



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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30 APRIL 2016

The unaudited financial results of Sapura Industrial Berhad Group  
for the period ended 30 April 2016

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	8-15

**SAPURA INDUSTRIAL BERHAD (17547-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 APRIL 2016**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended 30.4.2016 RM'000</u>	<u>Comparative Quarter Ended 30.4.2015 RM'000</u>	<u>3 months Cumulative Totdate 30.4.2016 RM'000</u>	<u>3 months Cumulative Totdate 30.4.2015 RM'000</u>
Revenue	45,982	58,924	45,982	58,924
Cost of sales	<u>(39,131)</u>	<u>(50,712)</u>	<u>(39,131)</u>	<u>(50,712)</u>
<b>Gross profit</b>	6,851	8,212	6,851	8,212
Other income	975	1,390	975	1,390
Operating expenses	(6,930)	(7,452)	(6,930)	(7,452)
Finance costs	(552)	(579)	(552)	(579)
<b>Profit before tax</b>	<u>344</u>	<u>1,571</u>	<u>344</u>	<u>1,571</u>
Tax expense	(248)	(385)	(248)	(385)
<b>Profit for the period</b>	<u>96</u>	<u>1,186</u>	<u>96</u>	<u>1,186</u>
<b>Total comprehensive income for the period</b>	<u>96</u>	<u>1,186</u>	<u>96</u>	<u>1,186</u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	120	1,214	120	1,214
Non-controlling interest	<u>(24)</u>	<u>(28)</u>	<u>(24)</u>	<u>(28)</u>
	<u>96</u>	<u>1,186</u>	<u>96</u>	<u>1,186</u>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	120	1,214	120	1,214
Non-controlling interest	<u>(24)</u>	<u>(28)</u>	<u>(24)</u>	<u>(28)</u>
	<u>96</u>	<u>1,186</u>	<u>96</u>	<u>1,186</u>
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic, for profit from operations	<u>0.16</u>	<u>1.67</u>	<u>0.16</u>	<u>1.67</u>

**(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2016 and the accompanying explanatory notes attached to the Interim Financial Statements)**

**SAPURA INDUSTRIAL BERHAD (17547-W)**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2016**

	Unaudited 30.4.2016 RM'000	Audited 31.1.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	89,675	91,104
Development expenditure	2,251	2,019
Deferred tax asset	73	73
	<u>91,999</u>	<u>93,196</u>
<b>Current assets</b>		
Inventories	25,298	24,883
Tax recoverable	1,564	1,564
Trade and other receivables	43,959	44,931
Short term investment	14,075	3,831
Cash and bank balances	6,936	9,127
	<u>91,832</u>	<u>84,336</u>
<b>TOTAL ASSETS</b>	<b><u>183,831</u></b>	<b><u>177,532</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	29,561	29,441
	<u>104,537</u>	<u>104,417</u>
<b>Minority interest</b>	<u>(1,633)</u>	<u>(1,609)</u>
<b>Total equity</b>	<b><u>102,904</u></b>	<b><u>102,808</u></b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	5,876	5,799
Loans and borrowings	13,646	7,629
Deferred tax liabilities	6,095	6,095
	<u>25,617</u>	<u>19,523</u>
<b>Current liabilities</b>		
Retirement benefit obligations	24	24
Trade and other payables	30,963	34,006
Tax payable	609	361
Loans and borrowings	23,714	20,810
	<u>55,310</u>	<u>55,201</u>
<b>Total liabilities</b>	<b><u>80,927</u></b>	<b><u>74,724</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>183,831</u></b>	<b><u>177,532</u></b>
Net assets per share (RM)	1.44	1.43

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2016 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 30 APRIL 2016**

	←——— 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 3 Month Period Ended 30 April 2016</b>						
<b>As at 1 February 2016</b>	72,776	2,200	29,441	104,417	(1,609)	102,808
Total comprehensive income for the period	-	-	120	120	(24)	96
As at 30 April 2016	<u>72,776</u>	<u>2,200</u>	<u>29,561</u>	<u>104,537</u>	<u>(1,633)</u>	<u>102,904</u>
<b>For The 3 Month Period Ended 30 April 2015</b>						
<b>As at 1 February 2015</b>	72,776	2,200	26,703	101,679	(1,379)	100,300
Total comprehensive income for the period	-	-	1,214	1,214	(28)	1,186
As at 30 April 2015	<u>72,776</u>	<u>2,200</u>	<u>27,917</u>	<u>102,893</u>	<u>(1,407)</u>	<u>101,486</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 2016 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 30 APRIL 2016**

	<b>3 MONTHS ENDED 30.4.2016 RM'000</b>	<b>3 MONTHS ENDED 30.4.2015 RM'000</b>
<b>Operating activities</b>		
Profit before tax	344	1,571
Adjustments for:		
Depreciation of property, plant and equipment	2,594	2,965
Amortisation of development expenditure	225	219
Interest income	(78)	(106)
Net unrealised loss on foreign exchange	112	(56)
Increase in liability for defined benefit plan	156	155
Interest expense	552	579
Operating profit before working capital changes	<u>3,905</u>	<u>5,327</u>
Increase in inventories	(415)	(3,343)
Decrease in trade and other receivables	972	12,391
(Decrease)/increase in trade and other payables	<u>(3,152)</u>	<u>1,542</u>
Cash generated from operations	1,310	15,917
Interest paid	(552)	(579)
Taxes paid	-	(493)
Retirement benefits paid	(79)	-
Net cash generated from operating activities	<u>679</u>	<u>14,845</u>

**SAPURA INDUSTRIAL BERHAD (17547-W)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 APRIL 2016**

(contd.)

	<b>3 MONTHS ENDED 30.4.2016 RM'000</b>	<b>3 MONTHS ENDED 30.4.2015 RM'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,165)	(1,204)
Short term investment in money market funds	(10,244)	-
Interest received	78	106
Development expenditure incurred	(456)	(211)
Net cash used in investing activities	<u>(11,787)</u>	<u>(1,309)</u>
<b>Financing activities</b>		
Net drawdown/(repayment) of term loans	8,857	(1,113)
Net drawdown of short term borrowings	152	2,837
Net repayment of hire purchase and lease financing	(88)	(99)
Net cash generated from financing activities	<u>8,921</u>	<u>1,625</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,187)</b>	<b>15,161</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>9,044</b>	<b>6,026</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>6,857</u></b>	<b><u>21,187</u></b>
<b>Analysis of cash and cash equivalents:</b>		
Deposits, cash and bank balances	6,936	21,477
Bank overdrafts	(79)	(290)
<b>Cash and cash equivalents at end of period</b>	<b><u>6,857</u></b>	<b><u>21,187</u></b>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the  
Financial Statements for the year ended 31 January 2016 and the accompanying  
explanatory notes attached to the Interim Financial Statements)**

## SAPURA INDUSTRIAL BERHAD (17547-W)

### Notes to the Interim Financial Statements - 30 April 2016

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

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 5: Non-current Assets Held for Sale and Discontinued Operations (Annual Improvement 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 7: Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11: Joint Arrangements: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements (Disclosure Initiative)	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 119: Employee Benefits (Annual Improvements 2012-2014 Cycle)	1 January 2016
Amendments to MFRS 127: Separate Financial Statements (Equity Method in Separate Financial Statements)	1 January 2016
Amendments to MFRS 134: Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016

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.



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

**Notes to the Interim Financial Statements - 30 April 2016 (contd)**

**Part A - EXPLANATORY NOTES (CONTD.)**

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 (2015)	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

The Group are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impacts to the financial statements of the Company except as mentioned below:

**i. MFRS 15 Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services. The Group is currently assessing the financial impact that may arise from the adoption of

MFRS 9 replaces the guidance in MFRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

**ii. MFRS 9 Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

Notes to the Interim Financial Statements - 30 April 2016 (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**

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 April 2016		Cumulative Quarter 3 months ended 31 April 2016	
	Revenue RM'000	Profit before taxation RM'000	Revenue RM'000	Profit before taxation RM'000
Investment Holding	4,501	210	4,501	210
Manufacturing	46,236	(2)	46,236	(2)
Others	1,264	136	1,264	136
	<u>52,001</u>	<u>344</u>	<u>52,001</u>	<u>344</u>
Eliminations	(6,019)	-	(6,019)	-
	<u>45,982</u>	<u>344</u>	<u>45,982</u>	<u>344</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 - 30 April 2016 (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**

	<b>As at 30 April 2016 RM'000</b>	<b>As at 31 January 2016 RM'000</b>
<b>Capital expenditure</b>		
Property, plant and equipment:		
Approved and contracted for	118	-
Approved but not contracted for	6,934	7,051

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

**Notes to the Interim Financial Statements - 30 April 2016 (contd)**

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

**B1. Review of Performance**

The Group recorded revenue of RM46.0 million for the current quarter against RM58.9 million in the previous year corresponding quarter. Net profit was lower at RM0.2 million as compared to RM1.2 million in the previous year corresponding year, mainly due to lower domestic volume.

**B2. Result against Preceding Quarter**

The Group's revenue of RM46.0 million for the current quarter was lower compared to the immediate preceding quarter of RM61.1 million. Net profit for the current quarter was RM0.2 million as compared to RM4.9 million for the immediate preceding quarter.

**B3. Prospects**

Total industry volume is projected to drop by 2.5% from 666,674 in 2015 to 650,000 car sets in 2016. 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**

	<b>Current Quarter RM'000</b>	<b>Year to date RM'000</b>
Current income tax	<u>248</u>	<u>248</u>
Effective tax rate	72.1%	72.1%

The higher Group effective tax rate for the current quarter is due to losses from 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 - 30 April 2016 (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 30 April 2016 RM'000</b>	<b>As at 31 January 2016 RM'000</b>
<b>Current</b>		
<b>Secured</b>		
Bank Overdrafts	79	83
Term Loans	7,781	5,021
Obligations under finance leases	323	331
	<u>8,183</u>	<u>5,435</u>
<b>Unsecured</b>		
Bankers' Acceptances	3,831	5,875
Revolving Credits	11,700	9,500
	<u>15,531</u>	<u>15,375</u>
<b>Total current</b>	<u>23,714</u>	<u>20,810</u>
<b>Non - Current</b>		
<b>Secured</b>		
Term Loans	13,411	7,314
Obligations under finance leases	235	315
<b>Total non- current</b>	<u>13,646</u>	<u>7,629</u>
<b>Total</b>		
Bank Overdrafts	79	83
Revolving Credits	11,700	9,500
Bankers' Acceptances	3,831	5,875
Term Loans	21,192	12,335
Obligations under finance leases	558	646
	<u>37,360</u>	<u>28,439</u>

The Group borrowings are denominated in the following currencies:

	<b>As at 30 April 2016 RM'000</b>	<b>As at 31 January 2016 RM'000</b>
Ringgit Malaysia	33,690	18,746
United States Dollar	3,670	9,693
	<u>37,360</u>	<u>28,439</u>

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

**Notes to the Interim Financial Statements - 30 April 2016 (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 30 April 2016.

**B9. Earnings Per Share**

	<b>Current Quarter 30.4.2016</b>	<b>Year To Date 30.4.2016</b>
Net profit from operations attributable to owners of the parent (RM'000)	<u>120</u>	<u>120</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)	0.16	0.16
<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>0.16</u>	<u>0.16</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 30.4.2016 RM'000</b>	<b>Year To Date 30.4.2016 RM'000</b>
Profit before taxation is stated after (crediting)/charging:-		
- Interest income	(78)	(78)
- Interest expense	552	552
- Depreciation of property, plant and equipment	2,594	2,594
- Amortisation of development expenditure	225	225
- Unrealised foreign exchange loss	112	112
- Realised foreign exchange loss	<u>29</u>	<u>29</u>

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

Notes to the Interim Financial Statements - 30 April 2016 (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 30.4.2016 RM'000</b>	<b>As at 31.1.2016 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(62,722)	(62,381)
- Unrealised	(6,207)	(6,398)
	<u>(68,929)</u>	<u>(68,779)</u>
Less: Consolidation adjustments	98,490	98,220
Retained profits as per financial statements	<u>29,561</u>	<u>29,441</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 21 June 2016.