



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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31 OCTOBER 2021

The unaudited financial results of Sapura Industrial Berhad Group  
for the period ended 31 October 2021

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<b>Current Quarter Ended 31.10.2021 RM'000</b>	<b>Comparative Quarter Ended 31.10.2020 RM'000</b>	<b>9 months Cumulative To date 31.10.2021 RM'000</b>	<b>9 months Cumulative To date 31.10.2020 RM'000</b>
Revenue	39,611	55,379	102,386	111,704
Cost of sales	<u>(36,607)</u>	<u>(44,051)</u>	<u>(93,393)</u>	<u>(94,675)</u>
<b>Gross profit</b>	3,004	11,328	8,993	17,029
Other income	1,384	431	6,965	2,042
Operating expenses	(6,563)	(7,438)	(19,770)	(19,599)
Finance costs	(453)	(289)	(1,442)	(1,111)
<b>Loss before tax</b>	<u>(2,628)</u>	<u>4,032</u>	<u>(5,254)</u>	<u>(1,639)</u>
Tax expense	(49)	(63)	(49)	(63)
<b>Loss for the period</b>	<u><u>(2,677)</u></u>	<u><u>3,969</u></u>	<u><u>(5,303)</u></u>	<u><u>(1,702)</u></u>
<b>Other comprehensive (loss)/income</b>				
Owners of the parent	(2,658)	3,965	(5,307)	(1,718)
Non-controlling interest	(19)	4	4	16
	<u>(2,677)</u>	<u>3,969</u>	<u>(5,303)</u>	<u>(1,702)</u>
<b>(Loss)/income for the period attributable to:</b>				
Owners of the parent	(2,658)	3,965	(5,307)	(1,718)
Non-controlling interest	(19)	4	4	16
	<u>(2,677)</u>	<u>3,969</u>	<u>(5,303)</u>	<u>(1,702)</u>
<b>Loss per share attributable to owners of the parent (sen):</b>				
Basic, for (loss)/profit from operations	<u>(3.65)</u>	<u>5.45</u>	<u>(7.29)</u>	<u>(2.36)</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 31 OCTOBER 2021**

	<b>Unaudited</b> <b>31.10.2021</b> <b>RM'000</b>	<b>Audited</b> <b>31.1.2021</b> <b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	55,626	56,121
Investment properties	32,398	32,130
Development expenditure	1,602	1,414
Deferred tax assets	115	115
	<u>89,741</u>	<u>89,780</u>
<b>Current assets</b>		
Inventories	31,205	26,720
Tax recoverable	907	728
Trade and other receivables	33,881	29,661
Short term investments	8,956	17,949
Cash and bank balances	11,074	16,960
	<u>86,023</u>	<u>92,018</u>
<b>TOTAL ASSETS</b>	<b><u>175,764</u></b>	<b><u>181,798</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	74,976	74,976
Retained profits	24,311	30,346
	<u>99,287</u>	<u>105,322</u>
<b>Non-Controlling Interest</b>	<u>1,494</u>	<u>1,491</u>
<b>Total equity</b>	<b><u>100,782</u></b>	<b><u>106,813</u></b>
<b>Non-current liabilities</b>		
Retirement benefit obligations	9,242	8,942
Loans and borrowings	23,303	21,930
Lease liabilities	1,260	1,898
Deferred tax liabilities	3,910	3,910
Provisions	-	71
	<u>37,715</u>	<u>36,751</u>
<b>Current liabilities</b>		
Retirement benefit obligations	245	245
Trade and other payables	29,722	27,074
Tax payable	97	139
Loans and borrowings	6,095	9,812
Lease liabilities	1,108	964
	<u>37,267</u>	<u>38,234</u>
<b>Total liabilities</b>	<b><u>74,982</u></b>	<b><u>74,985</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>175,764</u></b>	<b><u>181,798</u></b>
Net assets per share attributable to ordinary equity holders of the parents (RM)	1.36	1.45

**(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 31 OCTOBER 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 Quarter Ended 31 October 2021</b>					
<b>As at 1 February 2021</b>	74,976	30,346	105,322	1,491	106,813
Total comprehensive loss for the period	-	(5,307)	(5,307)	4	(5,303)
Dividends on ordinary shares	-	(728)	(728)	-	(728)
<b>As at 31 October 2021</b>	<b>74,976</b>	<b>24,311</b>	<b>99,287</b>	<b>1,494</b>	<b>100,782</b>
<b>For Quarter Ended 31 October 2020</b>					
<b>As at 1 February 2020</b>	74,976	31,228	106,204	1,490	107,694
Total comprehensive loss for the period	-	(1,718)	(1,718)	16	(1,702)
Dividends on ordinary shares	-	(1,456)	(1,456)	-	(1,456)
<b>As at 31 October 2020</b>	<b>74,976</b>	<b>28,054</b>	<b>103,030</b>	<b>1,506</b>	<b>104,536</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 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 31 OCTOBER 2021**

	<b>9 MONTHS ENDED 31.10.2021 RM'000</b>	<b>9 MONTHS ENDED 31.10.2020 RM'000</b>
<b>Operating activities</b>		
Loss before tax	(5,254)	(1,639)
Adjustments for:		
Depreciation of property, plant and equipment	7,223	7,974
Depreciation of investment properties	173	173
Depreciation of right of use assets	823	2,863
Property, plant and equipment written off	38	-
Amortisation of development expenditure	283	401
Profit from short term investments	(213)	(322)
Reversal of provision for slow moving inventories	(155)	(407)
Inventories written-off	155	-
Unrealised loss on foreign exchange	20	1
Increase in liability for defined benefit plan	629	640
Gain on disposal of property, plant and equipment	-	40
Interest expense	1,442	1,111
Development expenditure written off	-	2
Operating profit before working capital changes	5,164	10,837
(Increase)/decrease in inventories	(4,485)	6,022
Increase in trade and other receivables	(4,220)	(14)
Increase in trade and other payables	2,557	731
Cash (used in)/generated from operations	(984)	17,576
Interest paid	(1,344)	(1,093)
Taxes paid	(372)	(1,144)
Taxes refunded	103	-
Retirement benefits paid	(328)	(75)
Net cash (used in)/generated from operating activities	(2,925)	15,264

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

	<b>9 MONTHS ENDED 31.10.2021 RM'000</b>	<b>9 MONTHS ENDED 31.10.2020 RM'000</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(7,355)	(6,415)
Purchase of investment property	(442)	-
Withdrawal of/(investment in) of investment in money market funds	9,206	(2,175)
Proceeds from disposal of property, plant and equipment	-	59
Development expenditure incurred	(472)	(219)
Net cash generated from/(used in) investing activities	<u>937</u>	<u>(8,750)</u>
<b>Financing activities</b>		
Repayment of term loans	(2,396)	(541)
Drawdown of other short term borrowings	200	3,340
Repayment of hire purchase	(148)	(33)
Repayment of lease liabilities	(826)	(783)
Dividends paid on ordinary shares	(728)	(1,456)
Net cash (used in)/generated from financing activities	<u>(3,898)</u>	<u>527</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,886)</b>	<b>7,041</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>16,960</b>	<b>12,439</b>
<b>Cash and cash equivalents at end of period</b>	<b><u>11,074</u></b>	<b><u>19,480</u></b>
<b>Analysis of cash and cash equivalents:</b>		
Deposits, cash and bank balances	11,074	19,480
Bank overdrafts	-	-
<b>Cash and cash equivalents at end of period</b>	<b><u>11,074</u></b>	<b><u>19,480</u></b>

**(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)**

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

**Notes to the Interim Financial Statements - 31 October 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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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



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

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

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

**A2. Changes in Accounting Policies (contd.)**

**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.

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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 112 Income Taxes : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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

**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 Movement Control Order (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.

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

Part A - EXPLANATORY NOTES (CONTD.)

**A5. Material Changes in Estimates**

There were no material changes in estimates reported in 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.

**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 October 2021		3 months ended 31 October 2020	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,675	(391)	4,557	(693)
Manufacturing	39,816	(2,063)	55,358	4,874
Others	152	(150)	462	(161)
	<u>43,643</u>	<u>(2,604)</u>	<u>60,377</u>	<u>4,020</u>
Eliminations	(4,032)	(24)	(4,998)	12
	<u>39,611</u>	<u>(2,628)</u>	<u>55,379</u>	<u>4,032</u>

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

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

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

**A8. Segmental Information (contd.)**

	<b>Cumulative 9 months ended 31 October 2021</b>		<b>Cumulative 9 months ended 31 October 2020</b>	
	<b>Revenue RM'000</b>	<b>Profit/(Loss) before taxation RM'000</b>	<b>Revenue RM'000</b>	<b>Profit/(Loss) before taxation RM'000</b>
Investment Holding	11,147	2,841	11,530	(968)
Manufacturing	103,110	(7,646)	111,523	(554)
Others	713	(396)	1,059	(129)
	<u>114,970</u>	<u>(5,201)</u>	<u>124,112</u>	<u>(1,651)</u>
Eliminations	<u>(12,584)</u>	<u>(53)</u>	<u>(12,408)</u>	<u>12</u>
	<u>102,386</u>	<u>(5,254)</u>	<u>111,704</u>	<u>(1,639)</u>

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

**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.

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

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

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

**A12. Contingent Liabilities**

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

**A13. Capital Commitments**

	<b>As at 31 October 2021 RM'000</b>	<b>As at 31 January 2021 RM'000</b>
<b>Capital expenditure</b>		
Property, plant and equipment:		
Approved and contracted for	6,685	2,776
Approved but not contracted for	4,003	1,787

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

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

**Quarter 3 FY2022 vs Quarter 3 FY2021**

The Group achieved significantly lower revenue of RM39.6 million for the current quarter against RM55.4 million in the previous year's corresponding quarter, mainly due to the nationwide MCO lockdown continuation from June & July into August 2021. The results for current quarter were therefore effectively for the productive months of September and October. Accordingly, the Group generated a net loss of RM2.7 million in the current quarter as compared to a net profit of RM4 million in the previous year's corresponding quarter.

**YTD Quarter 3 FY2022 vs YTD Quarter 3 FY2021**

Volume recovery post-MCO resulted in a slight variance for YTD Quarter 3 FY2022 revenue at RM102.4 million compared to RM111.7 million in the previous year corresponding period. Net loss of RM5.3 million for the current YTD period, compared to a net loss of RM1.7 million in the previous year corresponding period, includes non recurring income recorded in the previous quarter of approximately RM4.1 million relating to write back of advances extended by Sapura Industrial Berhad to its former subsidiary Sapura Schulz Hydroforming Sdn Bhd (SSH) following the distribution of proceeds by the liquidator of SSH to its unsecured creditors.

**Performance Current Quarter vs Immediate Preceding Quarter**

The Group's revenue of RM39.6 million for the current quarter was higher than the immediate preceding quarter of RM16.2 million. However, net loss for the current quarter was equal to the immediate preceding quarter at RM2.7 million despite the higher revenue, as the previous quarter included non-recurring income as explained above.

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

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

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

**B2. Segmental Analysis**

**Investment Holding**

Revenue for the Investment Holding segment relates to 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 decline by 5.6% from 529,434 in 2020 to 500,000 vehicles in 2021 as car makers recover from the year's Covid-19 impact (Source: Malaysian Automotive Association). 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**

	<b>Current Quarter RM'000</b>	<b>Year to date RM'000</b>
Current income tax expense	<u>181</u>	<u>49</u>
	<u>181</u>	<u>49</u>
Effective tax rate	-7%	-1%

The negative Group effective tax rate for the current quarter is due to application of tax allowances having an effect of reducing tax expense.

**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 - 31 October 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:	<b>As at 31 October 2021 RM'000</b>	<b>As at 31 January 2021 RM'000</b>
<b>Current</b>		
<b>Secured</b>		
Term loans	1,236	5,119
Obligations under hire purchase	166	200
Lease liabilities	1,108	964
	<u>2,510</u>	<u>6,283</u>
<b>Unsecured</b>		
Bankers' acceptances	4,693	4,493
	<u>4,693</u>	<u>4,493</u>
<b>Total current</b>	<u>7,203</u>	<u>10,776</u>
<b>Non - Current</b>		
<b>Secured</b>		
Term loans	22,921	21,434
Obligations under hire purchase	382	496
Lease liabilities	1,260	1,898
	<u>24,563</u>	<u>23,828</u>
<b>Total non- current</b>	<u>24,563</u>	<u>23,828</u>
Bankers' acceptances	4,693	4,493
Term loans	24,157	26,553
Obligations under hire purchase	548	696
Lease liabilities	2,368	2,862
<b>Total Borrowings</b>	<u>31,766</u>	<u>34,604</u>

**B8. Dividend Declared**

No dividend has been proposed or declared for the current quarter ended 31 October 2021.

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

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

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

**B9. Loss Per Share**

	<b>Current Quarter 31.10.2021</b>	<b>Year To Date 31.10.2021</b>
Net loss from operations attributable to owners of the parent (RM'000)	<u>(2,658)</u>	<u>(5,307)</u>
<b>a) Basic</b>		
Weighted average no. of shares (000)	72,776	72,776
Basic loss per share for: -		
Loss for the period (sen)	(3.65)	(7.29)
<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>
Loss for the period (sen)	<u>(3.65)</u>	<u>(7.29)</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 31.10.2021 RM'000</b>	<b>Year To Date 31.10.2021 RM'000</b>
Loss before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(32)	(213)
- Reversal of impairment loss on other receivables	-	(4,102)
- Interest expense	453	1,442
- Depreciation of property, plant and equipment	2,322	7,223
- Depreciation of investment properties	57	173
- Depreciation of ROU asset	283	823
- Amortisation of development expenditure	100	283
- Unrealised foreign exchange loss	-	20
- Inventories written off	-	155
- Reversal of provision for slow moving inventories	-	(155)
- Property, plant and equipment written off	-	38

**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 17 November 2021.