



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

INTERIM FINANCIAL REPORT FOR THE 3RD QUARTER ENDED 31 OCTOBER 2022

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

Condensed Consolidated Statement of Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	4
Condensed Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6-7
Notes to the Interim Financial Statements	8-15

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

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 31.10.2022 RM'000	Comparative Quarter Ended 31.10.2021 RM'000	9 months Cumulative To date 31.10.2022 RM'000	9 months Cumulative To date 31.10.2021 RM'000
Revenue	70,644	39,611	185,783	102,386
Cost of sales	<u>(59,643)</u>	<u>(36,607)</u>	<u>(158,718)</u>	<u>(93,393)</u>
Gross profit	11,001	3,004	27,065	8,993
Other income	1,191	1,384	4,169	6,965
Operating expenses	(8,282)	(6,563)	(21,894)	(19,770)
Finance costs	(535)	(453)	(1,561)	(1,442)
Profit/(Loss) before tax	<u>3,375</u>	<u>(2,628)</u>	<u>7,779</u>	<u>(5,254)</u>
Tax expense	(830)	(49)	(1,585)	(49)
Profit/(Loss) after tax, representing total comprehensive income/(loss) for the period	<u><u>2,545</u></u>	<u><u>(2,677)</u></u>	<u><u>6,194</u></u>	<u><u>(5,303)</u></u>
Profit/(loss) for the period attributable to:				
Owners of the parent	2,550	(2,658)	6,213	(5,307)
Non-controlling interest	<u>(5)</u>	<u>(19)</u>	<u>(19)</u>	<u>4</u>
	<u><u>2,545</u></u>	<u><u>(2,677)</u></u>	<u><u>6,194</u></u>	<u><u>(5,303)</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,550	(2,658)	6,213	(5,307)
Non-controlling interest	<u>(5)</u>	<u>(19)</u>	<u>(19)</u>	<u>4</u>
	<u><u>2,545</u></u>	<u><u>(2,677)</u></u>	<u><u>6,194</u></u>	<u><u>(5,303)</u></u>
Earnings/(loss) per share attributable to owners of the parent (sen):				
Basic, for profit/(loss) from operations	<u>3.50</u>	<u>(3.65)</u>	<u>8.54</u>	<u>(7.29)</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 31 OCTOBER 2022

	Unaudited	Audited
	31.10.2022	31.01.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	59,523	55,049
Investment properties	32,209	32,387
Development expenditure	2,155	1,609
Deferred tax assets	63	63
	<u>93,950</u>	<u>89,108</u>
Current assets		
Inventories	27,773	31,108
Tax recoverable	223	672
Trade and other receivables	41,892	32,593
Short term investments	9,534	8,999
Cash and bank balances	24,928	11,170
	<u>104,350</u>	<u>84,542</u>
Asset held for sale	-	467
	<u>104,350</u>	<u>85,009</u>
TOTAL ASSETS	<u>198,300</u>	<u>174,117</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	28,617	24,878
	<u>103,593</u>	<u>99,854</u>
Non-Controlling Interest	1,436	1,455
Total equity	<u>105,029</u>	<u>101,309</u>
Non-current liabilities		
Retirement benefit obligations	8,318	8,449
Loans and borrowings	22,815	21,635
Lease liabilities	848	977
Deferred tax liabilities	2,826	2,826
Provisions	35	102
	<u>34,842</u>	<u>33,989</u>
Current liabilities		
Retirement benefit obligations	419	420
Trade and other payables	45,303	26,841
Tax payable	254	70
Loans and borrowings	12,035	10,361
Lease liabilities	418	1,127
	<u>58,429</u>	<u>38,819</u>
Total liabilities	<u>93,271</u>	<u>72,808</u>
TOTAL EQUITY AND LIABILITIES	<u>198,300</u>	<u>174,117</u>
Net assets per share attributable to ordinary equity holders of the parents (RM)	1.42	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 31 OCTOBER 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 31 October 2022					
As at 1 February 2022	74,976	24,878	99,854	1,455	101,309
Total comprehensive income/(loss) for the period	-	6,213	6,213	(19)	6,194
Dividends on ordinary shares	-	(2,474)	(2,474)	-	(2,474)
As at 31 October 2022	74,976	28,617	103,593	1,436	105,029
For Quarter Ended 31 October 2021					
As at 1 February 2021	74,976	30,346	105,322	1,491	106,813
Total comprehensive (loss)/income for the period	-	(5,307)	(5,307)	4	(5,303)
Dividends on ordinary shares	-	(728)	(728)	-	(728)
As at 31 October 2021	74,976	24,311	99,287	1,495	100,782

(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 31 OCTOBER 2022

	9 MONTHS ENDED 31.10.2022 RM'000	9 MONTHS ENDED 31.10.2021 RM'000
Operating activities		
Profit/(Loss) before tax	7,779	(5,254)
Adjustments for:		
Depreciation of property, plant and equipment	7,599	7,223
Depreciation of investment properties	178	173
Depreciation of right of use assets	833	823
Property, plant and equipment written off	-	38
Amortisation of development expenditure	338	283
Profit from short term investments	(197)	(213)
Reversal of provision for slow moving inventories	-	(155)
Unrealised loss on foreign exchange	20	20
Short term accumulating compensated absences	52	-
Increase in liability for defined benefit plan	607	629
Inventories written-off	-	155
Gain on disposal of asset held for sale	(833)	-
Loss on disposal of property, plant & equipment	2	-
Interest expense	1,561	1,442
Operating profit before working capital changes	<u>17,938</u>	<u>5,164</u>
Decrease/(increase) in inventories	3,335	(4,485)
Increase in trade and other receivables	(9,299)	(4,220)
Decrease in trade and other payables	18,324	2,557
Cash generated from/(used in) operations	<u>30,298</u>	<u>(984)</u>
Interest paid	(1,542)	(1,344)
Taxes paid	(952)	(372)
Taxes refunded	-	103
Retirement benefits paid	(739)	(328)
Net cash generated from/(used in) operating activities	<u>27,065</u>	<u>(2,925)</u>
Investing activities		
Purchase of property, plant and equipment	(12,908)	(7,355)
Purchase of investment property	-	(442)
Proceed from disposal of asset held for sale	1,300	-
(Investment in)/withdrawal of money market funds	(338)	9,206
Development expenditure incurred	(884)	(472)
Net cash (used in)/generated from investing activities	<u>(12,830)</u>	<u>937</u>

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

	9 MONTHS ENDED 31.10.2022 RM'000	9 MONTHS ENDED 31.10.2021 RM'000
Financing activities		
Net drawdown/(repayment) of term loans	3,487	(2,396)
Net drawdown of other short term borrowings	4,040	200
Repayment of hire purchase	(172)	(148)
Repayment of lease liabilities	(857)	(826)
Dividends paid on ordinary shares	(2,474)	(728)
Net cash generated from/(used in) financing activities	<u>(477)</u>	<u>(3,898)</u>
Net increase/(decrease) in cash and cash equivalents	13,758	(5,886)
Cash and cash equivalents at beginning of period	11,170	16,960
Cash and cash equivalents at end of period	<u>24,928</u>	<u>11,074</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	24,928	11,074
Bank overdrafts	-	-
Cash and cash equivalents at end of period	<u>24,928</u>	<u>11,074</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 - 31 October 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 - 31 October 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 16 Leases : Lease Liability in a Sale and Leaseback	1 January 2024
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 - 31 October 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.

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

	3 months ended 31 October 2022		3 months ended 31 October 2021	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,569	(1,644)	3,675	(391)
Manufacturing	71,343	4,673	39,816	(2,063)
Others	473	(129)	152	(150)
	<u>75,385</u>	<u>2,900</u>	<u>43,643</u>	<u>(2,604)</u>
Eliminations	(4,741)	475	(4,032)	(24)
	<u>70,644</u>	<u>3,375</u>	<u>39,611</u>	<u>(2,628)</u>

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

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

Part A - EXPLANATORY NOTES (CONTD.)

A8. Segmental Information (contd.)

	Cumulative 9 months ended 31 October 2022		Cumulative 9 months ended 31 October 2021	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	11,025	(2,570)	11,147	2,841
Manufacturing	185,929	9,984	103,110	(7,646)
Others	2,613	459	713	(396)
	<u>199,567</u>	<u>7,873</u>	<u>114,970</u>	<u>(5,201)</u>
Eliminations	<u>(13,784)</u>	<u>(94)</u>	<u>(12,584)</u>	<u>(53)</u>
	<u>185,783</u>	<u>7,779</u>	<u>102,386</u>	<u>(5,254)</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.

A12. Contingent Liabilities

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

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

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

Part A - EXPLANATORY NOTES (CONTD.)

A13. Capital Commitments

	As at 31 October 2022 RM'000	As at 31 January 2022 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	17,963	12,929
Approved but not contracted for	<u>10,431</u>	<u>8,421</u>

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

B1. Overall Review of Group's Financial Performance

Quarter 3 FY2023 vs Quarter 3 FY2022

The Group achieved significantly higher revenue of RM70.6 million for the current quarter against RM39.6 million in the previous year's corresponding quarter due to higher volume as OEMs continued to fulfill backlog and new orders following post covid and flood recovery; and bookings received prior to 30 June 2022 (to be registered before 31 March 2023) to qualify for the sales tax exemption offered by the Malaysian government. Results for previous year's corresponding quarter was due to non-production period between June to August 2021 due to MCO lockdown.

Accordingly, the Group generated a net profit of RM2.5 million in the current quarter as compared to a net loss of RM2.7 million in the previous year's corresponding quarter.

YTD Quarter 3 FY2023 vs YTD Quarter 3 FY2022

Volume recovery as explained above resulted in higher revenue for YTD Quarter 3 FY2023 at RM185.8 million compared to RM102.4 million in the previous year corresponding period. Net profit was RM6.2 million for the current YTD period as compared to a net loss of RM5.3 million in the previous year corresponding period.

Previous year corresponding period included a non-recurring income of 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 against Immediate Preceding Quarter

The Group's revenue of RM70.6 million for the current quarter was slightly higher than the immediate preceding quarter of RM59.6 million due to volume recovery as explained above. Net profit for the current quarter was RM2.5 million as compared to RM1.9 million for the immediate preceding quarter.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 October 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 23.8% from 508,911 in 2021 to 630,000 vehicles in 2022 as car makers recover from the year's Covid-19 impact. The TIV for the first ten months of the calendar year up to October 2022 was 577,902 units against 383,589 units sold in the corresponding period of 2021, an increase of 194,313 units or 51% (Source: Malaysian Automotive Association). 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	<u>830</u>	<u>1,585</u>
	<u>830</u>	<u>1,585</u>
Effective tax rate	25%	20%

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 - 31 October 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 October 2022 RM'000	As at 31 January 2022 RM'000
Current		
Secured		
Term loans	6,104	3,930
Obligations under hire purchase	166	205
Lease liabilities	418	1,127
	<u>6,688</u>	<u>5,262</u>
Unsecured		
Bankers' acceptances	5,765	1,725
Revolving Credits	-	4,500
	<u>5,765</u>	<u>6,225</u>
Total current	<u>12,453</u>	<u>11,488</u>
Non - Current		
Secured		
Term loans	22,640	21,327
Obligations under hire purchase	175	308
Lease liabilities	848	977
	<u>23,663</u>	<u>22,612</u>
Total non- current	<u>23,663</u>	<u>22,612</u>
Revolving Credits	-	4,500
Bankers' acceptances	5,765	1,725
Term loans	28,744	25,257
Obligations under hire purchase	341	513
Lease liabilities	1,266	2,104
Total Borrowings	<u>36,116</u>	<u>34,100</u>

B8. Dividend Declared

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

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

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

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

B9. Profit Per Share

	Current Quarter 31.10.2022	Year To Date 31.10.2022
Net profit from operations attributable to owners of the parent (RM'000)	<u>2,550</u>	<u>6,213</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Earnings for the period (sen)	3.50	8.54
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>3.50</u>	<u>8.54</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 31.10.2022 RM'000	Year To Date 31.10.2022 RM'000
Loss before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(107)	(197)
- Interest expense	535	1,561
- Depreciation of property, plant and equipment	2,703	7,599
- Depreciation of investment properties	59	178
- Depreciation of ROU asset	278	833
- Amortisation of development expenditure	118	338
- Unrealised foreign exchange loss	-*	20
- Gain on disposal of asset held for sale	-	(833)
- Loss on disposal of property, plant & equipment	2	2

* Denoting a value of less than RM1,000

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 7 December 2022.