



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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31 OCTOBER 2015

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

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended 31.10.2015 RM'000</u>	<u>Comparative Quarter Ended 31.10.2014 RM'000</u>	<u>9 months Cumulative Totdate 31.10.2015 RM'000</u>	<u>9 months Cumulative Totdate 31.10.2014 RM'000</u>
Revenue	55,945	54,983	163,171	178,201
Cost of sales	<u>(46,673)</u>	<u>(45,699)</u>	<u>(138,862)</u>	<u>(147,250)</u>
<b>Gross profit</b>	9,272	9,284	24,309	30,951
Other income	470	754	2,296	2,666
Operating expenses	(7,278)	(7,228)	(21,333)	(22,977)
Finance costs	(614)	(536)	(1,704)	(1,656)
<b>Profit before tax</b>	<u>1,850</u>	<u>2,274</u>	<u>3,568</u>	<u>8,984</u>
Tax expense	(541)	(644)	(1,012)	(2,342)
<b>Profit for the period</b>	<u>1,309</u>	<u>1,630</u>	<u>2,556</u>	<u>6,642</u>
<b>Total comprehensive income for the period</b>	<u>1,309</u>	<u>1,630</u>	<u>2,556</u>	<u>6,642</u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	1,355	1,652	2,630	6,716
Non-controlling interest	<u>(46)</u>	<u>(22)</u>	<u>(74)</u>	<u>(74)</u>
	<u>1,309</u>	<u>1,630</u>	<u>2,556</u>	<u>6,642</u>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	1,355	1,652	2,630	6,716
Non-controlling interest	<u>(46)</u>	<u>(22)</u>	<u>(74)</u>	<u>(74)</u>
	<u>1,309</u>	<u>1,630</u>	<u>2,556</u>	<u>6,642</u>
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic, for profit from operations	<u>1.86</u>	<u>2.27</u>	<u>3.61</u>	<u>9.23</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 OCTOBER 2015**

	<b>Unaudited</b> <b>31.10.2015</b> <b>RM'000</b>	<b>Audited</b> <b>31.1.2015</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	86,659	90,845
Development expenditure	3,283	2,757
	<u>89,942</u>	<u>93,602</u>
<b>Current assets</b>		
Inventories	26,543	22,326
Tax recoverable	2,655	2,278
Trade and other receivables	52,131	54,620
Cash and bank balances	6,353	6,316
	<u>87,682</u>	<u>85,540</u>
<b>TOTAL ASSETS</b>	<b><u>177,624</u></b>	<b><u>179,142</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	72,776	72,776
Share premium	2,200	2,200
Retained profits	27,150	26,703
	<u>102,126</u>	<u>101,679</u>
<b>Minority interest</b>	<u>(1,453)</u>	<u>(1,379)</u>
<b>Total equity</b>	<b><u>100,673</u></b>	<b><u>100,300</u></b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	4,973	4,566
Loans and borrowings	6,913	11,447
Deferred tax liabilities	8,819	8,819
	<u>20,705</u>	<u>24,832</u>
<b>Current liabilities</b>		
Retirement benefit obligations	16	17
Trade and other payables	31,492	31,562
Loans and borrowings	24,738	22,431
	<u>56,246</u>	<u>54,010</u>
<b>Total liabilities</b>	<b><u>76,951</u></b>	<b><u>78,842</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>177,624</u></b>	<b><u>179,142</u></b>
Net assets per share attributable to owners of the parent (RM)	1.40	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 OCTOBER 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			
<b>For The 9 Month Period Ended 31 October 2015</b>						
As at 1 February 2015	72,776	2,200	26,703	101,679	(1,379)	100,300
Total comprehensive income for the period	-	-	2,630	2,630	(74)	2,556
Dividends on ordinary shares	-	-	(2,183)	(2,183)	-	(2,183)
As at 31 October 2015	<u>72,776</u>	<u>2,200</u>	<u>27,150</u>	<u>102,126</u>	<u>(1,453)</u>	<u>100,673</u>
<b>For The 9 Month Period Ended 31 October 2014</b>						
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>

**(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 OCTOBER 2015**

	<b>9 MONTHS ENDED 31.10.2015 RM'000</b>	<b>9 MONTHS ENDED 31.10.2014 RM'000</b>
<b>Operating activities</b>		
Profit before tax	3,568	8,984
Adjustments for:		
Depreciation of property, plant and equipment	8,684	8,422
Property, plant and equipment written off	8	79
Amortisation of development expenditure	658	677
Interest income	(220)	(232)
Impairment loss on trade receivables	-	66
Net unrealised loss/(gain) on foreign exchange	760	(33)
Increase in liability for defined benefit plan	467	307
Loss on disposal of property, plant and equipment	-	16
Inventories written off	-	131
Interest expense	1,704	1,656
Operating profit before working capital changes	<u>15,629</u>	<u>20,073</u>
(Increase)/decrease in inventories	(4,217)	619
Decrease in trade and other receivables	2,489	10,483
Decrease in trade and other payables	<u>(727)</u>	<u>(6,675)</u>
Cash generated from operations	13,174	24,500
Interest paid	(1,704)	(1,656)
Taxes paid	(1,389)	(4,487)
Retirement benefits paid	<u>(61)</u>	<u>(107)</u>
Net cash generated from operating activities	<u>10,020</u>	<u>18,250</u>

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

(contd.)

	<b>9 MONTHS ENDED 31.10.2015 RM'000</b>	<b>9 MONTHS ENDED 31.10.2014 RM'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4,506)	(6,420)
Interest received	220	232
Proceeds from disposal of property, plant and equipment	-	43
Development expenditure incurred	(1,184)	(888)
Net cash used in investing activities	<u>(5,470)</u>	<u>(7,033)</u>
<b>Financing activities</b>		
Net repayment of term loans	(2,226)	(7,725)
Net drawdown/(repayment) of short term borrowings	272	(5,916)
Net (repayment)/drawdown of hire purchase and lease financing	(273)	203
Dividends on ordinary shares	(2,183)	(5,822)
Net cash generated from/(used in) financing activities	<u>(4,410)</u>	<u>(19,260)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	140	(8,043)
<b>Cash and cash equivalents at beginning of period</b>	6,026	17,254
<b>Cash and cash equivalents at end of period</b>	<u>6,166</u>	<u>9,211</u>
<b>Analysis of cash and cash equivalents:</b>		
Deposits, cash and bank balances	6,353	9,602
Bank overdrafts	(187)	(391)
<b>Cash and cash equivalents at end of period</b>	<u>6,166</u>	<u>9,211</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 October 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 October 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**

A final tax exempt dividend in 3 sen per ordinary share, totalling RM2,183,272 in respect of the financial year ended 31 January 2015, was paid on 11 August 2015.

**A8. Segmental Information**

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

	<b>Individual Quarter 3 months ended 31 October 2015</b>		<b>Cumulative Quarter 9 months ended 31 October 2015</b>	
	<b>Revenue RM'000</b>	<b>Profit/(loss) before taxation RM'000</b>	<b>Revenue RM'000</b>	<b>Profit before taxation RM'000</b>
Investment Holding	3,632	(815)	13,431	(19)
Manufacturing	57,001	2,958	166,522	3,790
Others	860	(293)	2,645	(203)
	<u>61,493</u>	<u>1,850</u>	<u>182,598</u>	<u>3,568</u>
Eliminations	<u>(5,548)</u>	<u>-</u>	<u>(19,427)</u>	<u>-</u>
	<u>55,945</u>	<u>1,850</u>	<u>163,171</u>	<u>3,568</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 October 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**

	<b>As at 31 October 2015 RM'000</b>	<b>As at 31 January 2015 RM'000</b>
<b>Capital expenditure</b>		
Property, plant and equipment: Approved and contracted for	1,200	-
Approved but not contracted for	<u>4,004</u>	<u>10,243</u>

## SAPURA INDUSTRIAL BERHAD (17547-W)

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

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

##### **B1. Review of Performance**

The Group recorded revenue of RM55.9 million for the current quarter against RM55.0 million in the previous year corresponding quarter. For the current year, a revenue of RM163.2 million was recorded compared to RM178.2 million in the previous year corresponding period, mainly due to lower domestic volume for certain models.

Net profit for the current period was RM2.6 million as compared to RM6.6 million for the previous year corresponding period.

##### **B2. Result against Preceding Quarter**

The Group's revenue of RM55.9 million for the current quarter was higher compared to the immediate preceding quarter of RM48.3 million. Net profit for the current quarter was RM1.4 million as compared to RM0.1 million for the immediate preceding quarter, in line with the higher revenue achieved.

##### **B3. Prospects**

Total industry volume is projected to grow by 0.5% from 666,465 motor vehicles in 2014 to 670,000 in 2015. Uncertain economic factors have led to a subdued business environment & moderation in consumers' spending. In light of this, the Group has intensified its efforts to improve operational efficiency whilst maintaining focus on business & technology development to ensure it remains competitive in the automotive sector.

##### **B4. Profit Forecast or Profit Guarantee**

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

##### **B5. Tax Expense**

	<b>Current Quarter RM'000</b>	<b>Year to date RM'000</b>
Current period income tax	335	806
Under provision in prior year	206	206
	<u>541</u>	<u>1,012</u>
Effective tax rate	29.2%	28.4%

The disproportionate taxation charge for the current quarter and period to date are mainly due to underprovision in prior year, losses incurred and tax incentives fully utilised by certain subsidiaries.

##### **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 2015 (contd)

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

**B7. Borrowings**

The Group borrowings are as follows:

	<b>As at 31 October 2015 RM'000</b>	<b>As at 31 January 2015 RM'000</b>
<b>Current</b>		
<b>Secured</b>		
Bank Overdrafts	187	290
Term Loans	6,731	4,726
Obligations under finance leases	389	359
	<u>7,307</u>	<u>5,375</u>
<b>Unsecured</b>		
Bankers' Acceptances	8,431	7,856
Revolving Credits	9,000	9,200
	<u>17,431</u>	<u>17,056</u>
<b>Total current</b>	<u>24,738</u>	<u>22,431</u>
<b>Non - Current</b>		
<b>Secured</b>		
Term Loans	6,576	10,807
Obligations under finance leases	337	640
<b>Total non- current</b>	<u>6,913</u>	<u>11,447</u>
<b>Total</b>		
Bank Overdrafts	187	290
Revolving Credits	9,000	9,200
Bankers' Acceptances	8,431	7,856
Term Loans	13,307	15,533
Obligations under finance leases	726	999
	<u>31,651</u>	<u>33,878</u>

The Group borrowings are denominated in the following currencies:

	<b>As at 31 October 2015 RM'000</b>	<b>As at 31 January 2015 RM'000</b>
Ringgit Malaysia	25,977	26,845
United States Dollar	5,674	7,033
	<u>31,651</u>	<u>33,878</u>

**SAPURA INDUSTRIAL BERHAD (17547-W)**

**Notes to the Interim Financial Statements - 31 October 2015 (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 single tier interim dividend of 3.0 sen per ordinary share of RM1.00 each in respect of the financial year ending 31 January 2016, amounting to RM2,183,272. The dividend will be paid on 26 January 2016 to shareholders whose names appear in the Record of Depositors at the close of business on 28 December 2015.

**B9. Earnings Per Share**

	<b>Current Quarter 31.10.2015</b>	<b>Year To Date 31.10.2015</b>
Net profit from operations attributable to owners of the parent (RM'000)	<u>1,355</u>	<u>2,630</u>
<b>a) Basic</b>		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Profit for the period (sen)	1.86	3.61
<b>b) Diluted</b>		
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>1.86</u>	<u>3.61</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:-

	<b>Current Quarter 31.10.2015 RM'000</b>	<b>Year To Date 31.10.2015 RM'000</b>
Profit before taxation is stated after (crediting)/charging:-		
- Interest income	(51)	(220)
- Interest expense	614	1,704
- Depreciation of property, plant and equipment	2,696	8,684
- Amortisation of development expenditure	186	658
- Unrealised foreign exchange loss	550	760
- Realised foreign exchange loss	452	996
- Property, plant and equipment written off	<u>8</u>	<u>8</u>

**SAPURA INDUSTRIAL BERHAD (17547-W)**

**Notes to the Interim Financial Statements - 31 October 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**

	<b>As at 31.10.2015 RM'000</b>	<b>As at 31.1.2015 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(61,166)	(65,596)
- Unrealised	(9,579)	(8,862)
	<u>(70,745)</u>	<u>(74,458)</u>
Less: Consolidation adjustments	97,895	101,161
Retained profits as per financial statements	<u>27,150</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 30 November 2015.