



Sapura Industrial Berhad (17547-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31 OCTOBER 2014

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 31 October 2014

Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6-7
Notes to the Interim Financial Statements	8-14

SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 OCTOBER 2014
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 31.10.2014 RM'000	Comparative Quarter Ended 31.10.2013 RM'000	9 months Cumulative Totdate 31.10.2014 RM'000	9 months Cumulative Totdate 31.10.2013 RM'000
Revenue	54,983	71,787	178,201	200,498
Cost of sales	<u>(45,699)</u>	<u>(55,958)</u>	<u>(147,250)</u>	<u>(160,601)</u>
Gross profit	9,284	15,829	30,951	39,897
Other income	754	305	2,666	1,964
Operating expenses	(7,228)	(8,507)	(22,977)	(24,973)
Finance costs	(536)	(586)	(1,656)	(1,844)
Profit before tax	<u>2,274</u>	<u>7,041</u>	<u>8,984</u>	<u>15,044</u>
Tax expense	(644)	(1,750)	(2,342)	(3,688)
Profit for the period	<u>1,630</u>	<u>5,291</u>	<u>6,642</u>	<u>11,356</u>
Total comprehensive income for the period	<u>1,630</u>	<u>5,291</u>	<u>6,642</u>	<u>11,356</u>
Profit for the period attributable to:				
Owners of the parent	1,652	5,332	6,716	11,468
Non-controlling interest	<u>(22)</u>	<u>(41)</u>	<u>(74)</u>	<u>(112)</u>
	<u>1,630</u>	<u>5,291</u>	<u>6,642</u>	<u>11,356</u>
Total comprehensive income for the period attributable to:				
Owners of the parent	1,652	5,332	6,716	11,468
Non-controlling interest	<u>(22)</u>	<u>(41)</u>	<u>(74)</u>	<u>(112)</u>
	<u>1,630</u>	<u>5,291</u>	<u>6,642</u>	<u>11,356</u>
Earnings per share attributable to owners of the parent (sen):				
Basic, for profit from operations	<u>2.27</u>	<u>7.33</u>	<u>9.23</u>	<u>15.76</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2014 and the accompanying explanatory notes attached to the Interim Financial Statements)

SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2014

	Unaudited 31.10.2014 RM'000	Audited 31.1.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	84,674	86,814
Development expenditure	2,718	2,507
	<u>87,392</u>	<u>89,321</u>
Current assets		
Inventories	25,493	26,243
Tax recoverable	995	68
Trade and other receivables	49,488	60,037
Cash and bank balances	9,602	17,749
	<u>85,578</u>	<u>104,097</u>
TOTAL ASSETS	<u>172,970</u>	<u>193,418</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	72,776	72,776
Share premium	2,200	2,200
Retained profits	27,358	26,464
	<u>102,334</u>	<u>101,440</u>
Minority interest	<u>(1,233)</u>	<u>(1,159)</u>
Total equity	<u>101,101</u>	<u>100,281</u>
Non-current liabilities		
Retirement benefit obligations	4,638	4,438
Loans and borrowings	5,834	9,133
Deferred tax liabilities	7,036	7,036
	<u>17,508</u>	<u>20,607</u>
Current liabilities		
Retirement benefit obligations	16	17
Income tax payable	-	1,218
Trade and other payables	30,781	37,592
Loans and borrowings	23,564	33,703
	<u>54,361</u>	<u>72,530</u>
Total liabilities	<u>71,869</u>	<u>93,137</u>
TOTAL EQUITY AND LIABILITIES	<u>172,970</u>	<u>193,418</u>
Net assets per share (RM)	1.41	1.39

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2014 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 PERIOD ENDED 31 OCTOBER 2014**

	←——— Attributable to owners of the parent ———→			Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	← Non-Distributable Share capital RM'000	Share premium RM'000	Distributable Retained profits RM'000			
For The 9 Month Period Ended 31 October 2014						
As at 1 February 2014	72,776	2,200	26,464	101,440	(1,159)	100,281
Total comprehensive income for the period	-	-	6,716	6,716	(74)	6,642
Dividends on ordinary shares	-	-	(5,822)	(5,822)	-	(5,822)
As at 31 October 2014	<u>72,776</u>	<u>2,200</u>	<u>27,358</u>	<u>102,334</u>	<u>(1,233)</u>	<u>101,101</u>
For The 9 Month Period Ended 31 October 2013						
As at 1 February 2013	72,776	2,200	10,401	85,377	(917)	84,460
Total comprehensive income for the period	-	-	11,468	11,468	(112)	11,356
As at 31 October 2013	<u>72,776</u>	<u>2,200</u>	<u>21,869</u>	<u>96,845</u>	<u>(1,029)</u>	<u>95,816</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited
Financial Statements for the year ended 31 January 2014 and the accompanying explanatory
notes attached to the Interim Financial Statements)

SAPURA INDUSTRIAL BERHAD (17547-W)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2014

	9 MONTHS ENDED 31.10.2014 RM'000	9 MONTHS ENDED 31.10.2013 RM'000
Operating activities		
Profit before tax	8,984	15,044
Adjustments for:		
Depreciation of property, plant and equipment	8,422	9,473
Property, plant and equipment written off	79	73
Amortisation of development expenditure	677	679
Interest income	(232)	(281)
Impairment loss on trade receivables	66	-
Net unrealised gain on foreign exchange	(33)	(65)
Increase in liability for defined benefit plan	307	412
Loss/(gain) on disposal of property, plant and equipment	16	(45)
Inventories written off	131	-
Interest expense	1,656	1,844
Operating profit before working capital changes	<u>20,073</u>	<u>27,134</u>
Decrease in inventories	619	1,608
Decrease/(increase) in trade and other receivables	10,483	(7,456)
Decrease in trade and other payables	<u>(6,675)</u>	<u>144</u>
Cash generated from operations	24,500	21,430
Interest paid	(1,656)	(1,844)
Taxes paid	(4,487)	(3,830)
Retirement benefits paid	<u>(107)</u>	<u>(95)</u>
Net cash generated from operating activities	<u>18,250</u>	<u>15,661</u>

**SAPURA INDUSTRIAL BERHAD (17547-W)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 OCTOBER 2014**

(contd.)

	9 MONTHS ENDED 31.10.2014 RM'000	9 MONTHS ENDED 31.10.2013 RM'000
Investing activities		
Purchase of property, plant and equipment	(6,420)	(5,673)
Interest received	232	281
Proceeds from disposal of property, plant and equipment	43	53
Development expenditure incurred	(888)	(298)
Net cash used in investing activities	<u>(7,033)</u>	<u>(5,637)</u>
Financing activities		
Net repayment of term loans	(7,725)	(5,259)
Net drawdown of short term borrowings	(5,916)	(178)
Net drawdown of hire purchase and lease financing	203	(600)
Dividends on ordinary shares	(5,822)	-
Net cash used in financing activities	<u>(19,260)</u>	<u>(6,037)</u>
Net (decrease)/increase in cash and cash equivalents	(8,043)	3,987
Cash and cash equivalents at beginning of period	17,254	9,373
Cash and cash equivalents at end of period	<u>9,211</u>	<u>13,360</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	9,602	13,958
Bank overdrafts	(391)	(598)
Cash and cash equivalents at end of period	<u>9,211</u>	<u>13,360</u>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the
Financial Statements for the year ended 31 January 2014 and the accompanying
explanatory notes attached to the Interim Financial Statements)**

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014

Part A - EXPLANATORY NOTES

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 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.

A2. Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 February 2014, 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 February 2014.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 132: Offsetting Financial Asset and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011–2013 Cycle	1 July 2014

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company.

Standards and interpretations issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2015
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139	To be announced

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

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014 (contd)

Part A - EXPLANATORY NOTES (CONTD.)

A3. Seasonal and Cyclical Factors

The Group's results were not materially affected by any major seasonal or cyclical factors.

A4. 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 under review.

A5. Material Changes in Estimates

There were no material changes in estimates reported in the the financial period under review.

A6. Issuance and Repayment of Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Company during the financial period under review.

A7. Dividends Paid

A final single tier dividend of 8 sen per ordinary share, totalling RM5,822,059 in respect of the financial year ended 31 January 2014, was paid on 23 July 2014.

A8. Segmental Information

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

	Individual Quarter 3 months ended 31 October 2014		Cumulative Quarter 9 months ended 31 October 2014	
	Revenue RM'000	Profit/(loss) before taxation RM'000	Revenue RM'000	Profit before taxation RM'000
Investment Holding	4,739	(78)	15,462	(239)
Manufacturing	55,777	2,378	181,065	9,016
Others	1,001	(26)	3,404	207
	<u>61,517</u>	<u>2,274</u>	<u>199,931</u>	<u>8,984</u>
Eliminations	(6,534)	-	(21,730)	-
	<u>54,983</u>	<u>2,274</u>	<u>178,201</u>	<u>8,984</u>

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

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014 (contd)

Part A - EXPLANATORY NOTES (CONTD.)

A9. Property, Plant and Equipment

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

A10. Material Events Subsequent to the End of the Period

There were no material events subsequent to the end of the financial period under review.

A11. Changes in Composition of the Group

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

A12. Contingent Liabilities

There was no contingent liability for the Group during the financial period under review.

A13. Capital Commitments

	As at 31 October 2014 RM'000	As at 31 January 2014 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	4,976	-
Approved but not contracted for	7,334	10,243
	<hr/>	<hr/>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014 (contd)

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1. Review of Performance

The Group recorded revenue of RM55.0 million for the current quarter against RM71.8 million in the previous year corresponding quarter. For the current period ended 31 October 2014, a revenue of RM178.2 million was recorded compared to RM200.5 million in the previous year corresponding period, mainly due to lower domestic volume for certain models.

Net profit for the current period was RM6.6 million as compared to RM11.4 million for the previous year corresponding period.

B2. Result against Preceding Quarter

The Group's revenue of RM55.0 million for the current quarter was lower compared to the immediate preceding quarter of RM65.4 million, mainly resulting from lower domestic volume. Net profit for the current quarter was RM1.6 million as compared to RM3.8 million for the immediate preceding quarter.

B3. Prospects

Total industry volume is projected to grow by 3.7% from 655,793 in 2013 to 680,000 car sets in 2014. Moving forward, the Group is cautious that market conditions will continue to be challenging for the automotive sector. As such, the Group has intensified its efforts to further strengthen operational efficiency.

B4. Profit Forecast or Profit Guarantee

The Group has not provided any profit forecast or profit guarantee.

B5. Tax Expense

	Current Quarter RM'000	Year to date RM'000
Current income tax	<u>644</u>	<u>2,342</u>
Effective tax rate	28.3%	26.1%

The Group's year to date effective tax rate is slightly higher than statutory income tax rate due to certain non-allowable expenses within the Group.

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as the date of issue of this report.

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014 (contd)

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTD.)

B7. Borrowings

The Group borrowings are as follows:

	As at 31 October 2014 RM'000	As at 31 January 2014 RM'000
Current		
Secured		
Bank Overdrafts	391	495
Term Loans	4,130	7,710
Obligations under finance leases	419	395
	<u>4,940</u>	<u>8,600</u>
Unsecured		
Bankers' Acceptances	8,209	15,236
Revolving Credits	10,415	9,200
Term Loans	-	667
	<u>18,624</u>	<u>25,103</u>
Total current	<u>23,564</u>	<u>33,703</u>
Non - Current		
Secured		
Term Loans	5,271	8,749
Obligations under finance leases	563	384
Total non- current	<u>5,834</u>	<u>9,133</u>
Total		
Bank Overdrafts	391	495
Revolving Credits	10,415	9,200
Bankers' Acceptances	8,209	15,236
Term Loans	9,401	17,126
Obligations under finance leases	982	779
	<u>29,398</u>	<u>42,836</u>

The Group borrowings are denominated in the following currencies:

	As at 31 October 2014 RM'000	As at 31 January 2014 RM'000
Ringgit Malaysia	21,837	38,309
United States Dollar	7,561	4,527
	<u>29,398</u>	<u>42,836</u>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014 (contd)

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTD.)

B8. Dividend Declared

The Board of Directors has declared a singler tier interim dividend of 3.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 January 2015, amounting to RM2,183,272. The dividend will be paid on 22 January 2015 to shareholders whose names appear in the Record of Depositors at the close of business on 24 December 2014.

B9. Earnings Per Share

	Current Quarter 31.10.2014	Year To Date 31.10.2014
Net profit from operations attributable to owners of the parent (RM'000)	<u>1,652</u>	<u>6,716</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Profit for the period (sen)	2.27	9.23
b) Diluted		
Weighted average no. of shares (000)	72,776	72,776
Adjusted weighted average no. of shares (000)	<u>72,776</u>	<u>72,776</u>
Profit for the period (sen)	<u>2.27</u>	<u>9.23</u>

B10. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's preceding annual financial statements was not qualified.

B11. Additional Information

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

	Current Quarter 31.10.2014 RM'000	Year To Date 31.10.2014 RM'000
Profit before taxation is stated after (crediting)/charging:-		
- Interest income	(73)	(232)
- Interest expense	536	1,656
- Depreciation of property, plant and equipment	2,631	8,422
- Amortisation of development expenditure	236	677
- Unrealised foreign exchange gain	(6)	(33)
- Realised foreign exchange gain loss/(gain)	117	(63)
- Inventories written off	56	131
- Property, plant and equipment written off	46	79
- Loss on disposal of property, plant and equipment	16	16
- Impairment loss on trade receivables	<u>-</u>	<u>66</u>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 October 2014 (contd)

B. ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTD.)

B12. Breakdown of retained profits/(accumulated losses) into realised and unrealised

	As at 31.10.2014 RM'000	As at 31.1.2014 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(63,124)	(71,665)
- Unrealised	<u>(7,003)</u>	<u>(7,033)</u>
	(70,127)	(78,698)
Less: Consolidation adjustments	97,485	105,162
Retained profits as per financial statements	<u>27,358</u>	<u>26,464</u>

B13. 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 9 December 2014.