



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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 JANUARY 2021

The unaudited financial results of Sapura Industrial Berhad Group  
for the year ended 31 January 2021

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SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JANUARY 2021**  
**THE FIGURES HAVE NOT BEEN AUDITED**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended 31.01.2021 RM'000</u>	<u>Comparative Quarter Ended 31.01.2020 RM'000</u>	<u>12 months Cumulative Totodate 31.01.2021 RM'000</u>	<u>12 months Cumulative Totodate 31.01.2020 RM'000</u>
Revenue	44,166	47,674	155,870	224,999
Cost of sales	<u>(37,351)</u>	<u>(40,321)</u>	<u>(132,026)</u>	<u>(193,987)</u>
<b>Gross profit</b>	6,815	7,353	23,844	31,012
Other income	3,144	3,394	5,186	6,799
Operating expenses	(5,659)	(9,059)	(25,258)	(31,414)
Finance costs	(377)	(364)	(1,488)	(2,648)
<b>Profit before tax</b>	<u>3,923</u>	<u>1,324</u>	<u>2,284</u>	<u>3,749</u>
Tax expense	(1,489)	(639)	(1,552)	(1,463)
<b>Profit for the period</b>	<u><u>2,434</u></u>	<u><u>685</u></u>	<u><u>732</u></u>	<u><u>2,286</u></u>
<b>Other comprehensive income</b>				
Actuarial loss on retirement benefits	(157)	(730)	(157)	(730)
<b>Income/(loss) for the period</b>	<u><u>2,277</u></u>	<u><u>(45)</u></u>	<u><u>575</u></u>	<u><u>1,556</u></u>
<b>Profit for the period attributable to:</b>				
Owners of the parent	2,449	584	731	2,293
Non-controlling interest	<u>(15)</u>	<u>101</u>	<u>1</u>	<u>(7)</u>
	<u><u>2,434</u></u>	<u><u>685</u></u>	<u><u>732</u></u>	<u><u>2,286</u></u>
<b>Total comprehensive income for the period attributable to:</b>				
Owners of the parent	2,292	(146)	574	1,563
Non-controlling interest	<u>(15)</u>	<u>101</u>	<u>1</u>	<u>(7)</u>
	<u><u>2,277</u></u>	<u><u>(45)</u></u>	<u><u>575</u></u>	<u><u>1,556</u></u>
<b>Earnings per share attributable to owners of the parent (sen):</b>				
Basic, for profit from operations	<u><u>3.36</u></u>	<u><u>0.80</u></u>	<u><u>1.00</u></u>	<u><u>3.15</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 2020 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 2021**

	<b>Unaudited</b>	<b>Audited</b>
	<b>31.01.2021</b>	<b>31.1.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	56,334	60,275
Investment properties	31,916	32,147
Development expenditure	1,414	1,621
Deferred tax assets	115	-
	<u>89,779</u>	<u>94,043</u>
<b>Current assets</b>		
Inventories	26,720	25,885
Tax recoverable	728	474
Trade and other receivables	29,453	34,822
Short term investment	17,949	9,949
Cash and bank balances	16,960	12,439
	<u>91,810</u>	<u>83,569</u>
<b>TOTAL ASSETS</b>	<b><u>181,589</u></b>	<b><u>177,612</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	74,976	74,976
Retained profits	30,347	31,228
	<u>105,323</u>	<u>106,204</u>
<b>Non-Controlling Interest</b>	<u>1,491</u>	<u>1,490</u>
<b>Total equity</b>	<b><u>106,814</u></b>	<b><u>107,694</u></b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	8,942	8,423
Loans and borrowings	23,867	25,643
Deferred tax liabilities	3,910	2,911
	<u>36,719</u>	<u>36,977</u>
<b>Current liabilities</b>		
Retirement benefit obligations	245	27
Trade and other payables	26,934	23,287
Tax payable	139	587
Loans and borrowings	10,738	9,040
	<u>38,056</u>	<u>32,941</u>
<b>Total liabilities</b>	<b><u>74,775</u></b>	<b><u>69,918</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>181,589</u></b>	<b><u>177,612</u></b>
Net assets per share (RM)	1.47	1.48

**(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2020 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 2021**

	← 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 2021</b>					
<b>As at 1 February 2020</b>	74,976	31,228	106,204	1,490	107,694
Total comprehensive income for the year	-	574	574	1	575
Dividends on ordinary shares	-	(1,455)	(1,455)	-	(1,455)
<b>As at 31 January 2021</b>	<b>74,976</b>	<b>30,347</b>	<b>105,323</b>	<b>1,491</b>	<b>106,814</b>
<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 comprehensive income for the year	-	1,563	1,563	(7)	1,556
Share of NCI on acquisition of subsidiary	-	-	-	1,000	1,000
Share of NCI on disposal of subsidiary	-	-	-	2,590	2,590
Dividends on ordinary shares	-	(2,183)	(2,183)	-	(2,183)
<b>As at 31 January 2020</b>	<b>74,976</b>	<b>31,228</b>	<b>106,204</b>	<b>1,490</b>	<b>107,694</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 2020 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 2021**

	<b>12 MONTHS ENDED 31.01.2021 RM'000</b>	<b>12 MONTHS ENDED 31.01.2020 RM'000</b>
<b>Operating activities</b>		
Profit before tax	2,284	3,749
Adjustments for:		
Depreciation of property, plant and equipment	11,596	12,097
Depreciation of investment properties	231	445
Depreciation of right of use assets	1,144	4,133
Property, plant and equipment written off	1,123	1,767
Amortisation of development expenditure	556	1,526
Profit from short term investments	(423)	(422)
Net reversal of provision for slow moving inventories	(1,420)	(164)
Unrealised gain on foreign exchange	(19)	-
Short term accumulating compensated absences	51	5
Increase in liability for defined benefit plan	768	644
Impairment loss on other receivables	-	632
(Reversal) / Impairment loss on trade receivables	(1,070)	1,104
Gain on deconsolidation of subsidiary	-	(2,563)
Net movement in provision	158	127
Inventories written off	2,524	661
Gain on disposal of property, plant and equipment	(30)	-
Interest expense	1,488	2,648
Development expenditure written off	46	90
Gain on lease modification	(1)	-
Operating profit before working capital changes	<u>19,005</u>	<u>26,479</u>
(Increase)/decrease in inventories	(1,939)	2,018
Decrease in trade and other receivables	6,437	18,586
Decrease in other current asset	-	(709)
Increase/(decrease) in trade and other payables	3,599	(12,172)
Decrease in provisions	(129)	(94)
Cash generated from operations	<u>26,973</u>	<u>34,108</u>
Interest paid	(1,459)	(2,563)
Taxes paid	(1,351)	(1,193)
Retirement benefits paid	(217)	(647)
Net cash generated from operating activities	<u>23,946</u>	<u>29,705</u>

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]**  
**CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)**  
**FOR THE YEAR ENDED 31 JANUARY 2021**

	<b>12 MONTHS ENDED 31.01.2021 RM'000</b>	<b>12 MONTHS ENDED 31.01.2020 RM'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(7,892)	(7,200)
Acquisition of a subsidiary, net of cash acquired	-	1,000
Placement of investment in money market funds	(8,000)	(7,430)
Net cash outflow from deconsolidation of subsidiary	-	(6)
Proceeds from disposal of property, plant and equipment	97	-
Development expenditure incurred	(396)	(254)
Interest received	423	-
Net cash used in investing activities	<u>(15,768)</u>	<u>(13,890)</u>
<b>Financing activities</b>		
Repayment of term loans	(1,984)	(1,721)
Drawdown/(repayment) of other short term borrowings	1,046	(4,307)
Drawdown/(repayment) of hire purchase loan	(97)	522
Repayment of lease liabilities	(1,168)	(1,183)
Repayment of revolving credit	-	(8,000)
Dividends paid on ordinary shares	(1,455)	(2,183)
Net cash generated used in financing activities	<u>(3,657)</u>	<u>(16,872)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,521</b>	<b>(1,057)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>12,439</b>	<b>13,496</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>16,960</u></b>	<b><u>12,439</u></b>
<b>Analysis of cash and cash equivalents:</b>		
Deposits, cash and bank balances	16,960	12,439
Bank overdrafts	-	-
<b>Cash and cash equivalents at end of period</b>	<b><u>16,960</u></b>	<b><u>12,439</u></b>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the Financial Statements for the year ended 31 January 2020 and the accompanying explanatory notes attached to the Interim Financial Statements)**

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 in the current period, the Group adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2020.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 3 Business Combinations - Definition of a Business	1 January 2020
Amendments to MFRS 16 Leases: Covid-19 Related Rent Concessions	1 June 2020

Adoption of the above standards and interpretations did not have any significant impact on the financial performance or position of the Group.

**Standards issued but not yet effective**

The standards and interpretations that have been issued but not yet effective are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 : Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 3 : Reference to the Conceptual Framework	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022
Amendments to MFRS 116 Property, Plant & Equipment : Proceeds Before Intended Use	1 January 2022
Amendments to MFRS 137 Provision, Contingent Liabilities and Contingent Assets : Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements : Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors : Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred



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**

The Group is expecting a significant impact of COVID-19 outbreak on the Group's revenue, earnings, and cash flow for the immediate short-term during the various stages of the MCO period. At this juncture, it is not possible to estimate the full impact of the outbreak's short-term and longer-term effects or the Government's varying efforts to combat the outbreak and support businesses.

**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 2 sen per ordinary share, totalling RM1,455,514.74 in respect of the financial year ended 31 January 2020, was paid on 10 September 2020.

## Notes to the Interim Financial Statements - 31 January 2021 (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 2021		3 months ended 31 January 2020	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	4,185	75	7,979	(2,407)
Manufacturing	44,207	2,783	47,640	953
Others	452	265	489	195
	<u>48,844</u>	<u>3,123</u>	<u>56,108</u>	<u>(1,259)</u>
Eliminations	(4,678)	800	(8,434)	2,583
	<u>44,166</u>	<u>3,923</u>	<u>47,674</u>	<u>1,324</u>

	Cumulative 12 months ended 31 January 2021		Cumulative 12 months ended 31 January 2020	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	15,715	(893)	21,802	(2,541)
Manufacturing	155,730	2,229	226,485	5,490
Others	1,511	136	1,434	(1,884)
	<u>172,956</u>	<u>1,472</u>	<u>249,721</u>	<u>1,065</u>
Eliminations	(17,086)	812	(24,722)	2,684
	<u>155,870</u>	<u>2,284</u>	<u>224,999</u>	<u>3,749</u>

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

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 31 January 2021 RM'000</b>	<b>As at 31 January 2020 RM'000</b>
<b>Capital expenditure</b>		
Property, plant and equipment:		
Approved and contracted for	2,776	-
Approved but not contracted for	1,787	5,086
	<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 FY2021 vs Quarter 4 FY2020**

The Group achieved slightly lower revenue at RM44.2 million for the current quarter against RM47.7 million in the previous year's corresponding quarter due to lower demand from customer. Despite lower revenue, higher net profit achieved at RM2.4 million compared to RM0.7 million in the previous corresponding quarter, mainly due to recognition of non-recurring items, cost cutting measures and manpower rationalisation.

**Financial Year Ended 31 January 2021 vs Financial Year Ended 31 January 2020**

Overall revenue for financial year ended January 2021 was lower at RM156 million as compared to previous corresponding year at RM225 million, mainly due to non-production periods in March and April 2020 as a result of the Movement Control Order (MCO) imposed by the government due to Covid-19 pandemic. Despite the lower revenue, the Group managed to record a net profit of RM0.7 million for the year, mainly due to non-recurring items, cost cutting measures, government incentives and manpower rationalisation.

**B2. Segmental Analysis**

**Investment Holding**

Revenue for the Investment Holding segment comprising management fee income from subsidiaries for the current quarter was slightly higher than the previous corresponding quarter.

**Manufacturing**

Reasons for movement in revenue and results for this segment is 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) is projected to increase by 8% from 529,434 in 2020 to 570,000 vehicles in 2021 as car makers recover from the previous year's Covid-19 impact (source: Malaysian Automotive Association). Nevertheless, developments in policies and regulations as well as economic and currency uncertainties are primary factors that could affect Sapura Industrial's performance. 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.

**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 expense	547	547
Under provision in prior year	26	89
Deferred tax	915	915
	1,489	1,552
Effective tax rate	38%	68%

The tax expense relates to net current year income tax and deferred tax.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2021 (contd.)

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

B6. Loans and Borrowings and Lease Liabilities

The Group borrowings are as follows:

	As at 31 January 2021 RM'000	As at 31 January 2020 RM'000
<b>Current</b>		
<b>Secured</b>		
Term Loans	5,463	4,654
Obligations under Hire purchase	186	196
Lease liabilities	964	1,111
	<u>6,613</u>	<u>5,961</u>
<b>Unsecured</b>		
Bankers' Acceptances	4,125	3,079
	<u>4,125</u>	<u>3,079</u>
<b>Total current</b>	<u>10,738</u>	<u>9,040</u>
<b>Non - Current</b>		
<b>Secured</b>		
Term Loans	21,458	24,251
Obligations under Hire purchase	511	598
Lease liabilities	1,898	794
	<u>23,867</u>	<u>25,643</u>
<b>Total non- current</b>	<u>23,867</u>	<u>25,643</u>
Bankers' Acceptances	4,125	3,079
Term Loans	26,921	28,905
Obligations under Hire purchase	697	794
Lease liabilities	2,862	1,905
<b>Total Borrowings</b>	<u>34,605</u>	<u>34,683</u>

B7. Dividend Declared

The Board recommends a final single tier dividend of 1 sen per ordinary share for the financial year ended 31 January 2021 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 2021 (contd.)

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

**B8. Earnings/(loss) Per Share**

	<b>Current Quarter 31.01.2021</b>	<b>Year To Date 31.01.2021</b>
Net profit/(loss) from operations attributable to owners of the parent (RM'000)	<u>2,449</u>	<u>731</u>
<b>a) Basic</b>		
Weighted average no. of shares (000)	72,776	72,776
Basic earning/(loss) per share for: -		
Loss for the period (sen)	3.36	1.00
<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/(loss) for the period (sen)	<u>3.36</u>	<u>1.00</u>

**B9. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report of the Group's preceding annual financial statements was not qualified.

**B10. Additional Information**

The following items are included in the statement of comprehensive income:-

	<b>Current Quarter 31.01.2021 RM'000</b>	<b>Year To Date 31.01.2021 RM'000</b>
(Loss)/profit before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(101)	(423)
- Interest expense	377	1,488
- Depreciation of property, plant and equipment	3,783	11,596
- Depreciation of investment properties	(103)	231
- Depreciation of ROU asset	(1,719)	1,144
- Amortisation of development expenditure	155	556
- Unrealised foreign exchange gain	(20)	(19)
- Realised foreign exchange loss	45	412
- Inventories written off	2,524	2,524
- Gain on disposal of property, plant and equipment	(70)	(30)
- Reversal of provision for slow moving inventories	(1,013)	(1,420)
- Property, plant and equipment written off	1,123	1,123
- Development expenditure written off	44	46

**B11. 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 24 March 2021.