation).

Profit attributable to owners of the parent for the year decreased to RM3.0 million from a profit of RM23.6 million mainly due to lower share of results of joint ventures (one-off bargain purchase gain of investment in 50% equity interest in IBSB) and 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 RM3.0 million in the current quarter, compared to a loss of RM1.6 million in the immediate preceding quarter mainly due to higher share of result of associates.

YEAR ENDED 31 JANUARY 2016

EXPLANATORY NOTES (CON'T)

16 PROSPECTS

Given the proposed disposal of the education business as announced on 16 March 2016, the Company's prospects will be driven by two core businesses i.e. property and aviation.

The Board is confident that its property and aviation businesses will be able to contribute positively to the results of the Group and enhance shareholders' value in the long term.

17 TAXATION

	12 months ended 31.01.2016	12 months ended 31.01.2015
	RM'000	RM'000
Malaysian taxation	(1,486)	211
	<u>(1,486)</u>	<u>211</u>

18 INVESTMENT IN ASSOCIATES

On 16 March 2016, the Company had announced that it had entered into a conditional share sale agreement with ILMU Education Group sdn Bhd ("ILMU") which is disclosed further in Note 22. As at 31 January 2016, the following investment in associates had been reclassified under "Non-current assets held for sale".

	RM'000
As at 31 January 2015	159,461
Add: Share of result of associates	20,636
Less: Reclassification to non-current assets held for sale (Note 21)	<u>(174,937)</u>
As at 31 January 2016	<u>5,160</u>

19 OTHER CURRENT FINANCIAL ASSETS

	As at 31.01.2016	As at 31.01.2015
	RM'000	RM'000
Held for trading investments:		
Quoted equity shares	300	435
Total financial assets at fair value through profit or loss	<u>300</u>	<u>435</u>

YEAR ENDED 31 JANUARY 2016

EXPLANATORY NOTES (CON'T)

20 CASH AND BANK BALANCES

	As at 31.01.2016	As at 31.01.2015
	RM'000	RM'000
Cash in hand and banks	5,789	8,279
Deposit with licensed institution	32,326	35,816
Total cash and bank balances	38,115	44,095
Less: Restricted cash*	(2,687)	(2,687)
Less: Deposit with licensed institution**	(32,326)	-
Cash and cash equivalents	3,102	41,408

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

* * Deposit with licensed institution with maturity period of twelve months (2015: 30 days) with no penalty on early withdrawal.

21 NON-CURRENT ASSET HELD FOR SALE

Non-current asset held for sales represents investment in associates with a carrying amount of RM174,937,085. On 16 March 2016, the Company had announced that it had entered into a conditional share sale agreement with ILMU Education Group Sdn Bhd in relation to the Proposed Disposal as disclosed in Note 22.

22 CORPORATE PROPOSALS

On 16 March 2016, the Company had announced that it had entered into a conditional share sale agreement with ILMU Education Group Sdn Bhd ("ILMU") in relation to the Proposed Disposal as follows:

- (i) the proposed disposal by SRB of its entire 49% equity interest in APIIT Sdn Bhd ("APIIT") comprising 1,225,001 ordinary shares of RM1.00 each in APIIT ("APIIT Shares") plus 1,225,000 new APIIT Shares to be issued pursuant to the Proposed Reorganisation (as set out below), to ILMU for a total cash consideration of RM58,000,000;
- (ii) the proposed disposal by SRB of its entire 49% equity interest in Asia Pacific University Sdn Bhd ("APU") comprising 9,800,001 ordinary shares of RM1.00 each in APU ("APU Shares"), to ILMU for a total cash consideration of RM161,988,000; and
- (iii) the proposed disposal by SRB of its entire 37.61% interest in Asia Pacific Institute of Information Technology Lanka (PVT) Limited ("APIIT Lanka") comprising its beneficial interest in 4,343,401 ordinary shares in APIIT Lanka ("APIIT Lanka Shares"), to ILMU for a total cash consideration of RM27,000,000.

The Proposed Reorganisation will involve the disposal by APIIT to ILMU of 100% equity interest in Asia Pacific Schools Sdn Bhd ("APS") comprising 2,500,002 ordinary shares of RM1.00 each in APS held by APIIT representing 100% of the issued and paid up share capital in APS ("APS Shares") for a total cash consideration of RM138,800,000. Thereafter, APIIT will declare dividends to its shareholders (i.e. ILMU and SRB), whereby ILMU and SRB will be entitled to dividends of RM70,788,000 and RM68,012,000, respectively. Subsequently, APIIT will undertake a bonus issue of 2,500,000 new APIIT Shares to its shareholders.

YEAR ENDED 31 JANUARY 2016

EXPLANATORY NOTES (CON'T)

23 LOAN AND BORROWINGS

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

	As at 31.01.2016
	RM'000
Current:	
Secured:	
- Obligations under finance leases	549
- Loan from a financial institution	74,595
Unsecured - Revolving credit	15,900
	<u>91,044</u>
Non-current:	
Secured:	
- Obligations under finance leases	586
- Loan from a financial institution	15,228
- Loan from a holding company	37,324
	<u>53,138</u>
Total borrowings	<u>144,182</u>

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

24 MATERIAL LITIGATION

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

25 DIVIDEND

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

26 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.

YEAR ENDED 31 JANUARY 2016

EXPLANATORY NOTES (CON'T)

27 ADDITIONAL INFORMATION

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 12 Months Ended	
	31.01.2016 RM'000	31.01.2015 RM'000	31.01.2016 RM'000	31.01.2015 RM'000
Interest expense	2,418	2,036	8,935	2,155
Depreciation and amortisation	2,992	2,598	9,888	10,652
Net fair value loss on held for trading investment	42	135	135	253
Bargain purchase gain on investment in a joint venture company	-	-	-	(14,292)
Impairment losses on trade receivables	35	42	35	42
Reversal of allowances for impairment on trade receivables	(100)	(23)	(100)	(23)
Realised foreign exchange gain	(45)	(47)	(160)	(165)

28 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 31.01.2016 RM'000	As at 31.01.2015 RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	70,555	92,480
- Unrealised	6,546	5,765
	77,101	98,245
Total share of retained profits from associated companies:		
- Realised	71,296	50,659
- Unrealised	(2,188)	(2,188)
	69,108	48,471
Total share of retained profits from joint ventures companies		
- Realised	(328)	(94)
- Unrealised	14,292	14,292
	13,964	14,198
Consolidation adjustments	66,695	66,491
Retained profits as per financial statements	226,868	227,405

29 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 31 March 2016.

Chua Siew Chuan (MAICSA 077689)
Company Secretary