

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2018
PERIOD ENDED 30 APRIL 2017

Sapura Resources Berhad

Unaudited Financial Results Q1 FY2018

Period Ended 30 April 2017



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

Interim Financial Statements for 1st Quarter Ended 30 April 2017

The Board of Directors hereby announce the
Unaudited financial results of the Group for the 1st Quarter Ended 30 April 2017

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SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2018
PERIOD ENDED 30 APRIL 2017

Sapura Resources Berhad (Company No.: 3136-D)
Unaudited Condensed Statement of Comprehensive Income
for the 1st Quarter Ended 30 April 2017

	Note	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
		30.04.2017 RM'000	30.04.2016 RM'000	30.04.2017 RM'000	30.04.2016 RM'000
Revenue		12,358	11,629	12,358	11,629
Operating expenses		(14,905)	(14,683)	(14,905)	(14,683)
Other income	3	1,861	596	1,861	596
Operating loss		(686)	(2,458)	(686)	(2,458)
Finance costs		(13)	(2,019)	(13)	(2,019)
Loss before tax before share of result		(699)	(4,477)	(699)	(4,477)
Share of result of associates		1,397	931	1,397	931
Share of result of joint ventures		(67)	(13)	(67)	(13)
Profit/(Loss) before tax		631	(3,559)	631	(3,559)
Taxation	17	(383)	(335)	(383)	(335)
Profit/(Loss), before share of result of associates from non-current assets held for sale, net of tax		248	(3,894)	248	(3,894)
Non-current assets held for sale: Share of result of associates from non-current assets held for sale	18	-	6,173	-	6,173
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		248	2,279	248	2,279
Profit, represent total comprehensive income for the period attributable to:					
Owners of the parent		248	2,279	248	2,279
Minority interests		-	-	-	-
		248	2,279	248	2,279
Earnings per share attributable to Owners of the parent:					
Basic, profit for the period	26	0.18	1.63	0.18	1.63
		0.18	1.63	0.18	1.63

These unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2018
 PERIOD ENDED 30 APRIL 2017

Sapura Resources Berhad (Company No.: 3136-D)
 Unaudited Condensed Statements of Financial Position as at 30 April 2017

	Note	Unaudited 30.04.2017 RM'000	Audited 31.01.2017 RM'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment		40,613	39,608
Investment properties		120,274	121,061
Investments in associates		11,742	10,344
Investments in joint ventures		135,311	135,378
		<u>307,940</u>	<u>306,391</u>
CURRENT ASSETS			
Inventories		15	21
Trade and other receivables		11,372	9,785
Prepayments		799	1,230
Other current financial assets	19	324	280
Tax recoverable		311	94
Short term investment		175,572	171,691
Cash and bank balances	20	6,025	14,425
		<u>194,418</u>	<u>197,526</u>
TOTAL ASSETS		<u>502,358</u>	<u>503,917</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		306,971	306,723
Total Equity		<u>449,152</u>	<u>448,904</u>
Non-current liabilities			
Deferred tax liabilities		6,405	6,414
Loans and borrowings	22	270	208
		<u>6,675</u>	<u>6,622</u>
Current Liabilities			
Trade and other payables		21,236	23,070
Provisions	23	25,000	25,000
Loans and borrowings	22	295	321
		<u>46,531</u>	<u>48,391</u>
Total liabilities		<u>53,206</u>	<u>55,013</u>
TOTAL EQUITY AND LIABILITIES		<u>502,358</u>	<u>503,917</u>
NET ASSETS PER SHARE (RM)		<u>3.22</u>	<u>3.22</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 2017.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2018
 PERIOD ENDED 30 APRIL 2017

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

Unaudited Condensed Consolidated Statement of Changes in Equity
 for the 1st Quarter Ended 30 April 2017

	<-----Attributable to owners of the parent----->				
	<- Non- distributable ->		<----- Distributable ----->		
	Share Capital	Capital Reserve	General Reserve	Retained Profits	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1.2.2017	139,600	1,481	1,100	306,723	448,904
Profit for the period, being total comprehensive profit for the period	-	-	-	248	248
At 30.4.2017	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>306,971</u>	<u>449,152</u>
At 1.2.2016	139,600	1,481	1,100	226,628	368,809
Profit for the period, being total comprehensive income for the period	-	-	-	2,279	2,279
At 30.4.2016	<u>139,600</u>	<u>1,481</u>	<u>1,100</u>	<u>228,907</u>	<u>371,088</u>

These unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

SAPURA RESOURCES BERHAD - UNAUDITED FINANCIAL RESULTS Q1 FY2018
 PERIOD ENDED 30 APRIL 2017

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

Unaudited Statement of Cash Flows
 for the 1st Quarter Ended 30 April 2017

	For the 3 months period ended 30.04.2017	For the 3 months period ended 30.04.2016
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	631	2,614
Adjustment for:		
Non-cash items	(1,896)	(3,207)
Operating loss before working capital changes	(1,265)	(593)
Net change in current assets	(1,194)	(4,206)
Net change in current liabilities	(1,834)	4,348
Tax paid	(609)	(41)
Net cash used in operating activities	<u>(4,902)</u>	<u>(492)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,444)	(989)
Net subscription in short term investment	(2,479)	-
Profit distribution from short term investment	1,402	326
Net cash used in investing activities	<u>(3,521)</u>	<u>(663)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of obligation under finance lease	36	(136)
Net drawdown of other short term borrowings	-	2,100
Interest paid	(13)	(2,019)
Net cash generated from/(used in) financing activities	<u>23</u>	<u>(55)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,400)	(1,210)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	14,425	2,907
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>6,025</u>	<u>1,697</u>

These unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017.

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 2016, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2016.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Property, Plant and Equipment (Clarification of Acceptable Methods of Depreciation and Amortisation)	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Joint Arrangements: Accounting for Acquisition of Interest in Joint Operations	1 January 2016
Amendments to MFRS 127: Separate Financial Statements (Equity Method in Separate Financial Statements)	1 January 2016
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group and the Company.

EXPLANATORY NOTES (CONT'D.)

3 OTHER INCOME

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.04.2017	30.04.2016	30.04.2017	30.04.2016
	RM'000	RM'000	RM'000	RM'000
Profit distribution from short term investment	1,402	326	1,402	326
Miscellaneous income	459	270	459	270
	<u>1,861</u>	<u>596</u>	<u>1,861</u>	<u>596</u>

4 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 January 2017 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 material changes in estimates of the amounts reported in the previous financial period 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.

EXPLANATORY NOTES (CONT'D.)

9 SEGMENTAL REPORTING

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.04.2017 RM'000	30.04.2016 RM'000	30.04.2017 RM'000	30.04.2016 RM'000
Revenue				
Investment holding	864	939	864	939
Property Investments	6,276	6,086	6,276	6,086
Aviation	6,082	5,892	6,082	5,892
Eliminations	(864)	(1,032)	(864)	(1,032)
	<u>12,358</u>	<u>11,885</u>	<u>12,358</u>	<u>11,885</u>
Profit before tax:				
Investment holding	(1,606)	(4,802)	(1,606)	(4,802)
Property Investments	2,846	2,890	2,846	2,890
Aviation	(2,111)	(2,531)	(2,111)	(2,531)
Eliminations	172	(34)	172	(34)
	<u>(699)</u>	<u>(4,477)</u>	<u>(699)</u>	<u>(4,477)</u>
Share of results of associates	1,397	7,104	1,397	7,104
Share of results of Joint ventures	(67)	(13)	(67)	(13)
	<u>631</u>	<u>2,614</u>	<u>631</u>	<u>2,614</u>

10 MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to end of the reporting period.

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.

EXPLANATORY NOTES (CONT'D.)

13 CAPITAL COMMITMENTS

	As at 30.04.2017 RM'000	As at 31.01.2017 RM'000
Approved and contracted for:		
Property, plant and equipment	3,476	401
Approved but not contracted for:		
Property, plant and equipment	19,327	13,729
Investment in joint venture	89,284	89,284
	<u>112,087</u>	<u>103,414</u>

14 REVIEW OF PERFORMANCE

Three (3) months results - Q1FY2018 vs Q1FY2017

The Group revenue for the three (3) months period under review increased from RM11.6 million to RM12.4 million (an increase of RM0.8 million or 6%) mainly due to higher revenue registered in Aviation segment.

Profit attributable to Owners of the parent for the three (3) months decreased from profit of RM2.3million to RM0.2 million mainly due to lower share of result of associates subsequent to the disposal of 49% interest in the Education Group; offset with lower finance costs and higher other income.

15 MATERIAL CHANGES IN THE QUARTERLY RESULTS COMPARED TO PREECEDING QUARTER

The Group recorded a profit attributable to owners of the parent of RM0.2 million in the current quarter, as compared to a loss of RM2.0 million in the immediate preceding quarter mainly due to higher operating expenses incurred in the preceding quarter.

16 PROSPECTS

With the divestment of the education business which was completed on 24 August 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 generate value moving forward as they mature from their gestation period.

17 TAXATION

	3 months ended 30.04.2017 RM'000	3 months ended 30.04.2016 RM'000
Malaysian taxation	<u>383</u>	<u>335</u>

EXPLANATORY NOTES (CONT'D.)

18 NON-CURRENT ASSETS HELD FOR SALE

In the previous financial period, non-current assets held for sale represents investment in associates. On 16 March 2016, the Company had entered into a conditional share sale agreement with ILMU Education Group Sdn. Bhd. ("ILMU") in relation to the Proposed Disposals 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.

On 24 August 2016, the Company has completed the Proposed Disposals.

19 OTHER CURRENT FINANCIAL ASSETS

	As at 30.04.2017 RM'000	As at 31.01.2017 RM'000
Held for trading investments:		
Quoted equity shares	324	280
Total financial assets at fair value through profit or loss	<u>324</u>	<u>280</u>

20 CASH AND BANK BALANCES

	As at 30.04.2017 RM'000	As at 31.01.2017 RM'000
Cash in hand and banks	6,025	14,425
Cash and cash equivalents	<u>6,025</u>	<u>14,425</u>

EXPLANATORY NOTES (CONT'D.)

21 STATUS OF THE UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

As at 30 April 2017, the status of the utilisation from the Proposed Disposals as disclosed in Note 18 which was completed on 24 August 2016, amounting to RM315 million is as follows:

Purpose	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Intended Timeframe for Utilisation from Receipts of Proceeds
i) Existing projects and future expansions	119,746	-	119,746	Within 48 months
ii) General working capital requirements	30,000	(5,000)	25,000	Within 48 months
iii) Repayments of borrowings	144,600	(144,600)	-	-
iv) Proposed special dividends	16,054	(16,054)	-	-
v) Estimated expenses	4,600	(4,540)	60	Within 3 months
	<u>315,000</u>	<u>(170,194)</u>	<u>144,806</u>	

22 LOAN AND BORROWINGS

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

	As at 30.04.2017 RM'000
Current:	
Secured:	
Obligations under finance leases	295
	<u>295</u>
Non-current:	
Secured:	
Obligations under finance leases	270
	<u>270</u>
Total borrowings	<u>565</u>

(b) Currency denominations

All the loan and borrowings are denominated in Ringgit Malaysia.

EXPLANATORY NOTES (CONT'D.)

23 PROVISIONS

	As at 30.04.2017 RM'000	As at 31.01.2017 RM'000
Provision for indemnity At the beginning of year	25,000	-
Current year provision At the end of year	<u>-</u>	<u>25,000</u>
	<u>25,000</u>	<u>25,000</u>

In the disposal of associates, as disclosed in Note 18 above, SRB indemnified APIIT Sdn. Bhd. ("APIIT") and ILMU Education Group Sdn. Bhd ("**ILMU**") against any claims in connection with any failure to comply with specific applicable laws prior to the disposal of the associates, provided that any indemnity claim is made by APIIT and/or ILMU within the agreed period.

24 MATERIAL LITIGATION

The Company and its subsidiaries have no outstanding material litigation as at 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 RM139,600,000.

27 ADDITIONAL INFORMATION

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

	Individual Quarter 3 Months Ended		Cumulative Quarter 3 Months Ended	
	30.04.2017 RM'000	30.04.2016 RM'000	30.04.2017 RM'000	30.04.2016 RM'000
Interest expense	13	2,019	13	2,019
Depreciation and amortisation	2,226	2,199	2,226	2,199
Net fair value (gain)/loss on held for trading investment	<u>(44)</u>	<u>31</u>	<u>(44)</u>	<u>31</u>

EXPLANATORY NOTES (CONT'D.)

28 BREAKDOWN OF RETAINED PROFITS INTO REALISED AND UNREALISED

	As at 30.04.2017	As at 31.01.2017
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	242,692	243,748
- Unrealised	5,687	5,687
	<u>248,379</u>	<u>249,435</u>
Total share of retained profits from associated companies:		
- Realised	(259)	(1,656)
- Unrealised	-	-
	<u>(259)</u>	<u>(1,656)</u>
Total share of retained profits from joint ventures companies:		
- Realised	(436)	(369)
- Unrealised	14,292	14,292
	<u>13,856</u>	<u>13,923</u>
Consolidation adjustments	<u>44,995</u>	<u>45,021</u>
Retained profits as per financial statements	<u>306,971</u>	<u>306,723</u>

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 20 June 2017.

Chua Siew Chuan (MAICSA 077689)
 Company Secretary