



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

INTERIM FINANCIAL REPORT FOR THE 1ST QUARTER ENDED 30 APRIL 2024

The unaudited financial results of Sapura Industrial Berhad Group
for the period ended 30 April 2024

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**SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 APRIL 2024
THE FIGURES HAVE NOT BEEN AUDITED**

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	Current Quarter Ended 30.04.2024 RM'000	Comparative Quarter Ended 30.04.2023 RM'000	3 months Cumulative To date 30.04.2024 RM'000	3 months Cumulative To date 30.04.2023 RM'000
Revenue	69,230	72,145	69,230	72,145
Cost of sales	<u>(60,624)</u>	<u>(63,344)</u>	<u>(60,624)</u>	<u>(63,344)</u>
Gross profit	8,606	8,801	8,606	8,801
Other income	2,135	1,208	2,135	1,208
Operating expenses	(7,196)	(7,176)	(7,196)	(7,176)
Finance costs	(707)	(515)	(707)	(515)
Profit before tax	<u>2,838</u>	<u>2,318</u>	<u>2,838</u>	<u>2,318</u>
Tax expense	(1,232)	(542)	(1,232)	(542)
Profit after tax, representing total comprehensive income for the period	<u><u>1,606</u></u>	<u><u>1,776</u></u>	<u><u>1,606</u></u>	<u><u>1,776</u></u>
Profit/(loss) for the period attributable to:				
Owners of the parent	1,610	1,784	1,610	1,784
Non-controlling interest	<u>(4)</u>	<u>(8)</u>	<u>(4)</u>	<u>(8)</u>
	<u><u>1,606</u></u>	<u><u>1,776</u></u>	<u><u>1,606</u></u>	<u><u>1,776</u></u>
Total comprehensive income/(loss) attributable to:				
Owners of the parent	1,610	1,784	1,610	1,784
Non-controlling interest	<u>(4)</u>	<u>(8)</u>	<u>(4)</u>	<u>(8)</u>
	<u><u>1,606</u></u>	<u><u>1,776</u></u>	<u><u>1,606</u></u>	<u><u>1,776</u></u>
Earnings per share attributable to owners of the parent (sen):				
Basic, for profit from operations	<u><u>2.21</u></u>	<u><u>2.45</u></u>	<u><u>2.21</u></u>	<u><u>2.45</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 2024 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 2024

	Unaudited 30.04.2024 RM'000	Audited 31.01.2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	73,692	75,433
Investment properties	31,827	31,916
Development expenditure	1,632	1,799
Deferred tax assets	-	198
	107,151	109,346
Current assets		
Inventories	28,099	29,099
Tax recoverable	1,268	2,442
Trade and other receivables	40,605	41,207
Short term investments	23,152	29,965
Cash and bank balances	12,958	8,797
	106,082	111,510
TOTAL ASSETS	213,233	220,856
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	74,976	74,976
Retained profits	38,131	36,551
	113,107	111,527
Non-Controlling Interest	1,405	1,409
Total equity	114,512	112,936
Non-current liabilities		
Retirement benefit obligations	8,993	9,012
Loans and borrowings	27,765	35,812
Lease liabilities	1,564	1,340
Deferred tax liabilities	5,023	5,200
Provisions	59	191
	43,404	51,555
Current liabilities		
Retirement benefit obligations	178	135
Trade and other payables	38,069	46,176
Tax payable	1,029	2,041
Loans and borrowings	14,482	7,247
Lease liabilities	1,559	766
	55,317	56,365
Total liabilities	98,721	107,920
TOTAL EQUITY AND LIABILITIES	213,233	220,856
Net assets per share attributable to ordinary equity holders of the parents (RM)	1.55	1.53

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

	← 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 2024					
As at 1 February 2024	74,976	36,521	111,497	1,409	112,906
Total comprehensive income/(loss) for the period	-	1,610	1,610	(4)	1,606
Dividends on ordinary shares	-	-	-	-	-
As at 30 April 2024	74,976	38,131	113,107	1,405	114,512
			-	-	-
For Quarter Ended 30 April 2023					
As at 1 February 2023	74,976	31,378	106,354	1,433	107,787
Total comprehensive income/(loss) for the period	-	1,784	1,784	(8)	1,776
Dividends on ordinary shares	-	-	-	-	-
As at 30 April 2023	74,976	33,162	108,138	1,425	109,563

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

	3 MONTHS ENDED 30.04.2024 RM'000	3 MONTHS ENDED 30.04.2023 RM'000
Operating activities		
Profit before tax	2,838	2,318
Adjustments for:		
Addition of right-of-use asset	-	-
Depreciation of property, plant and equipment	3,107	2,835
Depreciation of investment properties	89	59
Depreciation of right of use assets	726	283
Property, plant and equipment written off	1,963	-
Amortisation of development expenditure	190	99
Profit from short term investments	(191)	(70)
Reversal of provision for slow moving inventories	-	-
Unrealised loss on foreign exchange	110	296
Increase in liability for defined benefit plan	24	221
Net movement in provision	4	-
Interest expense	626	515
Gain on lease modification	-	-
Operating profit before working capital changes	<u>9,486</u>	<u>6,556</u>
(Decrease)/Increase in inventories	(1,000)	2,140
Decrease in trade and other receivables	602	11,524
Decrease in trade and other payables	(8,239)	(14,497)
Utilisation of provision	<u>-</u>	<u>-</u>
Cash generated from operations	849	5,723
Interest paid	(626)	(503)
Taxes refunded/(paid)	162	(822)
Taxes refunded	-	-
Retirement benefits paid	-	(265)
Net cash generated from operating activities	<u>385</u>	<u>4,133</u>
Investing activities		
Purchase of property, plant and equipment	(2,085)	(5,610)
Withdrawal of money market funds	7,004	4,720
Development expenditure incurred	(23)	(13)
Net cash generated from/(used in) investing activities	<u>4,896</u>	<u>(903)</u>

**SAPURA INDUSTRIAL BERHAD [197401000510(17547-W)]
CONSOLIDATED STATEMENT OF CASH FLOWS (contd.)
FOR THE PERIOD ENDED 30 APRIL 2024**

	3 MONTHS ENDED 30.04.2024 RM'000	3 MONTHS ENDED 30.04.2023 RM'000
Financing activities		
Net repayment of term loans	(1,351)	(1,111)
Net drawdown of other short term borrowings	561	4,095
Repayment of hire purchase	(22)	(33)
Repayment of lease liabilities	(308)	(311)
Net cash (used in)/generated from financing activities	<u>(1,120)</u>	<u>2,640</u>
Net increase in cash and cash equivalents	4,161	5,870
Cash and cash equivalents at beginning of period	<u>8,797</u>	<u>14,618</u>
Cash and cash equivalents at end of period	<u><u>12,958</u></u>	<u><u>20,488</u></u>
Analysis of cash and cash equivalents:		
Deposits, cash and bank balances	<u>12,958</u>	<u>20,488</u>
Cash and cash equivalents at end of period	<u><u>12,958</u></u>	<u><u>20,488</u></u>

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

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

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

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 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

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 2024 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

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.

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 2024 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

A8. Segmental Information (contd.)

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 30 April 2024		3 months ended 30 April 2023	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,927	(703)	3,779	(212)
Manufacturing	69,212	3,594	71,954	2,447
Others	18	42	342	82
	<u>73,157</u>	<u>2,933</u>	<u>76,075</u>	<u>2,317</u>
Eliminations	<u>(3,927)</u>	<u>(95)</u>	<u>(3,930)</u>	<u>1</u>
	<u>69,230</u>	<u>2,838</u>	<u>72,145</u>	<u>2,318</u>
	Cumulative 3 months ended 30 April 2024		Cumulative 3 months ended 30 April 2023	
	Revenue RM'000	Profit/(Loss) before taxation RM'000	Revenue RM'000	Profit/(Loss) before taxation RM'000
Investment Holding	3,927	(703)	3,779	(212)
Manufacturing	69,212	3,594	71,954	2,447
Others	18	42	342	82
	<u>73,157</u>	<u>2,933</u>	<u>76,075</u>	<u>2,317</u>
Eliminations	<u>(3,927)</u>	<u>(95)</u>	<u>(3,930)</u>	<u>1</u>
	<u>69,230</u>	<u>2,838</u>	<u>72,145</u>	<u>2,318</u>

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

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 2024 (contd.)

Part A - EXPLANATORY NOTES (CONTD.)

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.

A13. Capital Commitments

	As at 30 April 2024 RM'000	As at 31 January 2024 RM'000
Capital expenditure		
Property, plant and equipment:		
Approved and contracted for	3,814	6,416
Approved but not contracted for	6,568	3,787
	<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 FY2025 vs Quarter 1 FY2024

The Group recorded a revenue of RM69.2mil for the current quarter against RM72.1m in the previous year's corresponding quarter, mainly due to improvement in volume and revenue as a result of Hari Raya promotional campaigns and rush for deliveries by OEMs, offset by a decline in revenue from one-off assembly project which ended in November 2023.

Accordingly, the Group generated net profit of RM1.6 million in the current quarter as compared to net profit of RM1.8 million in the previous year's corresponding quarter.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 2024 (contd.)

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

B1. Overall Review of Group's Financial Performance (contd.)

Performance Current Quarter against Immediate Preceding Quarter

The Group's revenue of RM69.2 million for the current quarter was lower than the immediate preceding quarter of RM77.4 million. Net profit for the current quarter was RM1.6 million as compared to RM2.6 million for the immediate preceding quarter.

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	1,226	1,226
Deferred tax	7	7
	<u>1,232</u>	<u>1,232</u>
Effective tax rate	43%	43%

Effective tax rate is higher than statutory rate mainly due to losses incurred by a subsidiary in line with the relocation and consolidation of facilities.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]

Notes to the Interim Financial Statements - 30 April 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 30 April 2024 RM'000	As at 31 January 2024 RM'000
Current		
Secured		
Term loans	11,757	4,990
Obligations under hire purchase	-	376
Lease liabilities	1,559	483
	<u>13,316</u>	<u>5,849</u>
Unsecured		
Bankers' acceptances	2,725	2,164
Revolving Credits	-	-
	<u>2,725</u>	<u>2,164</u>
Total current	<u>16,041</u>	<u>8,013</u>
Non - Current		
Secured		
Term loans	27,319	35,437
Obligations under hire purchase	446	92
Lease liabilities	1,564	1,623
	<u>29,329</u>	<u>37,152</u>
Total non- current	<u>29,329</u>	<u>37,152</u>
Revolving Credits	-	-
Bankers' acceptances	2,725	2,164
Term loans	39,076	40,427
Obligations under hire purchase	446	468
Lease liabilities	3,123	2,106
Total Borrowings	<u>45,370</u>	<u>45,165</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 RM33.7m respectively.

B8. Dividend Declared

No dividend has been proposed or declared for the current quarter ended 30 April 2024.

SAPURA INDUSTRIAL BERHAD [197401000510 (17547-W)]**Notes to the Interim Financial Statements - 30 April 2024 (contd.)****Part B - ADDITIONAL INFORMATION REQUIRED BY THE BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS (CONTD.)****B9. Profit Per Share**

	Current Quarter 30.04.2024	Year To Date 30.04.2024
Net profit from operations attributable to owners of the parent (RM'000)	<u>1,610</u>	<u>1,610</u>
a) Basic		
Weighted average no. of shares (000)	72,776	72,776
Basic earnings per share for: -		
Earnings for the period (sen)	2.21	2.21
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>2.21</u>	<u>2.21</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 30.04.2024 RM'000	Year To Date 30.04.2024 RM'000
Profit before taxation is stated after (crediting)/charging:-		
- Profit from short term investment	(191)	(191)
- Increase in liability for defined benefit plan	24	24
- Interest expense	626	626
- Depreciation of property, plant and equipment	3,107	3,107
- Depreciation of investment properties	89	89
- Depreciation of ROU asset	726	726
- Amortisation of development expenditure	190	190
- Unrealised foreign exchange gain	110	110
- Property, plant and equipment written off	1,963	1,963

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 11 June 2024.