



Sapura Industrial Berhad
Registration No. : 197401000510 (17547-W)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 JANUARY 2022

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 31 January 2022

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SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2022
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 31.01.2022 RM'000	Comparative Quarter Ended 31.01.2021 RM'000	12 months Cumulative To date 31.01.2022 RM'000	12 months Cumulative To date 31.01.2021 RM'000
Revenue	51,417	44,166	153,803	155,870
Cost of sales	<u>(43,610)</u>	<u>(37,114)</u>	<u>(137,003)</u>	<u>(131,789)</u>
Gross profit	7,807	7,052	16,800	24,081
Other income	881	3,164	7,846	5,206
Operating expenses	(7,459)	(5,988)	(27,229)	(25,587)
Finance costs	(729)	(306)	(2,171)	(1,417)
Profit/(loss) before tax	<u>500</u>	<u>3,922</u>	<u>(4,754)</u>	<u>2,283</u>
Tax credit/(expense)	956	(1,489)	907	(1,552)
Profit/(loss) for the period	<u><u>1,456</u></u>	<u><u>2,433</u></u>	<u><u>(3,847)</u></u>	<u><u>731</u></u>
Other comprehensive income/(loss)				
Actuarial gain/(loss) on retirement benefits	493	(157)	493	(157)
Total comprehensive income/(loss) for the period:	<u><u>1,949</u></u>	<u><u>2,276</u></u>	<u><u>(3,354)</u></u>	<u><u>574</u></u>
Profit/(loss) for the period attributable to:				
Owners of the parent	1,495	2,448	(3,812)	730
Non-controlling interest	<u>(39)</u>	<u>(15)</u>	<u>(35)</u>	<u>1</u>
	<u><u>1,456</u></u>	<u><u>2,433</u></u>	<u><u>(3,847)</u></u>	<u><u>731</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,988	2,291	(3,319)	573
Non-controlling interest	<u>(39)</u>	<u>(15)</u>	<u>(35)</u>	<u>1</u>
	<u><u>1,949</u></u>	<u><u>2,276</u></u>	<u><u>(3,354)</u></u>	<u><u>574</u></u>
Earnings/(loss) per share attributable to owners of the parent (sen):				
Basic, for profit/(loss) from operations	<u><u>2.05</u></u>	<u><u>3.36</u></u>	<u><u>(5.24)</u></u>	<u><u>1.00</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 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 JANUARY 2022

	Unaudited 31.01.2022 RM'000	Audited 31.01.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	55,049	56,121
Investment properties	32,387	32,130
Development expenditure	1,609	1,414
Deferred tax assets	63	115
	<u>89,108</u>	<u>89,780</u>
Current assets		
Inventories	28,636	26,720
Tax recoverable	672	728
Trade and other receivables	32,611	29,661
Short term investments	6,274	17,949
Cash and bank balances	13,894	16,960
	<u>82,087</u>	<u>92,018</u>
Assets held for sale	467	-
	<u>82,554</u>	<u>92,018</u>
TOTAL ASSETS	<u>171,662</u>	<u>181,798</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	24,843	30,346
	<u>99,819</u>	<u>105,322</u>
Non-Controlling Interest	1,455	1,491
Total equity	<u>101,275</u>	<u>106,813</u>
Non-current liabilities		
Retirement benefit obligations	8,449	8,942
Loans and borrowings	21,646	21,930
Lease liabilities	977	1,898
Deferred tax liabilities	2,824	3,910
Provisions	102	71
	<u>33,998</u>	<u>36,751</u>
Current liabilities		
Retirement benefit obligations	419	245
Trade and other payables	24,387	27,074
Tax payable	107	139
Loans and borrowings	10,349	9,812
Lease liabilities	1,127	964
	<u>36,389</u>	<u>38,234</u>
Total liabilities	<u>70,387</u>	<u>74,985</u>
TOTAL EQUITY AND LIABILITIES	<u>171,662</u>	<u>181,798</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	1.37	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 JANUARY 2022**

	← 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 Year Ended 31 January 2022					
As at 1 February 2021	74,976	30,346	105,322	1,491	106,813
Total comprehensive loss for the period	-	(3,319)	(3,319)	(35)	(3,354)
Dividends on ordinary shares	-	(2,184)	(2,184)	-	(2,184)
As at 31 January 2022	74,976	24,843	99,819	1,455	101,275
For Year Ended 31 January 2021					
As at 1 February 2020	74,976	31,229	106,205	1,490	107,695
Total comprehensive income for the period	-	573	573	1	574
Dividends on ordinary shares	-	(1,456)	(1,456)	-	(1,456)
As at 31 January 2021	74,976	30,346	105,322	1,491	106,813

**(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 JANUARY 2022

	12 MONTHS ENDED 31.01.2022 RM'000	12 MONTHS ENDED 31.01.2021 RM'000
Operating activities		
Loss/(profit) before tax	(4,754)	2,283
Adjustments for:		
Depreciation of property, plant and equipment	10,323	11,591
Depreciation of investment properties	233	231
Depreciation of right of use assets	1,106	1,144
Property, plant and equipment written off	977	1,128
Amortisation of development expenditure	553	556
Profit from short term investments	(289)	(425)
Reversal of provision for slow moving inventories	(79)	(1,065)
Unrealised gain on foreign exchange	(3)	(19)
Short term accumulating compensated absences	6	62
Increase in liability for defined benefit plan	796	768
Reversal of impairment loss on other receivables	(4,102)	-
Impairment loss on trade receivables	817	25
Reversal of impairment loss on trade receivables	-	(1,104)
Writeback of impairment loss on trade receivables	-	(735)
Net movement in provision	-	166
Inventories written-off	1,577	2,469
Gain on disposal of property, plant and equipment	-	(96)
Interest expense	2,171	1,417
Development expenditure written off	-	46
Gain on lease modification	-	(1)
Operating profit before working capital changes	<u>9,332</u>	<u>18,441</u>
Increase in inventories	(3,414)	(2,240)
Decrease in trade and other receivables	336	7,025
(Decrease)/Increase in trade and other payables	<u>(2,660)</u>	<u>3,599</u>
Cash generated from operations	3,594	26,825
Interest paid	(2,045)	(1,320)
Taxes paid	(521)	(1,339)
Taxes refund	273	-
Retirement benefits paid	<u>(476)</u>	<u>(217)</u>
Net cash generated from operating activities	<u><u>825</u></u>	<u><u>23,949</u></u>

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]
CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)
FOR THE PERIOD ENDED 31 JANUARY 2022**

	12 MONTHS ENDED 31.01.2022 RM'000	12 MONTHS ENDED 31.01.2021 RM'000
Investing activities		
Purchase of property, plant and equipment	(11,568)	(7,892)
Purchase of investment property	(491)	-
Withdrawal of/(Investment in) money market funds	11,964	(7,575)
Proceeds from disposal of property, plant and equipment	-	97
Development expenditure incurred	(747)	(396)
Net cash used in investing activities	<u>(842)</u>	<u>(15,766)</u>
Financing activities		
Net repayment of term loans	(4,599)	(2,353)
Net drawdown of other short term borrowings	5,053	1,414
Repayment of hire purchase	(200)	(97)
Repayment of lease liabilities	(1,119)	(1,170)
Dividends paid on ordinary shares	(2,184)	(1,456)
Net cash used in financing activities	<u>(3,048)</u>	<u>(3,662)</u>
Net (decrease)/increase in cash and cash equivalents	(3,066)	4,521
Cash and cash equivalents at beginning of year	16,960	12,439
Cash and cash equivalents at end of year	<u>13,894</u>	<u>16,960</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	13,894	16,960
Bank overdrafts	-	-
Cash and cash equivalents at end of period	<u>13,894</u>	<u>16,960</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)**

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2022

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

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.

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 : Definition of Accounting Estimates	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 17 Insurance Contracts : Initial Application of MFRS 17 and MFRS 9 - Comparative Information	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.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2022 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

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 special single tier dividend of 2 sen per ordinary share totalling RM1,455,515 in respect of the financial year ended 31 January 2022, was paid on 17 November 2021.

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, Chasis & 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.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2022 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

A8. Segmental Information (contd.)

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

	3 months ended 31 January 2022		3 months ended 31 January 2021	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	2,754	(746)	6,135	74
Manufacturing	51,308	978	44,207	2,812
Others	541	(116)	452	236
	<u>54,603</u>	<u>116</u>	<u>50,794</u>	<u>3,122</u>
Eliminations	<u>(3,186)</u>	<u>384</u>	<u>(6,628)</u>	<u>800</u>
	<u>51,417</u>	<u>500</u>	<u>44,166</u>	<u>3,922</u>
	Cumulative 12 months ended 31 January 2022		Cumulative 12 months ended 31 January 2021	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	13,901	2,095	17,665	(894)
Manufacturing	154,418	(6,668)	155,730	2,258
Others	1,254	(512)	1,511	107
	<u>169,573</u>	<u>(5,085)</u>	<u>174,906</u>	<u>1,471</u>
Eliminations	<u>(15,770)</u>	<u>331</u>	<u>(19,036)</u>	<u>812</u>
	<u>153,803</u>	<u>(4,754)</u>	<u>155,870</u>	<u>2,283</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.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2022 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

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 31 January 2022 RM'000	As at 31 January 2021 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	11,757	2,776
Approved but not contracted for	<u>8,421</u>	<u>1,787</u>

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

B1. Overall Review of Group's Financial Performance

Quarter 4 FY2022 vs Quarter 4 FY2021

The Group achieved significantly higher revenue of RM51.4 million for the current quarter against RM44.2 million in the previous year's corresponding quarter due to post covid recovery. However, the Group generated lower net profit of RM1.4 million in the current quarter as compared to a net profit of RM2.4 million, mainly due to recognition of non recurring expenses.

Financial Year Ended 31 January 2022 vs Financial Year Ended 31 January 2021

The Group recorded a slightly lower revenue at RM153.8 million for FY2022 as compared to RM155.9 million in previous year. Overall volume from customers was lower for FY2022 as compared to FY2021 as a result of longer non-production periods for FY2022 for 3 months from June to August 2021 as compared to 2 months MCO in April and May 2020 in line with Movement Control Order imposed by the Government to curb the pandemic.

For FY2022, the Group recorded a net loss of RM3.8 million as compared to net profit of RM0.7 million for FY2021 mainly due to reasons mentioned above in addition to higher material and operating costs. Impact of the losses for the year was offset by the recognition of non-recurring income of RM4.1 million following receipt of proceeds from Sapura Schulz liquidation proceedings.

The Group also incurred several non-recurring expenses from a Group wide assessment for impairment inventories and spares for slow moving and phased-out models. The above was also done in line with the Group's rationalisation of its manufacturing activities which includes amongst others the relocation of coil spring plant at Port Klang to integrate with production of stabiliser bars in Bangi to increase its productivity and efficiency.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2022 (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 rise by 17.9% from 508,911 in 2021 to 600,000 vehicles in 2022 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 Credit/(Expense)

	Current Quarter RM'000	Year to date RM'000
Current income tax:		
Malaysia income tax	(331)	(380)
Underprovision in prior year	107	107
Deferred tax	1,180	1,180
	<u>956</u>	<u>907</u>
Effective tax rate	191%	-19%

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

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 January 2022 (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 31 January 2022 RM'000	As at 31 January 2021 RM'000
Current		
Secured		
Term loans	8,429	5,119
Obligations under hire purchase	194	200
Lease liabilities	1,127	964
	<u>9,750</u>	<u>6,283</u>
Unsecured		
Bankers' acceptances	1,726	4,493
	<u>1,726</u>	<u>4,493</u>
Total current	<u>11,476</u>	<u>10,776</u>
Non - Current		
Secured		
Term loans	21,327	21,434
Obligations under hire purchase	319	496
Lease liabilities	977	1,898
	<u>22,623</u>	<u>23,828</u>
Total non- current	<u>22,623</u>	<u>23,828</u>
Bankers' acceptances	1,726	4,493
Term loans	29,756	26,553
Obligations under hire purchase	513	696
Lease liabilities	2,104	2,862
Total Borrowings	<u>34,099</u>	<u>34,604</u>

B8. Dividend Declared

No dividend has been proposed or declared for the current quarter ended 31 January 2022.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2022 (contd.)

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

B9. Profit/(loss) Per Share

	Current Quarter 31.01.2022	Year To Date 31.01.2022
Net profit/(loss) from operations attributable to owners of the parent (RM'000)	<u>1,495</u>	<u>(3,812)</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings/(loss) per share for: - Earnings/(loss) for the period (sen)	2.05	(5.24)
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/(loss) for the period (sen)	<u>2.05</u>	<u>(5.24)</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 31.01.2022 RM'000	Year To Date 31.01.2022 RM'000
Loss before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(76)	(289)
- Reversal of impairment loss on other receivables	-	(4,102)
- Interest expense	729	2,171
- Depreciation of property, plant and equipment	3,100	10,323
- Depreciation of investment properties	60	233
- Depreciation of ROU asset	283	1,106
- Amortisation of development expenditure	270	553
- Impairment loss on trade receivables	817	817
- Unrealised foreign exchange gain	(23)	(3)
- Inventories written off	1,422	1,577
- Provision for/(reversal of) for slow moving inventories	76	(79)
- Property, plant and equipment written off	939	977

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 23 March 2022.