



Sapura Industrial Berhad (Company No: 17547-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 JANUARY 2009

The unaudited financial results of Sapura Industrial Berhad Group
for the 4th quarter ended 31 January 2009

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SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE TWELVE-MONTH PERIOD ENDED 31 JANUARY 2009

	Note	3 months ended		12 months ended	
		31.1.2009 RM'000	31.1.2008 RM'000	31.1.2009 RM'000	31.1.2008 RM'000
Revenue	A9	60,975	43,464	239,489	145,357
Cost of sales		<u>(55,886)</u>	<u>(33,291)</u>	<u>(204,548)</u>	<u>(113,967)</u>
Gross profit		5,089	10,173	34,941	31,390
Other income		231	(313)	2,203	3,915
Operating expenses		(7,160)	(4,716)	(25,642)	(22,359)
Finance costs		(816)	(191)	(4,486)	(3,823)
(Loss)/Profit before tax	A9	<u>(2,656)</u>	<u>4,953</u>	<u>7,016</u>	<u>9,123</u>
Taxation	B5	1,357	(3,270)	(1,375)	(4,002)
(Loss)/Profit for the period		<u><u>(1,299)</u></u>	<u><u>1,683</u></u>	<u><u>5,641</u></u>	<u><u>5,121</u></u>
Attributable to:					
Equity holders of the Company		(1,299)	1,671	5,641	5,136
Minority interest		-	12	-	(15)
		<u><u>(1,299)</u></u>	<u><u>1,683</u></u>	<u><u>5,641</u></u>	<u><u>5,121</u></u>
(Loss)/Earnings per share attributable to equity holders of the Company:(sen)					
Basic, for (loss)/profit from operations	B13	<u><u>(1.79)</u></u>	<u><u>2.30</u></u>	<u><u>7.75</u></u>	<u><u>7.06</u></u>

(The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements)

**SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2009**

		Unaudited 31.1.2009	Audited 31.01.2008
	NOTE	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A10	70,575	63,910
Prepaid leasehold land		21,894	22,143
Development expenditure		5,060	5,239
		<u>97,529</u>	<u>91,292</u>
Current assets			
Inventories		30,206	23,326
Trade receivables		39,341	33,106
Other receivables and prepayments		11,402	3,426
Tax recoverable		1,425	425
Due from related companies		45	45
Cash and bank balances		23,525	19,053
		<u>105,944</u>	<u>79,381</u>
TOTAL ASSETS		<u>203,473</u>	<u>170,673</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	A7	72,776	72,776
Share premium		2,200	2,200
Accumulated Losses		(12,025)	(15,483)
		<u>62,951</u>	<u>59,493</u>
Minority interest		<u>524</u>	<u>524</u>
Total equity		<u>63,475</u>	<u>60,017</u>
Non-current liabilities			
Term loans	B9	27,620	27,012
Retirement Benefit Obligations		1,958	1,628
Hire purchase payables		1,978	581
Deferred taxation		6,939	7,888
		<u>38,495</u>	<u>37,109</u>
Current liabilities			
Borrowings	B9	50,905	41,327
Trade payables		19,636	10,370
Other payables and accruals		21,503	12,817
Hire purchase payables		804	438
Due to ultimate holding company		2,612	2,050
Due to related companies		5,044	5,392
Provision for taxation		1,000	1,153
		<u>101,504</u>	<u>73,547</u>
Total liabilities		<u>139,999</u>	<u>110,656</u>
TOTAL EQUITY AND LIABILITIES		<u>203,473</u>	<u>170,673</u>
Net assets per share (RM)		0.87	0.82

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements)

**SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES
IN EQUITY FOR THE TWELVE-MONTH PERIOD ENDED 31 JANUARY 2009**

	← Attributable to Equity Holders of the Company →			Total RM'000	Minority Interest RM'000	Total Equity RM'000
	← Non-Distributable Share Capital RM'000	Share Premium RM'000	Accumulated Losses RM'000			
For The 12 Month Period Ended 31 January 2009						
As at 1 February 2008	72,776	2,200	(15,483)	59,493	524	60,017
Profit for the period	-	-	5,641	5,641	-	5,641
Dividends Final Dividend for the financial year ended 31 January 2008 paid on 28 August 2008			(2,183)	(2,183)		(2,183)
As at 31 January 2009	72,776	2,200	(12,025)	62,951	524	63,475
For The 12 Month Period Ended 31 January 2008						
As at 1 February 2007 (restated)	72,776	2,200	(20,619)	54,357	539	54,896
Profit for the period	-	-	5,136	5,136	(15)	5,121
As at 31 January 2008	72,776	2,200	(15,483)	59,493	524	60,017

**(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited
Financial Statements for the year ended 31 January 2008 and the accompanying explanatory
notes attached to the interim financial statements)**

SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE TWELVE-MONTH PERIOD ENDED 31 JANUARY 2009

	Year ended	
	31.1.2009	31.1.2008
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,016	9,123
Adjustments for:		
Depreciation of property, plant & equipment	9,568	9,870
Property, plant & equipment written off	282	992
Amortisation of development expenditure	2,419	2,072
Amortisation of leasehold land	249	250
Short term accumulating compensated absences	17	38
Interest expense	4,486	3,823
Interest income	(335)	(192)
Net unrealised loss/(gain) on foreign exchange	(20)	3
Provision for doubtful debts	507	102
Provision for defined benefit plan	282	222
Net loss/(gain) on disposal of property, plant and equipment	(63)	66
Write down inventories	1,187	497
Development expenditure write off	(134)	222
Reversal of provision for doubtful debts	(30)	-
Operating profit before working capital changes	<u>25,431</u>	<u>27,088</u>
Changes in working capital:		
Trade and other receivables	(14,690)	(5,585)
Inventories	(8,067)	5,772
Trade and other payables	18,004	5,422
Net changes in related companies balances	213	2,232
Cash generated from operations	<u>20,891</u>	<u>34,929</u>
Tax paid	(3,476)	(357)
Interest paid	(4,486)	(3,823)
Net cash generated from operating activities	<u>12,929</u>	<u>30,749</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(14,169)	(992)
Development expenditure incurred	(2,106)	(1,309)
Proceeds from disposal of property, plant & equipment	100	379
Interest received	335	192
Net cash used in investing activities	<u>(15,840)</u>	<u>(1,730)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of short term borrowings	13,624	(6,264)
Net drawdown/(repayment) of term loans	(2,797)	(7,505)
Repayment of hire purchase and lease financing	(620)	(936)
Dividends paid	(2,183)	(36)
Net cash generated from/(used in) financing activities	<u>8,024</u>	<u>(14,741)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	14,673	395
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>19,786</u>	<u>14,673</u>
Cash and cash equivalents comprise:		
Cash and bank balances	19,393	19,053
Bank Overdraft	(3,739)	(4,380)
Fixed Deposits	4,132	-
	<u>19,786</u>	<u>14,673</u>

(The Condensed Consolidated Cashflow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements)

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes on the quarterly report – 31 January 2009

Part A - EXPLANATORY NOTES PURSUANT TO FRS NO. 134

A1. 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 requirement of FRS 134: Interim Financial Reporting and Paragraph 9.22 of Bursa Malaysia Securities Berhad's Listing Requirements.

The interim financial statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008. These explanatory notes attached to the interim financial statements 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 since the year ended 31 January 2008.

A2. Changes in Accounting Policies

The significant accounting policies adopted in these interim financial statements are consistent with those of the audited financial statements for the year ended 31 January 2008 except for the adoption of the following revised financial reporting standards ("FRS"), amendment to FRS and Interpretations which are mandatory for the financial period beginning on or after 1 February 2008:

FRS 107	:	Cash Flow Statements
FRS 111	:	Construction Contracts
FRS 118	:	Revenue
FRS 120	:	Accounting for Government Grants and Disclosure of Government Assistance
FRS 134	:	Interim Financial Reporting
FRS 137	:	Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121	:	The Effects of Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
IC Interpretation 1	:	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	:	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	:	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	:	Liabilities arising from Participating in a Specific Market Waste Electrical and Electronic Equipment
IC Interpretation 7	:	Applying the Restatement Approach under FRS 129 (2004) - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	:	Scope of FRS 2

The revised FRS, amendment to FRS and Interpretations above do not have any significant impact on the financial statements of the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's most recent annual audited financial statements for the year ended 31 January 2008 was not qualified.

A4. Comments about Seasonal or Cyclical Factors

The Group's operations are generally affected by the major festive seasons.

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes on the quarterly report – 31 January 2009 (contd)

A5. Unusual items due to their Nature, Size or Incidence

There were no material unusual items affecting assets, liabilities, equity, net income, or cash flows during the financial period ended 31 January 2009.

A6. Changes in Estimates

FRS 116 : Property, Plant and Equipment require the review of the residual value and remaining useful life of item of property, plant and equipment at least at each year-end. There were no material changes in estimates reported in the current quarter under review.

A7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayment of debt and equity securities in the current period to date under review.

A8. Dividends Paid

There was no dividend paid for the current quarter.

A9. Segmental Information

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

	Individual Quarter 3 months ended 31 January 2009		Cumulative 12 months ended 31 January 2009	
	Revenue RM'000	Profit/(loss) Before Taxation RM'000	Revenue RM'000	Profit/(loss) Before Taxation RM'000
Investment Holding	9,887	3,808	16,801	2,483
Manufacturing	62,149	(1,762)	245,305	9,700
Services	-	(79)	-	(124)
Others	961	(270)	2,351	(690)
	<u>72,997</u>	<u>1,697</u>	<u>264,457</u>	<u>11,369</u>
Eliminations	<u>(12,022)</u>	<u>(4,353)</u>	<u>(24,968)</u>	<u>(4,353)</u>
	<u>60,975</u>	<u>(2,656)</u>	<u>239,489</u>	<u>7,016</u>

No geographical segment is presented as the Group's activities are carried out in Malaysia.

A10. Property, Plant and Equipment

The carrying amount of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

SAPURA INDUSTRIAL BERHAD (17547-W)

**Notes on the quarterly report – 31 January 2009
(contd)**

A11. Capital Commitments

Outstanding commitments in respect of capital expenditure are:

	As at 31 January 2009 RM'000	As at 31 January 2008 RM'000
Property, plant and equipment		
Approved and contracted for	7,177	1,550
Approved and not contracted for	<u>3,242</u>	<u>14,420</u>

A12. Significant Post Balance Sheet Events

As at the date of this report, there were no material events subsequent to the balance sheet date.

A13. Changes in Composition of the Group

There were no changes in Group's composition during the period under review.

A14. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 January, 2008.

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes on the quarterly report – 31 January 2009 (contd)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD.

B1. Review of Performance for the Current Quarter and Current Year to Date

The Group recorded improved revenue of RM61.0 million for the current quarter against RM43.5 million in the previous year corresponding quarter. However, the Group recorded a pretax loss of RM2.7 million compared to a profit of RM5.0 million in the previous year corresponding quarter.

For the current year ended 31 January 2009, the group recorded revenue of RM239.5 million compared to RM145.4 million for the corresponding period in 2008. Group achieved pre- tax profit of RM7.0 million as compared to RM9.1 million for the respective periods.

The improvement in revenue is mainly attributable to the successful launch of new models from our national car makers, comprising mainly of modular sales. However, the decline in profits is mainly due to increases in costs, especially for raw material and component costs.

B2. Comparison Between Current Quarter Results and The Immediate Preceding Quarter

The Group recorded lower revenue of RM61.0 million for the current quarter as compared to RM65.2 million in the immediate preceding quarter. Loss before tax of RM2.7 million was recorded for the current quarter against a profit of RM2.6 million for the immediate preceding quarter due to reasons mentioned above.

B3. Prospects

The Board is cautious that the global financial crisis and slowdown in economy will continue to impact the Group's performance moving forward. In bracing the challenges ahead, the Group has intensified its efforts to further strengthen operational efficiency.

B4. Profit Forecast or Profit Guarantee

There was no profit forecast or profit guarantee made during the financial period under review.

B5. Taxation

	Current Quarter RM'000	Year to date RM'000
Malaysian Income Tax:		
- Current year tax	(419)	2,313
- Under provision in prior years	11	11
	<hr/>	<hr/>
	(408)	2,324
Deferred tax	(949)	(949)
Taxation	<hr/>	<hr/>
	(1,357)	1,375
Effective tax rate		20%

The lower effective tax rate for the group arose from utilisation of current year reinvestment allowance and unabsorbed tax credit previously not recognised.

SAPURA INDUSTRIAL BERHAD (17547-W)**Notes on the quarterly report – 31 January 2009 (contd)****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD)****B6. Sale of Unquoted Investments and/or Properties**

There were no sale of unquoted investments and properties for the current quarter and financial year to date.

B7. Quoted Securities

There were no purchase or disposal of quoted securities for the current quarter and financial year to date.

B8. Status of Corporate Proposals Announced

There were no corporate proposals announced which has not been completed.

B9. Borrowings

The Group borrowings as at the end of the reporting period are:

	Secured RM'000	Unsecured RM'000	RM'000
Overdraft	1,489	2,250	3,739
Revolving Credit	3,250	17,200	20,450
Bankers Acceptance	-	19,357	19,357
Term Loans	24,798	10,181	34,919
	<u>29,537</u>	<u>48,988</u>	<u>78,525</u>
Amount due within the next 12 months			50,905
Amount due after the next 12 months			<u>27,620</u>
			<u>78,525</u>

B10. Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off balance sheet risk as at the date of this quarterly report other than the following forward contracts on foreign currencies incurred in relation to the Group's purchases.

Currency	Outstanding contract (FC) amount	Equivalent amount (RM)	Expiry Date
US Dollar	22,420	79,726	14.02.2009
Japanese Yen	16,551,742	668,359	02.02.2009

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes on the quarterly report – 31 January 2009 (contd)

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD)

B11. Changes in Material Litigation

Details of material litigation pending as at the date of announcement:

- (a) On 20 November 2007, Schulz Export GmbH ("Schulz Export"), a fellow subsidiary of Sophisticated Pipe Industry Production Sdn. Bhd. (formerly known as Schulz (Manufacturing) Sdn. Bhd.) ("SPIP"), a corporate shareholder of Sapura-Schulz Hydroforming Sdn. Bhd. ("Sapura-Schulz"), through Schulz Export's solicitors filed a Statement of Claim (which was amended on 13 January 2009 and re-amended on 6 February 2009) against Sapura-Schulz, a 75% subsidiary of Sapura Industrial Berhad ("the Company" or "SIB") for breach of a Business Operations Agreement ("BOA") dated 3 April 2004 and a Licence Agreement dated 3 April 2004 ("LA") entered into between Sapura-Schulz and Schulz Export, for inter alia:
 - (a) EUR500,377 for loss of profits; and
 - (b) EUR424,168 and USD43,109 for rectification works
 - (c) Anti-dumping cost amounting to USD140,000

- (b) On 20 November 2007, SPIP, a 25% shareholder in Sapura-Schulz, through SPIP's solicitors filed a Statement of Claim against SIB for breach of a Shareholders Agreement ("SA") dated 3 April 2004 entered into between SIB and SPIP, for inter alia:
 - (i) RM26,000,000; and
 - (ii) damages for breach of fiduciary duties.

The SA, BOA and LA were executed along with an Asset Sale Agreement dated 13 October 2003 (together with two supplemental agreements dated 14 November 2003 and 3 April 2004 respectively) ("ASA") between Sapura-Schulz and SPIP and an Assignment Agreement dated 23 June 2005 between Wilh Schulz, Schulz Export GmbH, SPIP and Sapura-Schulz ("AA") (collectively referred to "the Agreements") which all stem from a Heads of Agreement ("HOA") dated 3 July 2003 entered into between SIB and Wilh Schulz setting out the understanding between the parties with regard to the joint venture between Wilh Schulz and Sapura-Schulz.

In order to inter alia enable SIB to bring all claims arising under the Agreements and under the HOA against inter alia Wilh Schulz and Wolfgang Leonhard Schulz (the alter ego of Wilh Schulz) and to confer jurisdiction on the arbitrator to hear all related matters under the above two arbitration proceedings, the arbitrator directed that SIB, Sapura-Schulz, Wilh Schulz, Schulz Export, SPIP and Wolfgang Leonhard Schulz executed an Ad Hoc Arbitration Agreement ("Ad Hoc Agreement") on 22 February 2008.

These two arbitration proceedings are by consent heard together by one arbitrator and various directions were given by the arbitrator on 1 October 2007 whereupon these matters were fixed for hearing from 12 January 2009 to 23 January 2009.

On 29 May 2008, SIB and Sapura-Schulz, through their solicitors, filed their respective defences and the following counterclaims to these matters:

- (i) Sapura-Schulz counterclaimed against Schulz Export for breach of contract for RM5,838,956 and general damages of RM97,034,078; and
- (ii) SIB counterclaimed against SPIP for breach of contract for RM24,000,000 and general damages of RM91,988,862.

SAPURA INDUSTRIAL BERHAD (17547-W)**Notes on the quarterly report – 31 January 2009 (contd)****B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD)****B11. Changes in Material Litigation (contd)**

This matter was part heard from 12 January 2009 to 15 January 2009 and is now scheduled to be reheard from 20 to 28 July 2009. The hearing dates on 16 to 23 January 2009 were vacated by the Arbitrator.

The directors, based on the opinion of its solicitors, are of the view that SIB and Sapura-Schulz have fairly reasonable chance of defeating the claims and have a reasonable basis for the counterclaims.

B12. Dividend Payable

No dividend has been proposed or declared for the current quarter ended 31 January 2009.

B13. Earnings Per Share

	Current Quarter 31.1.2009	Year To Date 31.1.2009
Net (loss) / profit from operations attributable to shareholders (RM'000)	(1,299)	5,641
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic (loss) / earnings per share for: - (Loss) / Profit for the period (sen)	(1.79)	7.75
b) Diluted		
Weighted average no. of shares (000)	72,776	72,776
Effect of dilution: Share options #	-	-
Adjusted weighted average no. of shares (000)	72,776	72,776
(Loss)/profit for the period (sen)	(1.79)	7.75

The effect of dilution arising from the assumed conversion of options under the Company's ESOS is anti-dilutive.

B14. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 March 2009.