



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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30 APRIL 2017

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 30 April 2017

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SAPURA INDUSTRIAL BERHAD (17547-W)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2017
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 30.4.2017 RM'000	Comparative Quarter Ended 30.4.2016 RM'000	3 months Cumulative Totodate 30.4.2017 RM'000	3 months Cumulative Totodate 30.4.2016 RM'000
Revenue	54,905	45,982	54,905	45,982
Cost of sales	<u>(47,610)</u>	<u>(39,131)</u>	<u>(47,610)</u>	<u>(39,131)</u>
Gross profit	7,295	6,851	7,295	6,851
Other income	620	975	620	975
Operating expenses	(6,823)	(6,930)	(6,823)	(6,930)
Finance costs	(528)	(552)	(528)	(552)
Profit before tax	<u>564</u>	<u>344</u>	<u>564</u>	<u>344</u>
Tax expense	(450)	(248)	(450)	(248)
Profit for the period	<u><u>114</u></u>	<u><u>96</u></u>	<u><u>114</u></u>	<u><u>96</u></u>
Total comprehensive income for the period	<u><u>114</u></u>	<u><u>96</u></u>	<u><u>114</u></u>	<u><u>96</u></u>
Profit for the period attributable to:				
Owners of the parent	132	120	132	120
Non-controlling interest	<u>(18)</u>	<u>(24)</u>	<u>(18)</u>	<u>(24)</u>
	<u><u>114</u></u>	<u><u>96</u></u>	<u><u>114</u></u>	<u><u>96</u></u>
Total comprehensive income for the period attributable to:				
Owners of the parent	132	120	132	120
Non-controlling interest	<u>(18)</u>	<u>(24)</u>	<u>(18)</u>	<u>(24)</u>
	<u><u>114</u></u>	<u><u>96</u></u>	<u><u>114</u></u>	<u><u>96</u></u>
Earnings per share attributable to owners of the parent (sen):				
Basic, for profit from operations	<u><u>0.18</u></u>	<u><u>0.16</u></u>	<u><u>0.18</u></u>	<u><u>0.16</u></u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017 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 2017

	Unaudited 30.4.2017 RM'000	Audited 31.1.2017 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	85,043	86,971
Development expenditure	2,437	2,240
Deferred tax asset	116	116
	<u>87,596</u>	<u>89,327</u>
Current assets		
Inventories	32,089	30,777
Tax recoverable	1,160	1,102
Trade and other receivables	44,208	47,959
Short term investment	6,646	11,852
Cash and bank balances	16,606	10,442
	<u>100,709</u>	<u>102,132</u>
TOTAL ASSETS	<u>188,305</u>	<u>191,459</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	31,215	31,083
	<u>106,191</u>	<u>106,059</u>
Minority interest	<u>(1,959)</u>	<u>(1,941)</u>
Total equity	<u>104,232</u>	<u>104,118</u>
Non-current liabilities		
Retirement benefit obligations	6,446	6,441
Loans and borrowings	11,245	13,378
Deferred tax liabilities	5,678	5,678
	<u>23,369</u>	<u>25,497</u>
Current liabilities		
Retirement benefit obligations	26	28
Trade and other payables	40,555	39,885
Provisions	6,746	6,788
Tax payable	719	534
Loans and borrowings	12,658	14,609
	<u>60,704</u>	<u>61,844</u>
Total liabilities	<u>84,073</u>	<u>87,341</u>
TOTAL EQUITY AND LIABILITIES	<u>188,305</u>	<u>191,459</u>
Net assets per share (RM)	1.46	1.46

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017 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 2017

	← Attributable to owners of the parent →			Total	Non-controlling interests	Total equity
	← Non-Distributable →					
	Share capital RM'000	Share premium RM'000	Distributable Retained profits RM'000	RM'000	RM'000	RM'000
For The 3 Month Period Ended 30 April 2017						
As at 1 February 2017	74,976	-	31,083	106,059	(1,941)	104,118
Total comprehensive income for the period	-	-	132	132	(18)	114
As at 30 April 2017	<u>74,976</u>	<u>-</u>	<u>31,215</u>	<u>106,191</u>	<u>(1,959)</u>	<u>104,232</u>
For The 3 Month Period Ended 30 April 2016						
As at 1 February 2016	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>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2017 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 2017

	3 MONTHS ENDED 30.4.2017 RM'000	3 MONTHS ENDED 30.4.2016 RM'000
Operating activities		
Profit before tax	564	344
Adjustments for:		
Depreciation of property, plant and equipment	2,806	2,590
Amortisation of development expenditure	133	225
Interest income	(98)	(78)
Net unrealised (gain)/loss on foreign exchange	(225)	112
Increase in liability for defined benefit plan	164	155
Interest expense	528	552
Operating profit before working capital changes	<u>3,872</u>	<u>3,900</u>
Increase in inventories	(1,312)	(1,622)
Decrease in trade and other receivables	3,751	972
Increase/(decrease) in trade and other payables	852	(1,940)
Cash generated from operations	<u>7,163</u>	<u>1,310</u>
Interest paid	(528)	(552)
Taxes paid	(323)	-
Retirement benefits paid	(161)	(79)
Net cash generated from operating activities	<u>6,151</u>	<u>679</u>

SAPURA INDUSTRIAL BERHAD (17547-W)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2017

(contd.)

	3 MONTHS ENDED 30.4.2017 RM'000	3 MONTHS ENDED 30.4.2016 RM'000
Investing activities		
Purchase of property, plant and equipment	(877)	(1,165)
Withdrawal/(placement) of investment in money market funds	5,206	(10,244)
Interest received	98	78
Development expenditure incurred	(330)	(456)
Net cash generated from/(used in) investing activities	<u>4,097</u>	<u>(11,787)</u>
Financing activities		
Net (repayment)/drawdown of term loans	(1,596)	8,857
Net (repayment)/drawdown of other short term borrowings	(2,419)	152
Net repayment of hire purchase and lease financing	(69)	(88)
Net cash (used in)/generated from financing activities	<u>(4,084)</u>	<u>8,921</u>
Net increase/(decrease) in cash and cash equivalents	6,164	(2,187)
Cash and cash equivalents at beginning of period	10,442	9,044
Cash and cash equivalents at end of period	<u>16,606</u>	<u>6,857</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	16,606	6,936
Bank overdrafts	-	(79)
Cash and cash equivalents at end of period	<u>16,606</u>	<u>6,857</u>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the
Financial Statements for the year ended 31 January 2017 and the accompanying
explanatory notes attached to the Interim Financial Statements)**

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 30 April 2017

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 2017, the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2017.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 5: Statement of Cash Flows (Disclosure Initiative)	1 January 2017
Amendments to MFRS 12 : Disclosure of Interests in Other Entities	1 January 2017
Amendments to MFRS 112 : Income Taxes : Recognition of Deferred Tax Assets for Unrecognised Losses	1 January 2017

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 2017 (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>
Amendments to MFRS 1 : First-time Adoption of Malaysian Financial Reporting Standards	1 January 2018
Amendments to MFRS 2 : Classification and Measurement of Share-based Payment Transaction	1 January 2018
Amendments to MFRS 4 : Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 128 : Investment in Associates and Joint Ventures	1 January 2018
Amendments to MFRS 140 : Investment Property: Transfers of Investment Property	1 January 2018
MFRS 9 : Financial Instruments	1 January 2018
MFRS 15 : Revenue from Contracts with Customers	1 January 2018
MFRS 16 : Leases	1 January 2019
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 15.

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.

iii. MFRS 16 Leases

MFRS 16 replaces existing lease guidance in MFRS 117 *Leases*, IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*, IC Interpretation 115 *Operating Leases - Incentives*, and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 16.

SAPUR ii. MFRS 9 *Financial Instruments*

Notes to the Interim Financial Statements - 30 April 2017 (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 30 April 2017		Cumulative Quarter 3 months ended 30 April 2017	
	Revenue RM'000	Profit before taxation RM'000	Revenue RM'000	Profit before taxation RM'000
Investment Holding	4,935	513	4,935	513
Manufacturing	55,824	168	55,824	168
Others	439	(117)	439	(117)
	<u>61,198</u>	<u>564</u>	<u>61,198</u>	<u>564</u>
Eliminations	(6,293)	-	(6,293)	-
	<u>54,905</u>	<u>564</u>	<u>54,905</u>	<u>564</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 2017 (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 30 April 2017 RM'000	As at 31 January 2017 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	10,626	3,442
Approved but not contracted for	<u>7,829</u>	<u>18,455</u>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 30 April 2017 (contd)

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

B1. Review of Performance

The Group recorded revenue of RM54.9 million for the current quarter against RM46.0 million in the previous year corresponding quarter. Net profit was comparable to the previous year's corresponding quarter at RM0.1 million.

B2. Result against Preceding Quarter

The Group's revenue of RM54.9 million for the current quarter was lower compared to the immediate preceding quarter of RM73.0 million. Net profit for the current quarter was RM0.1 million as compared to net profit of RM3.3 million for the immediate preceding quarter.

B3. Prospects

Total industry volume is projected to grow by 1.7% from 580,124 motor vehicles in 2016 to 590,000 in 2017. 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>450</u>	<u>450</u>
Effective tax rate	79.8%	79.8%

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 2017 (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 30 April 2017 RM'000	As at 31 January 2017 RM'000
Current		
Secured		
Term Loans	5,957	5,434
Obligations under finance leases	107	162
	<u>6,064</u>	<u>5,596</u>
Unsecured		
Bankers' Acceptances	6,594	9,013
	<u>6,594</u>	<u>9,013</u>
Total current	<u>12,658</u>	<u>14,609</u>
Non - Current		
Secured		
Term Loans	11,095	13,214
Obligations under finance leases	150	164
Total non- current	<u>11,245</u>	<u>13,378</u>
Total		
Bankers' Acceptances	6,594	9,013
Term Loans	17,052	18,648
Obligations under finance leases	257	326
	<u>23,903</u>	<u>27,987</u>

The Group borrowings are denominated in the following currencies:

	As at 30 April 2017 RM'000	As at 31 January 2017 RM'000
Ringgit Malaysia	18,310	22,713
United States Dollar	5,593	5,274
	<u>23,903</u>	<u>27,987</u>

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 30 April 2017 (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 2017.

B9. Earnings Per Share

	Current Quarter 30.4.2017	Year To Date 30.4.2017
Net profit from operations attributable to owners of the parent (RM'000)	<u>132</u>	<u>132</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: - Profit for the period (sen)	0.18	0.18
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>0.18</u>	<u>0.18</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 30.4.2017 RM'000	Year To Date 30.4.2017 RM'000
Profit before taxation is stated after (crediting)/charging:-		
- Interest income	(98)	(98)
- Interest expense	528	528
- Depreciation of property, plant and equipment	2,806	2,806
- Amortisation of development expenditure	133	133
- Unrealised foreign exchange (gain)/loss	(225)	(225)
- Realised foreign exchange loss	40	40

SAPURA INDUSTRIAL BERHAD (17547-W)

Notes to the Interim Financial Statements - 30 April 2017 (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 30.4.2017 RM'000	As at 31.1.2017 RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(70,058)	(68,464)
- Unrealised	<u>(5,453)</u>	<u>(6,171)</u>
	(75,511)	(74,635)
Less: Consolidation adjustments	<u>106,726</u>	<u>105,718</u>
Retained profits as per financial statements	<u><u>31,215</u></u>	<u><u>31,083</u></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 15 June 2017.