



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

INTERIM FINANCIAL REPORT FOR THE 2ND QUARTER ENDED 31 JULY 2015

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 31 July 2015

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SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2015
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended 31.7.2015 RM'000</u>	<u>Comparative Quarter Ended 31.7.2014 RM'000</u>	<u>6 months Cumulative Totdate 31.7.2015 RM'000</u>	<u>6 months Cumulative Totdate 31.7.2014 RM'000</u>
Revenue	48,303	65,357	107,227	123,218
Cost of sales	<u>(41,477)</u>	<u>(52,605)</u>	<u>(92,189)</u>	<u>(101,551)</u>
Gross profit	6,826	12,752	15,038	21,667
Other income	436	1,064	1,826	1,913
Operating expenses	(6,604)	(8,260)	(14,056)	(15,750)
Finance costs	(511)	(595)	(1,090)	(1,120)
Profit before tax	<u>147</u>	<u>4,961</u>	<u>1,718</u>	<u>6,710</u>
Tax expense	(86)	(1,170)	(471)	(1,698)
Profit for the period	<u>61</u>	<u>3,791</u>	<u>1,247</u>	<u>5,012</u>
Total comprehensive income for the period	<u>61</u>	<u>3,791</u>	<u>1,247</u>	<u>5,012</u>
Profit for the period attributable to:				
Owners of the parent	84	3,819	1,298	5,064
Non-controlling interest	<u>(23)</u>	<u>(28)</u>	<u>(51)</u>	<u>(52)</u>
	<u>61</u>	<u>3,791</u>	<u>1,247</u>	<u>5,012</u>
Total comprehensive income for the period attributable to:				
Owners of the parent	84	3,819	1,298	5,064
Non-controlling interest	<u>(23)</u>	<u>(28)</u>	<u>(51)</u>	<u>(52)</u>
	<u>61</u>	<u>3,791</u>	<u>1,247</u>	<u>5,012</u>
Earnings per share attributable to owners of the parent (sen):				
Basic, for profit from operations	<u>0.12</u>	<u>5.25</u>	<u>1.78</u>	<u>6.96</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2015 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 JULY 2015

	Unaudited 31.7.2015 RM'000	Audited 31.1.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	87,565	90,845
Development expenditure	2,673	2,757
	<u>90,238</u>	<u>93,602</u>
Current assets		
Inventories	28,623	22,326
Tax recoverable	3,039	2,278
Trade and other receivables	44,683	54,620
Cash and bank balances	10,763	6,316
	<u>87,108</u>	<u>85,540</u>
TOTAL ASSETS	<u>177,346</u>	<u>179,142</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	25,818	26,703
	<u>100,794</u>	<u>101,679</u>
Minority interest	<u>(1,430)</u>	<u>(1,379)</u>
Total equity	<u>99,364</u>	<u>100,300</u>
Non-current liabilities		
Retirement benefit obligations	4,838	4,566
Loans and borrowings	6,541	11,447
Deferred tax liabilities	8,819	8,819
	<u>20,198</u>	<u>24,832</u>
Current liabilities		
Retirement benefit obligations	16	17
Trade and other payables	28,596	31,562
Dividend payable	2,183	-
Loans and borrowings	26,989	22,431
	<u>57,784</u>	<u>54,010</u>
Total liabilities	<u>77,982</u>	<u>78,842</u>
TOTAL EQUITY AND LIABILITIES	<u>177,346</u>	<u>179,142</u>
Net assets per share (RM)	1.38	1.40

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2015 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 JULY 2015**

	← 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 6 Month Period Ended 31 July 2015						
As at 1 February 2015	72,776	2,200	26,703	101,679	(1,379)	100,300
Total comprehensive income for the period	-	-	1,298	1,298	(51)	1,247
Dividends on ordinary shares	-	-	(2,183)	(2,183)	-	(2,183)
As at 31 July 2015	<u>72,776</u>	<u>2,200</u>	<u>25,818</u>	<u>100,794</u>	<u>(1,430)</u>	<u>99,364</u>
For The 6 Month Period Ended 31 July 2014						
As at 1 February 2014	72,776	2,200	26,464	101,440	(1,159)	100,281
Total comprehensive income for the period	-	-	5,064	5,064	(52)	5,012
Dividends on ordinary shares	-	-	(5,822)	(5,822)	-	(5,822)
As at 31 July 2014	<u>72,776</u>	<u>2,200</u>	<u>25,706</u>	<u>100,682</u>	<u>(1,211)</u>	<u>99,471</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 2015 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 JULY 2015

	6 MONTHS ENDED 31.7.2015 RM'000	6 MONTHS ENDED 31.7.2014 RM'000
Operating activities		
Profit before tax	1,718	6,710
Adjustments for:		
Depreciation of property, plant and equipment	5,988	5,791
Property, plant and equipment written off	-	33
Amortisation of development expenditure	472	441
Interest income	(169)	(159)
Impairment loss on trade receivables	-	66
Net unrealised gain on foreign exchange	210	(27)
Increase in liability for defined benefit plan	311	153
Inventories written off	-	75
Interest expense	1,090	1,120
Operating profit before working capital changes	<u>9,620</u>	<u>14,203</u>
(Increase)/decrease in inventories	(6,297)	2,560
Decrease in trade and other receivables	9,937	5,439
Increase/(decrease) in trade and other payables	<u>(3,073)</u>	<u>(7,206)</u>
Cash generated from operations	10,187	14,996
Interest paid	(1,090)	(1,120)
Taxes paid	(1,232)	(2,492)
Retirement benefits paid	(40)	(46)
Net cash generated from operating activities	<u>7,825</u>	<u>11,338</u>

**SAPURA INDUSTRIAL BERHAD (17547-W)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 JULY 2015**

(contd.)

	6 MONTHS ENDED 31.7.2015 RM'000	6 MONTHS ENDED 31.7.2014 RM'000
Investing activities		
Purchase of property, plant and equipment	(2,708)	(4,857)
Interest received	169	159
Development expenditure incurred	(388)	(2,250)
Net cash used in investing activities	<u>(2,927)</u>	<u>(6,948)</u>
Financing activities		
Net repayment of term loans	(2,476)	(5,334)
Net drawdown of short term borrowings	2,315	2,124
Net (repayment)/drawdown of hire purchase and lease financing	(187)	86
Dividends on ordinary shares	-	(5,822)
Net cash generated from/(used in) financing activities	<u>(348)</u>	<u>(8,946)</u>
Net increase/(decrease) in cash and cash equivalents	4,550	(4,556)
Cash and cash equivalents at beginning of period	<u>6,026</u>	<u>17,254</u>
Cash and cash equivalents at end of period	<u>10,576</u>	<u>12,698</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	10,763	13,091
Bank overdrafts	(187)	(393)
Cash and cash equivalents at end of period	<u>10,576</u>	<u>12,698</u>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the
Financial Statements for the year ended 31 January 2015 and the accompanying
explanatory notes attached to the Interim Financial Statements)**

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 July 2015

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 2015, 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 2015.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
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.

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.

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 July 2015 (contd)

Part A - EXPLANATORY NOTES (CONTD.)

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

No dividends were paid during the financial period under review.

A8. Segmental Information

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

	Individual Quarter 3 months ended 31 July 2015		Cumulative Quarter 6 months ended 31 July 2015	
	Revenue RM'000	Profit/(loss) before taxation RM'000	Revenue RM'000	Profit before taxation RM'000
Investment Holding	5,096	775	9,799	796
Manufacturing	49,276	(725)	109,521	832
Others	857	97	1,786	90
	<u>55,229</u>	<u>147</u>	<u>121,106</u>	<u>1,718</u>
Eliminations	<u>(6,926)</u>	<u>-</u>	<u>(13,879)</u>	<u>-</u>
	<u>48,303</u>	<u>147</u>	<u>107,227</u>	<u>1,718</u>

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

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.

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 July 2015 (contd)

Part A - EXPLANATORY NOTES (CONTD.)

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 July 2015 RM'000	As at 31 January 2015 RM'000
Capital expenditure		
Property, plant and equipment: Approved and contracted for	1,220	-
Approved but not contracted for	4,293	10,243
	<hr/>	<hr/>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 July 2015 (contd)

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

B1. Review of Performance

The Group recorded revenue of RM48.3 million for the current quarter against RM65.4 million in the previous year corresponding quarter. For the current year, a revenue of RM107.2 million was recorded compared to RM123.2 million in the previous year corresponding period, mainly due to lower domestic volume for certain models.

Net profit for the current period was RM0.1 million as compared to RM3.8 million for the previous year corresponding period.

B2. Result against Preceding Quarter

The Group's revenue of RM48.3 million for the current quarter was slightly lower compared to the immediate preceding quarter of RM58.9 million. Net profit for the current quarter was RM0.1 million as compared to RM1.2 million for the immediate preceding quarter.

B3. Prospects

Total industry volume is projected to grow by 2.1% from 655,465 in 2014 to 680,000 car sets in 2015. 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>86</u>	<u>471</u>
Effective tax rate	58.5%	27.4%

The disproportionate taxation charge for the current quarter and period to date are due to losses incurred and tax incentives fully utilised by certain subsidiaries and non-deductible expenses for tax purposes.

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 July 2015 (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 July 2015 RM'000	As at 31 January 2015 RM'000
Current		
Secured		
Bank Overdrafts	187	290
Term Loans	6,927	4,726
Obligations under finance leases	401	359
	<u>7,515</u>	<u>5,375</u>
Unsecured		
Bankers' Acceptances	11,474	7,856
Revolving Credits	8,000	9,200
	<u>19,474</u>	<u>17,056</u>
Total current	<u>26,989</u>	<u>22,431</u>
Non - Current		
Secured		
Term Loans	6,130	10,807
Obligations under finance leases	411	640
Total non- current	<u>6,541</u>	<u>11,447</u>
Total		
Bank Overdrafts	187	290
Revolving Credits	8,000	9,200
Bankers' Acceptances	11,474	7,856
Term Loans	13,057	15,533
Obligations under finance leases	812	999
	<u>33,530</u>	<u>33,878</u>

The Group borrowings are denominated in the following currencies:

	As at 31 July 2015 RM'000	As at 31 January 2015 RM'000
Ringgit Malaysia	22,496	26,845
United States Dollar	9,696	7,033
Euro	335	-
Japanese Yen	1,003	-
	<u>33,530</u>	<u>33,878</u>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 July 2015 (contd)

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

B8. Dividend Declared

No dividend has been proposed or declared for the current financial period ended 31 July 2015.

B9. Earnings Per Share

	Current Quarter 31.7.2015	Year To Date 31.7.2015
Net profit from operations attributable to owners of the parent (RM'000)	<u>84</u>	<u>1,298</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: - Profit for the period (sen)	0.12	1.78
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>0.12</u>	<u>1.78</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 31.7.2015 RM'000	Year To Date 31.7.2015 RM'000
Profit before taxation is stated after (crediting)/charging:-		
- Interest income	(63)	(169)
- Interest expense	511	1,090
- Depreciation of property, plant and equipment	3,023	5,988
- Amortisation of development expenditure	253	472
- Unrealised foreign exchange loss	266	210
- Realised foreign exchange loss	<u>523</u>	<u>544</u>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 31 July 2015 (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 31.7.2015 RM'000	As at 31.1.2015 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(63,025)	(65,596)
- Unrealised	(9,029)	(8,862)
	<u>(72,054)</u>	<u>(74,458)</u>
Less: Consolidation adjustments	97,872	101,161
Retained profits as per financial statements	<u>25,818</u>	<u>26,703</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 17 September 2015.