



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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30 APRIL 2022

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 30 April 2022

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SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2022
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 30.04.2022 RM'000	Comparative Quarter Ended 30.04.2021 RM'000	3 months Cumulative To date 30.04.2022 RM'000	3 months Cumulative To date 30.04.2021 RM'000
Revenue	55,572	46,549	55,572	46,549
Cost of sales	<u>(47,384)</u>	<u>(39,530)</u>	<u>(47,384)</u>	<u>(39,530)</u>
Gross profit	8,188	7,019	8,188	7,019
Other income	977	998	977	998
Operating expenses	(6,756)	(7,315)	(6,756)	(7,315)
Finance costs	(540)	(513)	(540)	(513)
Profit before tax	<u>1,869</u>	<u>189</u>	<u>1,869</u>	<u>189</u>
Tax expense	(170)	(132)	(170)	(132)
Profit after tax, representing total comprehensive income for the period	<u><u>1,699</u></u>	<u><u>57</u></u>	<u><u>1,699</u></u>	<u><u>57</u></u>
Profit/(loss) for the period attributable to:				
Owners of the parent	1,725	45	1,725	45
Non-controlling interest	<u>(26)</u>	<u>12</u>	<u>(26)</u>	<u>12</u>
	<u><u>1,699</u></u>	<u><u>57</u></u>	<u><u>1,699</u></u>	<u><u>57</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,725	45	1,725	45
Non-controlling interest	<u>(26)</u>	<u>12</u>	<u>(26)</u>	<u>12</u>
	<u><u>1,699</u></u>	<u><u>57</u></u>	<u><u>1,699</u></u>	<u><u>57</u></u>
Earnings per share attributable to owners of the parent (sen):				
Basic, for profit from operations	<u><u>2.37</u></u>	<u><u>0.06</u></u>	<u><u>2.37</u></u>	<u><u>0.06</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 2022 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 2022

	Unaudited 30.04.2022 RM'000	Audited 31.01.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	53,613	55,049
Investment properties	32,274	32,387
Development expenditure	1,740	1,609
Deferred tax assets	63	63
	<u>87,690</u>	<u>89,108</u>
Current assets		
Inventories	26,421	31,108
Tax recoverable	595	672
Trade and other receivables	40,581	32,593
Short term investments	12,427	8,999
Cash and bank balances	12,072	11,170
	<u>92,096</u>	<u>84,542</u>
Asset held for sale	467	467
	<u>92,563</u>	<u>85,009</u>
TOTAL ASSETS	<u>180,253</u>	<u>174,117</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	26,603	24,878
	<u>101,579</u>	<u>99,854</u>
Non-Controlling Interest	<u>1,429</u>	<u>1,455</u>
Total equity	<u>103,008</u>	<u>101,309</u>
Non-current liabilities		
Retirement benefit obligations	8,313	8,449
Loans and borrowings	20,750	21,635
Lease liabilities	877	977
Deferred tax liabilities	2,826	2,826
Provisions	35	102
	<u>32,801</u>	<u>33,989</u>
Current liabilities		
Retirement benefit obligations	419	420
Trade and other payables	32,315	26,841
Tax payable	37	70
Loans and borrowings	10,723	10,361
Lease liabilities	950	1,127
	<u>44,444</u>	<u>38,819</u>
Total liabilities	<u>77,245</u>	<u>72,808</u>
TOTAL EQUITY AND LIABILITIES	<u>180,253</u>	<u>174,117</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	1.40	1.37

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2022 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 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 Quarter Ended 30 April 2022					
As at 1 February 2022	74,976	24,878	99,854	1,455	101,309
Total comprehensive income/(loss) for the period	-	1,725	1,725	(26)	1,699
Dividends on ordinary shares	-	-	-	-	-
As at 30 April 2022	74,976	26,603	101,579	1,429	103,008
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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2022 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 2022

	3 MONTHS ENDED 30.04.2022 RM'000	3 MONTHS ENDED 30.04.2021 RM'000
Operating activities		
Profit before tax	1,869	189
Adjustments for:		
Depreciation of property, plant and equipment	2,247	2,570
Depreciation of investment properties	113	111
Depreciation of right of use assets	273	273
Property, plant and equipment written off	-	1
Amortisation of development expenditure	115	121
Profit from short term investments	(31)	(94)
Unrealised loss on foreign exchange	20	20
Short term accumulating compensated absences	52	-
Increase in liability for defined benefit plan	200	200
Interest expense	540	513
Operating profit before working capital changes	<u>5,398</u>	<u>3,904</u>
Increase in inventories	4,687	55
(Increase)/decrease in trade and other receivables	(7,988)	777
Increase/(decrease) in trade and other payables	<u>5,335</u>	<u>(5,191)</u>
Cash generated from/(used in) operations	7,432	(455)
Interest paid	(536)	(478)
Taxes paid	(128)	(141)
Retirement benefits paid	<u>(337)</u>	<u>(79)</u>
Net cash generated from/(used in) operating activities	<u>6,431</u>	<u>(1,153)</u>
Investing activities		
Purchase of property, plant and equipment	(1,084)	(3,092)
(Investment in)/withdrawal of money market funds	(3,397)	6,112
Development expenditure incurred	<u>(245)</u>	<u>(179)</u>
Net cash (used in)/generated from investing activities	<u>(4,726)</u>	<u>2,841</u>

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]
CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)
FOR THE PERIOD ENDED 30 APRIL 2022**

	3 MONTHS ENDED 30.04.2022 RM'000	3 MONTHS ENDED 30.04.2021 RM'000
Financing activities		
Net repayment of term loans	(1,058)	(1,495)
Net drawdown/(repayment) of other short term borrowings	604	(953)
Repayment of hire purchase	(68)	(48)
Repayment of lease liabilities	(281)	(274)
Net cash used in financing activities	<u>(803)</u>	<u>(2,770)</u>
Net increase/(decrease) in cash and cash equivalents	902	(1,082)
Cash and cash equivalents at beginning of period	<u>11,170</u>	<u>16,960</u>
Cash and cash equivalents at end of period	<u>12,072</u>	<u>15,878</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	12,072	15,878
Bank overdrafts	-	-
Cash and cash equivalents at end of period	<u>12,072</u>	<u>15,878</u>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the
Financial Statements for the year ended 31 January 2022 and the accompanying
explanatory notes attached to the Interim Financial Statements)**

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 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 2022.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3 : Reference to the Conceptual Framework	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
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141 : Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 2022 (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.

Description	Effective for annual periods beginning on or after
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

There were no material unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period under review.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 2022 (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.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]**Notes to the Interim Financial Statements - 30 April 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 30 April 2022		3 months ended 30 April 2021	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,395	(815)	3,834	(848)
Manufacturing	55,522	2,928	46,899	1,108
Others	1,084	318	480	(67)
	<u>60,001</u>	<u>2,431</u>	<u>51,213</u>	<u>193</u>
Eliminations	<u>(4,429)</u>	<u>(562)</u>	<u>(4,664)</u>	<u>(4)</u>
	<u>55,572</u>	<u>1,869</u>	<u>46,549</u>	<u>189</u>
	Cumulative 3 months ended 30 April 2022		Cumulative 3 months ended 30 April 2021	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,395	(815)	3,834	(848)
Manufacturing	55,522	2,928	46,899	1,108
Others	1,084	318	480	(67)
	<u>60,001</u>	<u>2,431</u>	<u>51,213</u>	<u>193</u>
Eliminations	<u>(4,429)</u>	<u>(562)</u>	<u>(4,664)</u>	<u>(4)</u>
	<u>55,572</u>	<u>1,869</u>	<u>46,549</u>	<u>189</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 - 30 April 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 30 April 2022 RM'000	As at 31 January 2022 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	13,060	12,929
Approved but not contracted for	19,754	8,421
	<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 FY2023 vs Quarter 1 FY2022

The Group achieved significantly higher revenue of RM55.6 million for the current quarter against RM46.5 million in the previous year's corresponding quarter due to higher volume as OEMs fulfilled backlog and new orders following post covid and flood recovery. Customers are also taking advantage of Government's sales tax relief under Penjana incentive to encourage car sales which is expiring on 30 June 2022. The Group generated higher net profit of RM1.7 million in the current quarter as compared to a net profit of RM57 thousand in the previous year's corresponding quarter due to reduction in production related expenses and operating expenses as a result of continued cost cutting measures under Business Continuity Plan.

Performance Current Quarter against Immediate Preceding Quarter

The Group's revenue of RM55.6 million for the current quarter was slightly higher than the immediate preceding quarter of RM51.4 million. Net profit for the current quarter was RM1.7 million as compared to RM1.5 million for the immediate preceding quarter.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 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 Expense

	Current Quarter RM'000	Year to date RM'000
Current income tax:		
Malaysia income tax	170	170
	<hr/>	<hr/>
	170	170
Effective tax rate	9%	9%

The tax expense relates to net current year income 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 - 30 April 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 30 April 2022 RM'000	As at 31 January 2022 RM'000
Current		
Secured		
Term loans	3,728	3,930
Obligations under hire purchase	166	205
Lease liabilities	950	1,128
	<u>4,844</u>	<u>5,263</u>
Unsecured		
Bankers' acceptances	2,329	1,725
Revolving Credits	4,500	4,500
	<u>6,829</u>	<u>6,225</u>
Total current	<u>11,673</u>	<u>11,488</u>
Non - Current		
Secured		
Term loans	20,471	21,327
Obligations under hire purchase	279	308
Lease liabilities	877	977
	<u>21,627</u>	<u>22,612</u>
Total non- current	<u>21,627</u>	<u>22,612</u>
Revolving Credits	4,500	4,500
Bankers' acceptances	2,329	1,725
Term loans	24,199	25,257
Obligations under hire purchase	445	513
Lease liabilities	1,827	2,105
Total Borrowings	<u>33,300</u>	<u>34,100</u>

B8. Dividend Declared

No dividend has been proposed or declared for the current quarter ended 30 April 2022.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]**Notes to the Interim Financial Statements - 30 April 2022 (contd.)****Part B - ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTD.)****B9. Profit Per Share**

	Current Quarter 30.04.2022	Year To Date 30.04.2022
Net profit from operations attributable to owners of the parent (RM'000)	<u>1,725</u>	<u>1,725</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Earnings for the period (sen)	2.37	2.37
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>2.37</u>	<u>2.37</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 30.04.2022 RM'000	Year To Date 30.04.2022 RM'000
Loss before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(31)	(31)
- Interest expense	540	540
- Depreciation of property, plant and equipment	2,247	2,247
- Depreciation of investment properties	113	113
- Depreciation of ROU asset	273	273
- Amortisation of development expenditure	115	115
- Unrealised foreign exchange loss	20	20

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 15 June 2022.