



Sapura Industrial Berhad  
Registration No. : 19740100510 (17547-W)  
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 JANUARY 2020

The unaudited financial results of Sapura Industrial Berhad Group  
for the period 31 January 2020

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SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JANUARY 2020**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended 31.1.2020 RM'000</u>	<u>Comparative Quarter Ended 31.1.2019 RM'000</u>	<u>12 months Cumulative Totale 31.1.2020 RM'000</u>	<u>12 months Cumulative Totale 31.1.2019 RM'000</u>
Revenue	46,358	66,030	223,683	228,784
Cost of sales	<u>(40,693)</u>	<u>(55,718)</u>	<u>(194,359)</u>	<u>(195,105)</u>
<b>Gross profit</b>	5,664	10,312	29,323	33,679
Other income	4,962	787	8,367	3,717
Operating expenses	(8,943)	(8,051)	(31,298)	(29,868)
Finance costs	(345)	(666)	(2,629)	(2,561)
<b>Profit before tax</b>	<u>1,338</u>	<u>2,382</u>	<u>3,763</u>	<u>4,967</u>
Tax expense	(556)	246	(1,380)	(823)
<b>Profit for the period</b>	<u>782</u>	<u>2,628</u>	<u>2,383</u>	<u>4,144</u>
<b>Other comprehensive income</b>				
Actuarial loss on retirement benefits	(723)	-	(723)	-
<b>Total comprehensive income for the period</b>	<u>59</u>	<u>2,628</u>	<u>1,660</u>	<u>4,144</u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	681	2,660	2,390	4,238
Non-controlling interest	101	(32)	(7)	(94)
	<u>782</u>	<u>2,628</u>	<u>2,383</u>	<u>4,144</u>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	(42)	2,660	1,667	4,238
Non-controlling interest	101	(32)	(7)	(94)
	<u>59</u>	<u>2,628</u>	<u>1,660</u>	<u>4,144</u>
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic, for profit from operations	<u>0.94</u>	<u>3.65</u>	<u>3.28</u>	<u>5.82</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to the Interim Financial Statements)

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JANUARY 2020**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.1.2020</b>	<b>31.1.2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	58,556	69,614
Investment properties	32,146	32,592
Development expenditure	1,606	2,983
Right of use asset	1,864	-
	<u>94,172</u>	<u>105,189</u>
<b>Current assets</b>		
Inventories	26,574	28,400
Tax recoverable	753	1,276
Trade and other receivables	34,689	54,436
Short term investment	9,949	2,097
Cash and bank balances	12,439	13,496
	<u>84,404</u>	<u>99,704</u>
<b>TOTAL ASSETS</b>	<b><u>178,576</u></b>	<b><u>204,894</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	74,976	74,976
Retained profits	31,331	31,848
	<u>106,307</u>	<u>106,824</u>
<b>Non-Controlling Interest</b>	<u>1,490</u>	<u>(2,093)</u>
<b>Total equity</b>	<b><u>107,797</u></b>	<b><u>104,731</u></b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	8,423	7,566
Loans and borrowings	24,883	25,710
Lease liabilities	828	-
Deferred tax liabilities	3,686	3,409
	<u>37,821</u>	<u>36,685</u>
<b>Current liabilities</b>		
Retirement benefit obligations	27	63
Trade and other payables	23,837	36,223
Provisions	122	5,903
Tax payable	-	716
Loans and borrowings	7,894	20,574
Lease liabilities	1,078	-
	<u>32,958</u>	<u>63,478</u>
<b>Total liabilities</b>	<b><u>70,778</u></b>	<b><u>100,163</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>178,576</u></b>	<b><u>204,894</u></b>
Net assets per share (RM)	1.48	1.44

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to the Interim Financial Statements)**

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

	← Attributable to owners of the parent →			Non-controlling interests RM'000	Total equity RM'000
	Non-Distributable Share capital RM'000	Distributable Retained profits RM'000	Total RM'000		
<b>For Year Ended 31 January 2020</b>					
<b>As at 1 February 2019</b>	74,976	31,848	106,824	(2,093)	104,731
Total profit for the year	-	2,390	2,390	(7)	2,383
Actuarial loss on retirement benefits	-	(723)	(723)	-	(723)
Total comprehensive income for the year	-	1,667	1,667	(7)	1,660
Share of NCI on acquisition of a subsidiary	-	-	-	1,000	1,000
Share of NCI for disposal of subsidiary	-	-	-	2,589	2,589
Dividends on ordinary shares	-	(2,183)	(2,183)	-	(2,183)
<b>As at 31 January 2020</b>	<b>74,976</b>	<b>31,331</b>	<b>106,307</b>	<b>1,490</b>	<b>107,797</b>
<b>For Year Ended 31 January 2019</b>					
<b>As at 1 February 2018</b>	74,976	30,521	105,497	(1,999)	103,498
Total comprehensive income for the year	-	4,238	4,238	(94)	4,144
Dividends on ordinary shares	-	(2,911)	(2,911)	-	(2,911)
<b>As at 31 January 2019</b>	<b>74,976</b>	<b>31,848</b>	<b>106,824</b>	<b>(2,093)</b>	<b>104,731</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2019 and the accompanying explanatory notes attached to the Interim Financial Statements)

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JANUARY 2020**

	<b>YEAR ENDED 31.1.2020 RM'000</b>	<b>YEAR ENDED 31.1.2019 RM'000</b>
<b>Operating activities</b>		
Profit before tax	3,763	4,967
Adjustments for:		
Depreciation of property, plant and equipment	12,032	12,760
Depreciation of investment properties	445	231
Depreciation of ROU asset	1,000	-
Property, plant and equipment written off	1,676	17
Amortisation of development expenditure	1,518	1,331
Short term accumulating compensated absences	20	34
Profit from short term investment	(422)	(129)
Realised loss in foreign exchange	602	-
Writeback impairment loss on trade receivables	-	(12)
Provision/(reversal) for slow moving inventories	664	(310)
Provisions (net movement)	-	(402)
Gain on deconsolidation of subsidiary	(2,563)	-
Unrealised (gain)/loss on foreign exchange	(13)	1
Increase in liability for defined benefit plan	644	758
Impairment of trade receivables	1,203	-
Loss on disposal of property, plant and equipment	91	-
Interest expense	2,629	2,561
Development expenditure written off	81	139
Operating profit before working capital changes	<u>23,369</u>	<u>21,947</u>
Decrease/(Increase) in inventories	1,163	(1,456)
Decrease in trade and other receivables	18,544	2,457
(Decrease)/Increase in trade and other payables	<u>(12,210)</u>	<u>50</u>
Cash generated from operations	30,866	22,997
Interest paid	(2,629)	(2,561)
Taxes paid	(1,193)	(1,637)
Retirement benefits paid	(647)	(98)
Net cash generated from operating activities	<u>26,396</u>	<u>18,701</u>

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]  
CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)  
FOR THE YEAR ENDED 31 JANUARY 2020**

	<b>YEAR ENDED 31.1.2020 RM'000</b>	<b>YEAR ENDED 31.1.2019 RM'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(4,153)	(6,417)
Purchase of investment property	-	(16,692)
(Investment)/withdrawal of investment in money market funds	(7,430)	3,296
Development expenditure incurred	(221)	(843)
Acquisition of a subsidiary, net of cash acquired	1,000	-
Net cash used in investing activities	<u>(10,804)</u>	<u>(20,656)</u>
<b>Financing activities</b>		
(Repayment)/Drawdown of term loans	(1,722)	7,626
Repayment of other short term borrowings	(4,308)	(293)
Drawdown/(Repayment) of hire purchase and lease financing	523	(102)
Repayment of lease liabilities	(958)	-
Repayment of revolving credit	(8,000)	(1,500)
Dividends paid on ordinary shares	(2,183)	(2,911)
Net cash (used in)/generated from financing activities	<u>(16,648)</u>	<u>2,820</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,057)</b>	<b>865</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>13,495</b>	<b>12,630</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>12,439</u></b>	<b><u>13,495</u></b>
<b>Analysis of cash and cash equivalents:</b>		
Deposits, cash and bank balances	12,439	13,495
Bank overdrafts	-	-
<b>Cash and cash equivalents at end of period</b>	<b><u>12,439</u></b>	<b><u>13,495</u></b>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the  
Financial Statements for the year ended 31 January 2019 and the accompanying  
explanatory notes attached to the Interim Financial Statements)**

## SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]

### Notes to the Interim Financial Statements - 31 January 2020

#### 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 2019, the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2019.

<u>Description</u>	<u>Effective for annual period beginning on or after</u>
Amendments to MFRS 9 - Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 3 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 11 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
MFRS 16 - Leases	1 January 2019
Amendments to MFRS 112 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123 - Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
Amendments to MFRS 128 - Long-term interests in Associates and Joint Ventures	1 January 2019
IC Interpretation 23 - Uncertainty over Income Tax Treatments	1 January 2019

Adoption of the above standards and interpretations did not have any significant impact on the financial performance or position of the Group, except as mentioned below:

##### i. MFRS 16 Leases

MFRS 16 replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee recognised a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Leases are required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.



**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**

**Notes to the Interim Financial Statements - 31 January 2020 (contd.)**

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

**MFRS 16 Leases (cont'd.)**

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors continued to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard affected primarily the accounting for the Group's non-cancellable operating leases. The Group recognised right-of-use assets and corresponding liabilities by applying the modified retrospective approach and not restate comparative amounts for the year prior to initial adoption. Right-of-use assets is measured at an amount equal to the lease liability amount on the date of transition.

In summary, upon the adoption of MFRS 16, the Group recognized the following balances as at 1 February

	Assets/ (Liabilities) As at 1 February RM'000
Rights-of-use assets	2,863
Lease liability	2,863

In the statement of profit and loss, expenses which were previously recognised as lease expenses in the cost of sales are now replaced by interest expense on lease liabilities (included within the finance costs line) and depreciation of right-of-use assets. In the statement of cash flow, lease payments for the principal portion are now classified under financing activities compared to operating activities in the past.

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 3 Business Combination (Definition of Business)	1 January 2020
Amendments to MFRS 101 - Presentation of Financial Statements (Definition of Material)	1 January 2020
Amendments to MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
MFRS 17 - Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint-Venture	Deferred

There are no standards issued but not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods.

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 3 sen per ordinary share, totalling RM2,183,272 in respect of the financial year ended 31 January 2019, was paid on 8 August 2019.

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**

**Notes to the Interim Financial Statements - 31 January 2020 (contd.)**

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

**A8. Segmental Information**

The Group is divided into three distinct segments as described below:

*Investment Holding* - mainly provision of corporate & management services for companies within the Group

*Manufacturing* - comprising business units which can be sub-divided into three core expertise areas: Precision Machining, Chassis & Modular Assembly and Hot & Cold Forming. Products manufactured are mainly to cater for the Original Equipment Manufacturer (OEM) markets.

*Others* - these consist of trading of automotive components for the Replacement Markets (REM) and provision of technical services for companies within the Group

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

	3 months ended 31 January 2020		3 months ended 31 January 2019	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,899	(2,407)	10,448	1,658
Manufacturing	46,094	953	66,059	3,521
Others	489	195	1,111	88
	<u>50,482</u>	<u>(1,259)</u>	<u>77,618</u>	<u>5,267</u>
Eliminations	<u>(4,124)</u>	<u>2,597</u>	<u>(11,588)</u>	<u>(2,886)</u>
	<u>46,358</u>	<u>1,338</u>	<u>66,030</u>	<u>2,382</u>

	Cumulative 12 months ended 31 January 2020		Cumulative 12 months ended 31 January 2019	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	17,722	(2,541)	23,912	1,545
Manufacturing	224,839	5,490	230,448	7,902
Others	1,434	(1,884)	2,394	(1,595)
	<u>243,995</u>	<u>1,065</u>	<u>256,754</u>	<u>7,852</u>
Eliminations	<u>(20,312)</u>	<u>2,698</u>	<u>(27,970)</u>	<u>(2,886)</u>
	<u>223,683</u>	<u>3,763</u>	<u>228,784</u>	<u>4,967</u>

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

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**

**Notes to the Interim Financial Statements - 31 January 2020 (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 was change in the Group's composition during the financial period under review.

Starting 21 February 2019, the Company has no power to govern the financial and operating policies of Sapura-Schulz Hydroforming Sdn Bhd (SSHSB) due to the loss of control from court winding up. Accordingly, the Company derecognized related assets, liabilities and noncontrolling interests of SSHSB.

The Company did not receive any consideration in the deconsolidation of SSHSB. The liquidation process of SSHSB is ongoing.

In addition, Sapura Aerospace Technology Sdn Bhd (SATSB) was incorporated on 15 March 2019, with the Company owning 60% equity interest. The result of SATSB for the financial year ended 31 January 2020 has been

**A12. Contingent Liabilities**

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

**A13. Capital Commitments**

	<b>As at 31 January 2020 RM'000</b>	<b>As at 31 January 2019 RM'000</b>
<b>Capital expenditure</b>		
Property, plant and equipment:		
Approved and contracted for	2,352	18,072
Approved but not contracted for	5,085	1,550
	<hr/>	<hr/>

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

**B1. Overall Review of Group's Financial Performance**

**Quarter 4 financial year ended 31 January 2020 vs Quarter 4 financial year ended 31 January 2019**

The Group achieved lower revenue of RM46.4 million for the current quarter against RM66.0 million in the previous year's corresponding quarter, mainly due to lower volume and phased out model under the chassis and assembly unit. Accordingly, profit after tax for the current quarter of RM0.8 million was lower compared to RM2.6 million in the previous corresponding quarter.

**Financial year ended 31 January 2020 (FY2020) vs Financial year ended 31 January 2019 (FY2019)**

Overall revenue achieved by Group for FY2020 at RM223.7 million was comparable to FY2019 at RM228.8 million. Revenue contribution from chassis and assembly unit was lower due to lower volume and phased out model offset by higher revenue resulting from new parts secured for new models launched during the year.

Profit after tax was lower at RM2.4 million for FY2020 compared to RM4.1 million in FY2019, mainly due to lower volume from chassis and assembly unit. In addition, results for FY2020 also included several non-recurring items, namely the recognition of gain on disposal of subsidiary, following the deconsolidation of a subsidiary Sapura Schulz Hydroforming Sdn Bhd resulting from court winding up process (as explained under note A11). Non-recurring expenses include provision for slow moving inventories, impairment of trade receivables and plant & machineries.

Total comprehensive income for FY2020 had also reflected an actuarial loss on the Group's provision for retirement benefits resulting from updates on prior years' assumptions as compared to actual experience.

**Material change in performance for current quarter compared with immediate preceding quarter**

The revenue for current quarter at RM46.4 million is lower than immediate preceding quarter at RM55.1m mainly due to lower overall volume. Net profit recorded at RM0.8 million is higher as compared to RM0.2 million, mainly due to inclusion of several non-recurring items mentioned above.

**B2. Segmental Analysis**

**Investment Holding**

Revenue for the Investment Holding segment for FY2020 was lower than FY2019, mainly due to reduced management fee income from subsidiaries.

**Manufacturing**

Reasons for movements in revenue and profit for this segment is as explained in the overall group performance (Section B1) as the manufacturing segment is the main contributor to the Group's results.

**B3. Group's Prospect**

Total industry volume (TIV) achieved for 2019 improved at 604,287 units as compared to 598,714 units in 2018 mainly due to introduction of new models by OEMs (Source: Malaysian Automotive Association). The outlook for automotive sector remains challenging with expected decline in TIV for 2020 due to uncertainty caused by COVID-19 pandemic. The changes in policies and regulations as well as economic and currency uncertainties are primary factors that could affect Sapura Industrial's performance. As such, the Group will continue to exercise prudence in its business dealings and has intensified its efforts to further strengthen operational efficiency and implementing more stringent cost cutting measures.

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**

**Notes to the Interim Financial Statements - 31 January 2020 (contd.)**

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

**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:		
Current income tax expense	1,228	2,052
Over provision in prior years	(119)	(119)
	<u>1,109</u>	<u>1,933</u>
Deferred tax:		
Relating to origination & reversal of temporary differences	(70)	(70)
Over provision in prior years	(483)	(483)
	<u>(553)</u>	<u>(553)</u>
Tax Expense	<u>556</u>	<u>1,380</u>
Effective tax rate	42%	37%

The higher Group effective tax rate as compared to the statutory tax rate for the current quarter and year to date is due to losses from certain subsidiaries

**B6. Status of Corporate Proposals**

On 15 March 2019, the Company had incorporated Sapura Aerospace Technologies Sdn. Bhd. (Company No. 1318273-P) ("SATSB"), a private company limited by shares under the Companies Act 2016. SATSB was incorporated with paid up share capital of RM100 of which 60 ordinary shares is held by the Company, 25 ordinary shares by Wada Aircraft Technology Co., Ltd ("Wada") and 15 ordinary shares by Aero Inc. ("Aero"). Both Wada and Aero are companies incorporated in Japan. SATSB is the designated vehicle for the joint venture between the Company, Wada and Aero to carry out the business of manufacturing and assembly of aerospace sub-assemblies, tooling, jigs and fixtures for the aerospace industry.

Subsequently on 21 June 2019, additional paid-up capital of RM2,499,900 was subscribed by the existing shareholders, of which 1,499,940 ordinary shares is subscribed by the Company, 624,975 ordinary shares subscribed by Wada and 374,985 ordinary shares subscribed by Aero.

SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]

Notes to the Interim Financial Statements - 31 January 2020 (contd.)

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

**B7. Loans and Borrowings and Lease Liabilities**

The Group borrowings are as follows:

	<b>As at 31 January 2020 RM'000</b>	<b>As at 31 January 2019 RM'000</b>
<b>Current</b>		
<b>Secured</b>		
Term Loans	4,653	5,091
Obligations under finance leases	<u>162</u>	<u>96</u>
	<u>4,815</u>	<u>5,187</u>
<b>Unsecured</b>		
Bankers' Acceptances	3,079	7,387
Revolving Credits	-	8,000
Lease liabilities	<u>1,078</u>	<u>-</u>
	<u>4,157</u>	<u>15,387</u>
<b>Total current</b>	<u>8,972</u>	<u>20,574</u>
<b>Non - Current</b>		
<b>Secured</b>		
Term Loans	24,251	25,535
Obligations under finance leases	<u>632</u>	<u>175</u>
	<u>24,883</u>	<u>25,710</u>
<b>Unsecured</b>		
Lease liabilities	828	-
<b>Total non- current</b>	<u>25,711</u>	<u>25,710</u>
Revolving Credits	-	8,000
Bankers' Acceptances	3,079	7,387
Term Loans	28,904	30,626
Obligations under finance leases	794	271
Lease liabilities	<u>1,906</u>	<u>-</u>
<b>Total Borrowings</b>	<u>34,683</u>	<u>46,284</u>

**B8. Dividend Declared**

The Board recommends a final single tier dividend of 2 sen per ordinary share for the financial year ended 31 January 2020 for shareholders' approval at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**

**Notes to the Interim Financial Statements - 31 January 2020 (contd.)**

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

**B9. Earnings Per Share**

	<b>Current Quarter 31.1.2020</b>	<b>Year To Date 31.1.2020</b>
Net profit from operations attributable to owners of the parent (RM'000)	<u>681</u>	<u>2,390</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)	0.94	3.28
<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>0.94</u>	<u>3.28</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 31.1.2020 RM'000</b>	<b>Year To Date 31.1.2020 RM'000</b>
Profit before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(141)	(422)
- Interest expense	345	2,629
- Depreciation of property, plant and equipment	2,592	12,032
- Depreciation of investment properties	111	445
- Depreciation of ROU asset	193	1,000
- Amortisation of development expenditure	588	1,518
- Impairment of trade receivables	1,164	1,203
- Unrealised foreign exchange (gain)/loss	(14)	(13)
- Realised foreign exchange loss	80	602
- Gain on deconsolidation of subsidiary	(2,563)	(2,563)
- Loss on disposal of property, plant and equipment	-	91
- Provision for slow moving inventories	165	664
- Property, plant and equipment written off	(1)	1,676
- Development expenditure written off	45	81

**B12. 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 March 2020.