



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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30 APRIL 2021

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 30 April 2021

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SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2021
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 30.4.2021 RM'000	Comparative Quarter Ended 30.4.2020 RM'000	3 months Cumulative To date 30.4.2021 RM'000	3 months Cumulative To date 30.4.2020 RM'000
Revenue	46,549	22,643	46,549	22,643
Cost of sales	<u>(39,530)</u>	<u>(21,735)</u>	<u>(39,530)</u>	<u>(21,735)</u>
Gross profit	7,019	908	7,019	908
Other income	998	661	998	661
Operating expenses	(7,315)	(6,035)	(7,315)	(6,035)
Finance costs	(513)	(474)	(513)	(474)
Profit/(loss) before tax	<u>189</u>	<u>(4,940)</u>	<u>189</u>	<u>(4,940)</u>
Tax expense	(132)	-	(132)	-
Profit/(loss) for the period	<u>57</u>	<u>(4,940)</u>	<u>57</u>	<u>(4,940)</u>
Other comprehensive income				
Owners of the parent	45	(4,946)	45	(4,946)
Non-controlling interest	12	6	12	6
	<u>57</u>	<u>(4,940)</u>	<u>57</u>	<u>(4,940)</u>
Profit/(loss) for the period				
attributable to:				
Owners of the parent	45	(4,946)	45	(4,946)
Non-controlling interest	12	6	12	6
	<u>57</u>	<u>(4,940)</u>	<u>57</u>	<u>(4,940)</u>
Earnings/(loss) per share attributable				
to owners of the parent (sen):				
Basic, for profit/(loss) from operations	<u>0.06</u>	<u>(6.80)</u>	<u>0.06</u>	<u>(6.80)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021 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 30 APRIL 2021

	Unaudited	Audited
	30.4.2021	31.1.2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	56,370	56,121
Investment properties	32,019	32,130
Development expenditure	1,472	1,414
Deferred tax assets	115	115
	<u>89,976</u>	<u>89,780</u>
Current assets		
Inventories	26,665	26,720
Tax recoverable	705	728
Trade and other receivables	28,884	29,661
Short term investments	11,931	17,949
Cash and bank balances	15,878	16,960
	<u>84,063</u>	<u>92,018</u>
TOTAL ASSETS	<u>174,039</u>	<u>181,798</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	30,391	30,346
	<u>105,367</u>	<u>105,322</u>
Non-Controlling Interest	<u>1,503</u>	<u>1,491</u>
Total equity	<u>106,870</u>	<u>106,813</u>
Non-current liabilities		
Retirement benefit obligations	9,064	8,942
Loans and borrowings	21,065	21,930
Lease liabilities	1,824	1,898
Deferred tax liabilities	3,910	3,910
Provisions	-	71
	<u>35,863</u>	<u>36,751</u>
Current liabilities		
Retirement benefit obligations	245	245
Trade and other payables	21,974	27,074
Tax payable	107	139
Loans and borrowings	8,181	9,812
Lease liabilities	799	964
	<u>31,306</u>	<u>38,234</u>
Total liabilities	<u>67,169</u>	<u>74,985</u>
TOTAL EQUITY AND LIABILITIES	<u>174,039</u>	<u>181,798</u>
Net assets per share (RM)	1.47	1.47

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021 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 PERIOD ENDED 30 APRIL 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		
For Quarter Ended 30 April 2021					
As at 1 February 2021	74,976	30,346	105,322	1,491	106,813
Total comprehensive income for the period	-	45	45	12	57
Dividends on ordinary shares	-	-	-	-	-
As at 30 April 2021	74,976	30,391	105,367	1,503	106,870
For Quarter Ended 30 April 2020					
As at 1 February 2020	74,976	31,228	106,204	1,490	107,694
Total comprehensive loss for the period	-	(4,946)	(4,946)	6	(4,940)
Dividends on ordinary shares	-	-	-	-	-
As at 30 April 2020	74,976	26,282	101,258	1,496	102,754

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2021 and the accompanying explanatory notes attached to the Interim Financial Statements)

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 APRIL 2021

	3 MONTHS ENDED 30.4.2021 RM'000	3 MONTHS ENDED 30.4.2020 RM'000
Operating activities		
Profit/(loss) before tax	189	(4,940)
Adjustments for:		
Depreciation of property, plant and equipment	2,570	2,389
Depreciation of investment properties	111	111
Depreciation of right of use assets	273	992
Property, plant and equipment written off	1	-
Amortisation of development expenditure	121	104
Profit from short term investments	(94)	(111)
Reversal of provision slow moving inventories	-	(261)
Unrealised loss on foreign exchange	20	1
Increase in liability for defined benefit plan	200	197
Interest expense	513	474
Operating profit/(loss) before working capital changes	<u>3,904</u>	<u>(1,044)</u>
Decrease/(Increase) in inventories	55	(2,398)
Decrease in trade and other receivables	777	18,817
(Decrease)/Increase in trade and other payables	<u>(5,191)</u>	<u>4,146</u>
Cash (used in)/generated from operations	(455)	19,521
Interest paid	(478)	(458)
Taxes paid	(141)	(350)
Retirement benefits paid	(79)	-
Net cash (used in)/ generated from operating activities	<u>(1,153)</u>	<u>18,713</u>

SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]
CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)
FOR THE PERIOD ENDED 30 APRIL 2021

	3 MONTHS ENDED 30.4.2021 RM'000	3 MONTHS ENDED 30.4.2020 RM'000
Investing activities		
Purchase of property, plant and equipment	(3,092)	(2,532)
Withdrawal/(Investment) of investment in money market funds	6,112	542
Development expenditure incurred	(179)	(52)
Net cash generated from/(used in) investing activities	<u>2,841</u>	<u>(2,042)</u>
Financing activities		
Repayment of term loans	(1,495)	(433)
(Repayment)/Drawdown of other short term borrowings	(953)	956
Repayment of hire purchase	(48)	(29)
Repayment of lease liabilities	(274)	(293)
Net cash (used in)/generated from financing activities	<u>(2,770)</u>	<u>201</u>
Net (decrease)/increase in cash and cash equivalents	(1,082)	16,872
Cash and cash equivalents at beginning of period	16,960	12,439
Cash and cash equivalents at end of period	<u>15,878</u>	<u>29,311</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	15,878	29,311
Bank overdrafts	-	-
Cash and cash equivalents at end of period	<u>15,878</u>	<u>29,311</u>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the
Financial Statements for the year ended 31 January 2021 and the accompanying
explanatory notes attached to the Interim Financial Statements)**

Notes to the Interim Financial Statements - 30 April 2021

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 2021.

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

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 16 : Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 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

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 dividend was paid during the financial period under review.

Notes to the Interim Financial Statements - 30 April 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 30 April 2021		3 months ended 30 April 2020	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,834	(848)	4,060	236
Manufacturing	46,899	1,108	22,725	(5,151)
Others	480	(67)	89	(25)
	<u>51,213</u>	<u>193</u>	<u>26,874</u>	<u>(4,940)</u>
Eliminations	(4,664)	(4)	(4,231)	-
	<u>46,549</u>	<u>189</u>	<u>22,643</u>	<u>(4,940)</u>

	Cumulative 3 months ended 30 April 2021		Cumulative 3 months ended 30 April 2020	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,834	(848)	4,060	236
Manufacturing	46,899	1,108	22,725	(5,151)
Others	480	(67)	89	(25)
	<u>51,213</u>	<u>193</u>	<u>26,874</u>	<u>(4,940)</u>
Eliminations	(4,664)	(4)	(4,231)	-
	<u>46,549</u>	<u>189</u>	<u>22,643</u>	<u>(4,940)</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

	As at 30 April 2021 RM'000	As at 31 January 2021 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	2,965	2,776
Approved but not contracted for	1,753	1,787
	<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 1 FY2022 vs Quarter 1 FY2021

The Group achieved significantly higher revenue of RM46.5 million for the current quarter against RM22.6 million in the previous year's corresponding quarter, mainly due to the non-production periods during the Movement Control Order (MCO) in March and April 2020. Accordingly, the Group generated a net profit of RM57 thousand in the current quarter as compared to a net loss of RM4.9 million in the previous year's corresponding quarter.

Performance Current Quarter against Immediate Preceding Quarter

The Group's revenue of RM46.5 million for the current quarter was slightly higher than the immediate preceding quarter of RM44.2 million. Net profit for the current quarter was RM57 thousand as compared to RM2.4 million for the immediate preceding quarter. This was mainly due to recognition of non-recurring items in the immediate preceding quarter

B2. Segmental Analysis

Investment Holding

Revenue for the Investment Holding segment for the current quarter was slightly lower than the previous corresponding quarter, 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) 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, any global supply chain interruption, development in policies and regulations as well as economic and currencies 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	<u>132</u>	<u>132</u>
	<u>132</u>	<u>132</u>
Effective tax rate	70%	70%

The higher Group effective tax rate as compared to the statutory tax rate for the current quarter and year to date is

B6. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of issue of this report.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 2021 (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:

	As at 30 April 2021 RM'000	As at 31 January 2021 RM'000
Current		
Secured		
Term Loans	4,475	5,119
Obligations under Hire purchase	166	200
Lease liabilities	799	964
	<u>5,440</u>	<u>6,283</u>
Unsecured		
Bankers' Acceptances	3,540	4,493
	<u>3,540</u>	<u>4,493</u>
Total current	<u>8,980</u>	<u>10,776</u>
Non - Current		
Secured		
Term Loans	20,583	21,434
Obligations under Hire purchase	482	496
Lease liabilities	1,824	1,898
	<u>22,889</u>	<u>23,828</u>
Total non- current	<u>22,889</u>	<u>23,828</u>
Bankers' Acceptances	3,540	4,493
Term Loans	25,058	26,553
Obligations under Hire purchase	648	696
Lease liabilities	2,623	2,862
Total Borrowings	<u>31,869</u>	<u>34,604</u>

B8. Dividend Declared

No dividend has been proposed or declared for the current quarter ended 30 April 2021

Notes to the Interim Financial Statements - 30 April 2021 (contd.)

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

B9. Earnings Per Share

	Current Quarter 30.4.2021	Year To Date 30.4.2021
Net income from operations attributable to owners of the parent (RM'000)	<u>45</u>	<u>45</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Earnings for the period (sen)	0.06	0.06
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>
Earnings for the period (sen)	<u>0.06</u>	<u>0.06</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 30.4.2021 RM'000	Year To Date 30.4.2021 RM'000
(Loss)/profit before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(94)	(94)
- Interest expense	513	513
- Depreciation of property, plant and equipment	2,570	2,570
- Depreciation of investment properties	111	111
- Depreciation of ROU asset	273	273
- Amortisation of development expenditure	121	121
- Unrealised foreign exchange loss	20	20
- Property, plant and equipment written off	1	1

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 16 June 2021.