



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

INTERIM FINANCIAL REPORT FOR THE 4TH QUARTER ENDED 31 JANUARY 2024

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 31 January 2024

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SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JANUARY 2024
THE FIGURES HAVE NOT BEEN AUDITED

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 31.01.2024 RM'000	Comparative Quarter Ended 31.01.2023 RM'000	12 months Cumulative To date 31.01.2024 RM'000	12 months Cumulative To date 31.01.2023 RM'000
Revenue	77,439	69,051	295,569	254,834
Cost of sales	<u>(68,230)</u>	<u>(59,503)</u>	<u>(259,075)</u>	<u>(218,221)</u>
Gross profit	9,209	9,548	36,494	36,613
Other income	2,196	3,630	6,455	7,799
Operating expenses	(7,205)	(7,061)	(29,004)	(28,955)
Finance costs	(665)	(491)	(2,353)	(2,052)
Profit before tax	<u>3,535</u>	<u>5,626</u>	<u>11,592</u>	<u>13,405</u>
Tax expense	(977)	(2,823)	(4,226)	(4,408)
Profit after tax, representing total comprehensive income for the period	<u>2,558</u>	<u>2,803</u>	<u>7,366</u>	<u>8,997</u>
Other comprehensive income				
Actuarial loss net of tax	(397)	(46)	(397)	(46)
Total comprehensive income for the period	<u>2,161</u>	<u>2,757</u>	<u>6,969</u>	<u>8,951</u>
Profit/(loss) for the period attributable to:				
Owners of the parent	2,565	2,812	7,389	9,020
Non-controlling interest	<u>(7)</u>	<u>(9)</u>	<u>(23)</u>	<u>(23)</u>
	<u>2,558</u>	<u>2,803</u>	<u>7,366</u>	<u>8,997</u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	2,168	2,766	6,992	8,974
Non-controlling interest	<u>(7)</u>	<u>(9)</u>	<u>(23)</u>	<u>(23)</u>
	<u>2,161</u>	<u>2,757</u>	<u>6,969</u>	<u>8,951</u>
Earnings per share attributable to owners of the parent (sen):				
Basic, for profit from operations	<u>3.52</u>	<u>3.86</u>	<u>10.15</u>	<u>12.39</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2023 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 2024

	Unaudited 31.01.2024 RM'000	Audited 31.01.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	75,128	66,622
Investment properties	31,916	32,149
Development expenditure	1,799	2,031
Deferred tax assets	198	132
	109,041	100,934
Current assets		
Inventories	29,095	33,828
Tax recoverable	1,318	1,596
Trade and other receivables	41,512	45,338
Short term investments	31,092	16,629
Cash and bank balances	7,669	14,618
	110,686	112,009
TOTAL ASSETS	219,727	212,943
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	36,551	31,378
	111,527	106,354
Non-Controlling Interest	1,409	1,432
Total equity	112,936	107,786
Non-current liabilities		
Retirement benefit obligations	9,012	8,192
Loans and borrowings	35,529	25,944
Lease liabilities	1,340	114
Deferred tax liabilities	5,200	5,615
Provisions	191	145
	51,272	40,010
Current liabilities		
Retirement benefit obligations	135	640
Trade and other payables	46,037	54,350
Provisions	135	129
Tax payable	916	392
Loans and borrowings	7,530	8,747
Lease liabilities	766	889
	55,519	65,147
Total liabilities	106,791	105,157
TOTAL EQUITY AND LIABILITIES	219,727	212,943
Net assets per share attributable to ordinary equity holders of the parents (RM)	1.53	1.46

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2023 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 2024

	← Attributable to owners of the parent →		Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Non-Distributable Share capital RM'000	Distributable Retained profits RM'000			
For Year Ended 31 January 2024					
As at 1 February 2023	74,976	31,378	106,354	1,432	107,786
Total comprehensive income/(loss) for the period	-	6,992	6,992	(23)	6,969
Dividends on ordinary shares	-	(1,819)	(1,819)	-	(1,819)
As at 31 January 2024	74,976	36,551	111,527	1,409	112,936
For Year Ended 31 January 2023					
As at 1 February 2022	74,976	24,878	99,854	1,455	101,309
Total comprehensive income/(loss) for the period	-	8,974	8,974	(23)	8,951
Dividends on ordinary shares	-	(2,474)	(2,474)	-	(2,474)
As at 31 January 2023	74,976	31,378	106,354	1,432	107,786

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2023 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 2024

	12 MONTHS ENDED 31.01.2024 RM'000	12 MONTHS ENDED 31.01.2023 RM'000
Operating activities		
Profit before tax	11,592	13,405
Adjustments for:		
Depreciation of property, plant and equipment	11,883	10,414
Depreciation of investment properties	233	238
Depreciation of right of use assets	1,236	1,131
Property, plant and equipment written off	110	109
Amortisation of development expenditure	484	492
Profit from short term investments	(472)	(227)
Provision for/(Reversal of) slow moving inventories	402	(80)
Unrealised loss/(gain) on foreign exchange	244	(530)
Net reversal of provision for short term accumulating compensated absences	(1)	(86)
Increase in liability for defined benefit plan	802	811
Reversal of impairment loss on other receivables	-	-
Provision for impairment loss on trade receivables	-	-
Bad debt recovered	-	-
Provision for slow moving inventories	-	-
Write-back of inventories previously written-off	-	(536)
Inventories written-off	692	466
Development expenditure written off	-	61
Provision for warranty	155	135
Gain on disposal of asset held for sale	-	(833)
Interest expense	1,808	2,052
Gain on lease modification	(13)	-
Operating profit before working capital changes	<u>29,155</u>	<u>27,022</u>
Decrease/(increase) in inventories	3,639	(2,571)
Decrease/(increase) in trade and other receivables	4,238	(16,726)
(Decrease)/increase in trade and other payables	(8,556)	28,246
Utilisation of provision	(103)	(83)
Cash generated from operations	<u>28,373</u>	<u>35,888</u>
Interest paid	(1,808)	(1,972)
Taxes paid	(3,794)	(2,307)
Taxes refunded	13	-
Retirement benefits paid	(1,008)	(877)
Net cash generated from operating activities	<u>21,776</u>	<u>30,732</u>
Investing activities		
Purchase of property, plant and equipment	(20,007)	(19,218)
Proceed from disposal of asset held for sale	-	1,300
Investment in money market funds	(13,991)	(7,403)
Proceeds from disposal of property, plant and equipment	183	-
Development expenditure incurred	(252)	(976)
Net cash used in investing activities	<u>(34,068)</u>	<u>(26,297)</u>

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]
CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)
FOR THE PERIOD ENDED 31 JANUARY 2024**

	12 MONTHS ENDED 31.01.2024 RM'000	12 MONTHS ENDED 31.01.2023 RM'000
Financing activities		
Net drawdown of term loans	9,727	5,442
Repayment of other short term borrowings	(1,520)	(2,542)
Drawdown/(repayment) of hire purchase	160	(205)
Repayment of lease liabilities	(1,206)	(1,208)
Dividends paid on ordinary shares	(1,819)	(2,474)
Net cash generated/(used) in financing activities	<u>5,343</u>	<u>(987)</u>
Net (decrease)/increase in cash and cash equivalents	(6,949)	3,448
Cash and cash equivalents at beginning of period	14,618	11,170
Cash and cash equivalents at end of period	<u>7,669</u>	<u>14,618</u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	<u>7,669</u>	<u>14,618</u>
Cash and cash equivalents at end of period	<u>7,669</u>	<u>14,618</u>

**(The Consolidated Statement of Cash Flows should be read in conjunction with the
Financial Statements for the year ended 31 January 2023 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 2024

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 2023.

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 112 Income Taxes : International Tax Reform-Pillar Two Model Rules	1 January 2023

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

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 Leases : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements : Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments : Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates : Lack of Exchangeability	1 January 2025
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 January 2024 (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

A final single tier dividend of 2.5 sen per ordinary share totalling RM1,819,392 in respect of the financial year ended 31 January 2023, was paid on 21 July 2023.

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 January 2024		3 months ended 31 January 2023	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	4,178	(10)	4,711	807
Manufacturing	77,199	3,302	69,182	5,110
Others	539	218	195	172
	<u>81,916</u>	<u>3,510</u>	<u>74,088</u>	<u>6,089</u>
Eliminations	<u>(4,477)</u>	<u>25</u>	<u>(5,037)</u>	<u>(463)</u>
	<u>77,439</u>	<u>3,535</u>	<u>69,051</u>	<u>5,626</u>

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]**Notes to the Interim Financial Statements - 31 January 2024 (contd.)****Part A - EXPLANATORY NOTES (CONTD.)****A8. Segmental Information (contd.)**

	Cumulative 12 months ended 31 January 2024		Cumulative 12 months ended 31 January 2023	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	14,273	(2,557)	15,736	(1,763)
Manufacturing	295,075	14,081	255,111	15,094
Others	1,273	68	2,808	631
	<u>310,621</u>	<u>11,592</u>	<u>273,655</u>	<u>13,962</u>
Eliminations	<u>(15,052)</u>	<u>-</u>	<u>(18,821)</u>	<u>(557)</u>
	<u>295,569</u>	<u>11,592</u>	<u>254,834</u>	<u>13,405</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 January 2024 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

A13. Capital Commitments

	As at 31 January 2024 RM'000	As at 31 January 2023 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	6,416	15,220
Approved but not contracted for	3,787	7,520

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

B1. Overall Review of Group's Financial Performance

Quarter 4 FY2024 vs Quarter 4 FY2023

The Group achieved higher revenue of RM77.4 million for the current quarter against RM69.1 million in the previous year's corresponding quarter, in line with improvement in volume as OEMs continue to fulfill backlog orders made during the sales tax exemption period as well as year-end promotional campaigns.

The Group generated a net profit of RM2.6 million for the current quarter as compared to RM2.8 million for the previous year's corresponding quarter.

Financial Year Ended 31 January 2024 (FY2024) vs Financial Year Ended 31 January 2023 (FY2023)

Revenue increased from RM254.8 million in FY2023 to RM295.6 million in FY2024 mainly due to highest volume achieved by our main customer Perodua (above 300,000 car sets). In addition, several parts secured for new/replacement models from the OEMs also contributed to the improved revenue.

The Group achieved net profit of RM7.4 million for the current financial year as compared to a net profit of RM9.0 million in FY2023. Results for FY2024 was also affected by the increase in electricity cost due to Tenaga Nasional Berhad's Imbalance Cost Pass-Through (ICPT) rate increase effective January 2023 and transition costs incurred pending completion of relocation of coil spring plant from Port Klang to Bangi. Net profit for previous year included non-recurring items i.e. gain on sale of Cold Drawn Bar Line (RM0.8 million) and write back of inventories and debts (RM1.2 million).

Performance Current Quarter against Immediate Preceding Quarter

The Group's revenue of RM77.4 million for the current quarter was slightly higher than the immediate preceding quarter of RM77.1 million. Net profit for the current quarter was RM2.6 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 January 2024 (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

Malaysian Automotive Association (MAA) has revised the forecasted Total Industry Volume (TIV) for 2024 to 740,000 vehicles, a 7.5% decrease from 2023's record-breaking achievement of 799,731 units. This expected TIV revision is mainly due to on-going new model launches and uncertain global economic outlook (source: *Malaysian Automotive Association, 16 January 2024*). The Group expects volume to remain consistent throughout the year. The Group will further strengthen operational efficiencies, improve productivity and optimise its resources in meeting customers' demand.

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	1,843	4,284
Underprovision in prior year	(10)	298
Deferred tax	(856)	(356)
	<u>977</u>	<u>4,226</u>
Effective tax rate	28%	36%

Effective tax rate is higher than statutory rate due to transition costs incurred for a subsidiary in line with the relocation and consolidation of facilities.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2024 (contd.)

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

B6. Status of Corporate Proposals

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

B7. Loans and Borrowings and Lease Liabilities

The Group borrowings are as follows:

	As at 31 January 2024 RM'000	As at 31 January 2023 RM'000
Current		
Secured		
Term loans	4,990	4,930
Obligations under hire purchase	376	133
Lease liabilities	766	889
	<u>6,132</u>	<u>5,952</u>
Unsecured		
Bankers' acceptances	2,164	3,684
	<u>2,164</u>	<u>3,684</u>
Total current	<u>8,296</u>	<u>9,636</u>
Non - Current		
Secured		
Term loans	35,437	25,769
Obligations under hire purchase	92	175
Lease liabilities	1,340	114
	<u>36,869</u>	<u>26,058</u>
Total non- current	<u>36,869</u>	<u>26,058</u>
Bankers' acceptances	2,164	3,684
Term loans	40,427	30,699
Obligations under hire purchase	468	308
Lease liabilities	2,106	1,003
Total Borrowings	<u>45,165</u>	<u>35,694</u>

The effective interest rate for the Group during the year ranges between 5% to 6% per annum. The net carrying amounts of Investment Property and Plant & Machinery of the Group pledged as securities for borrowings are RM16.7m and RM31.2m respectively.

B8. Dividend Declared

The Board recommends a final single tier dividend of 5.0 sen per ordinary share for the financial year ended 31 January 2024 for shareholders' approval at the forthcoming Annual General Meeting of the Company, which will be paid on a date to be determined.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 31 January 2024 (contd.)

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

B9. Profit Per Share

	Current Quarter 31.01.2024	Year To Date 31.01.2024
Net profit from operations attributable to owners of the parent (RM'000)	<u>2,565</u>	<u>7,389</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Earnings for the period (sen)	3.52	10.15
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>3.52</u>	<u>10.15</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 31.01.2024 RM'000	Year To Date 31.01.2024 RM'000
Profit before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(198)	(472)
- Increase in liability for defined benefit plan	119	802
- Interest expense	120	1,808
- Depreciation of property, plant and equipment	3,061	11,883
- Depreciation of investment properties	55	233
- Depreciation of ROU asset	342	1,236
- Amortisation of development expenditure	143	484
- Unrealised foreign exchange (gain)/loss	(26)	244
- Provision for slow moving inventories	2	402
- Inventories written-off	692	692
- Property, plant and equipment written off	97	110
- Gain on lease modification	-	(13)

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 27 March 2024.