



Sapura
Industrial

Harnessing Technology Delivering Value

ANNUAL REPORT 2022



4/26/2022, 4:31:39 PM

PRODUCTION PLAN

DAILY PLAN SHIFT PLAN

1584 792

REAL-TIME OEE

OEE



GROUP: A SHIFT: DAY TAKT TIME: 35.985 sec

MACHINE STATUS

ALARM STANDBY PROCESS REJECT STATUS
LAST OPEN LAST DOWN

PLAN TIME 475 min

CUMULATIVE 373 min

RUN TIME 373 min

OK 602 pcs

NG 0 pcs

DOWNTIME 00:00:00

BREAKTIME no

PRODUCTION PLAN

DAILY PLAN SHIFT PLAN

1584 792

TARGET

622

AVAILABILITY

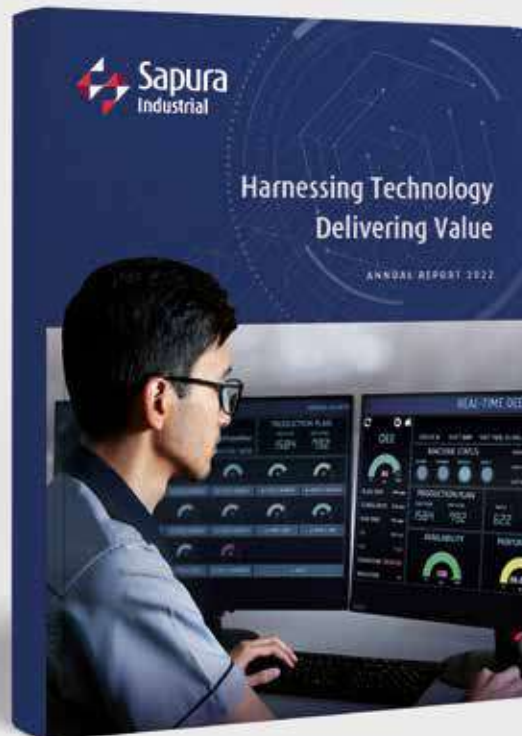


PERFORMANCE



C O V E R R A T I O N A L E

Our transformation into a leader in advanced manufacturing solutions will drive future growth and sustainability in this fast evolving industry. Harnessing technology across our development and operational processes will create unique differentiation to consistently deliver exceptional products and services.



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OUR SHARED ATTRIBUTES

Our Core Values define who we are and form the basis of a performance driven culture:

HONOURABLE

PROFESSIONAL

RESILIENT

AGILE

RESOURCEFUL

OUR VISION

To be a leader in advanced manufacturing solutions

OUR MISSION

Delivering solutions and value to our customers, employees, shareholders and community by harnessing technologies and resources





NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 46th Annual General Meeting of the Company will be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia (“Broadcast Venue”) on Wednesday, 22 June 2022 at 11.00 a.m. to transact the following businesses:

AGENDA

ORDINARY BUSINESS

- | | |
|---|---|
| 1. To receive the Audited Financial Statements together with the Directors’ and Auditors’ reports for the financial year ended 31 January 2022. | Please refer to Note 2 |
| To consider and if thought fit, to pass the following Ordinary Resolutions: | |
| 2. (i) To re-elect Tan Sri Dato’ Seri Ir. Shamsuddin bin Abdul Kadir who retires by rotation pursuant to Article 110 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary Resolution 1 |
| (ii) To re-elect Encik Md. Shah bin Hussin who retires by rotation pursuant to Article 110 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary Resolution 2 |
| (iii) To re-elect Puan Sri Datin Seri Mariam Parineh who retires by rotation pursuant to Article 110 of the Company’s Constitution and being eligible, offers herself for re-election. | Ordinary Resolution 3 |
| (iv) To re-elect Datuk Syed Izuan bin Syed Kamarulbahrin who retires pursuant to Article 114 of the Company’s Constitution and being eligible, offers himself for re-election. | Ordinary Resolution 4 |
| 3. To reappoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 5 |
| 4. Directors’ Fees | |
| (i) To approve the payment of Directors’ fees amounting to RM379,610 for the Non-Executive Directors in respect of the financial year ended 31 January 2022. | Ordinary Resolution 6
Please refer to Note 5 |
| (ii) To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors up to an amount of RM140,000, from the date of this Annual General Meeting until the next Annual General Meeting of the Company in year 2023. | Ordinary Resolution 7
Please refer to Note 5 |

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions:

5. Authority for Directors to issue shares under Section 75 & 76 of the Companies Act, 2016

“THAT subject to the Companies Act, 2016 (“the Act”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to Sections 75 and 76 of the Act, to allot and issue shares in the Company from time to time and at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad’s letter dated 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter ten per centum (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements (hereinafter referred to as the “General Mandate”);

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

6. (i) To approve the retention of Datuk Kisai bin Rahmat as an Independent Non-Executive Director who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021 until the conclusion of the next Annual General Meeting.
- (ii) To approve the retention of Encik Wan Ahamad Sabri bin Wan Daud as an Independent Non-Executive Director who has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years pursuant to Practice 5.3 of the Malaysian Code on Corporate Governance 2021 until the conclusion of the next Annual General Meeting.

Ordinary Resolution 8
Please refer to Note 6

Ordinary Resolution 9
Please refer to Note 7

Ordinary Resolution 10
Please refer to Note 7

NOTICE OF ANNUAL GENERAL MEETING

BY ORDER OF THE BOARD

LIYANA LEE BINTI ABDULLAH

(SSM Practising Certificate No. 202008001402)

(MIA 10293)

Company Secretary

Bandar Baru Bangi, Selangor Darul Ehsan

24 May 2022

NOTES:

1. IMPORTANT NOTICE

As part of the safety measures and initiatives to curb the spread of COVID-19, the 46th AGM will be conducted virtually through live streaming from the Broadcast Venue. Shareholders are to participate and vote remotely at the 46th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiih.online>. **Please follow the procedures in the Administrative Guide on 46th Annual General Meeting and take note of Notes (3) and (4) below in order to participate remotely via RPV.** The Administrative Guide can also be found at the Company's website at www.sapuraindustrial.com.my.

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.

Shareholders **WILL NOT BE ALLOWED** to attend the 46th AGM in person at the Broadcast Venue on the day of the meeting.

2. Audited Financial Statements

This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act, 2016 and the Company's Constitution, the Audited Financial Statements need not be approved by the shareholders and hence, the matter will not be put forward for voting.

3. Proxy Forms

Only a member whose name appears in the Record of Depositors of the Company as at 15 June 2022 shall be entitled to participate and vote at this Meeting via RPV.

A member of the Company who is entitled to participate and vote at this Meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation as to the qualification of the proxy.

Where a member is an authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member appoints two (2) proxies to participate and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporate member, shall be either under its Common Seal or signed by its attorney or an officer of the corporation duly authorised.

The instrument appointing a proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, deposit the proxy form electronically via TIH online at <https://tiih.online>, not less than forty eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

4. Corporate Representative

As an alternative to the appointment of a proxy, a corporate member may appoint its corporate representative to participate and vote at this Meeting pursuant to Section 333(1) of the Companies Act, 2016. For this purpose and pursuant to Section 333(5) of the Companies Act, 2016, the corporate member shall provide a certificate as prima facie evidence of appointment of the corporate representative. The corporate member may submit the certificate to the Registrar's Office of the Company prior to the commencement of this Meeting.

5. Directors' Fees and Remuneration

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders'

NOTICE OF ANNUAL GENERAL MEETING

approval shall be sought at the 46th Annual General Meeting on the directors' remuneration in two (2) separate resolutions as below:

- Ordinary Resolution 6 on payment of Directors' fees for the financial year ended 31 January 2022 amounting RM379,610.
- Ordinary Resolution 7 on payment of Directors' remuneration (excluding Directors' fees) in respect of the period from the date of this Annual General Meeting until the next Annual General Meeting in year 2023 up to an amount of RM140,000, comprising meeting allowances, directors' and officers' liability insurance premium, medical coverage and other claimable benefits.

The Company pays Directors' fees and benefits to the Non-Executive Directors. The Executive Directors do not receive any fees and benefits as Directors but they are remunerated with salary, benefits and other emoluments by virtue of their Employment Contracts.

6. Ordinary Resolution pursuant to Section 75 & 76 of the Companies Act, 2016

The proposed Ordinary Resolution 8 is intended to renew the authority granted to the Directors of the Company at the last 45th AGM of the Company held on 21 June 2021, to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed –

- (i) twenty percent (20%) of the total number of issued shares of the Company for the time being (for issuance and allotment until 31 December 2022 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad's letter dated 23 December 2021 to grant additional temporary relief measures to listed issuers) ("20% General Mandate"); and
- (ii) ten percent (10%) of the total number of issued shares of the Company for the time being (for issuance and allotment after 31 December 2022 as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements) ("10% General Mandate").

Should the 20% General Mandate and/or 10% General Mandate be exercised, it will enable the Directors to take swift action in case of a need for corporate exercises or fund-raising activities or in the event business opportunities arise which involve the issuance of new shares and to avoid delay and cost in convening general meetings to approve such issuance of shares. The proceeds raised from the corporate exercises or fund-raising activities will be utilised for funding future investment projects, working capital and/or acquisitions.

After having considered all aspects of the 20% General Mandate, the Board is of the opinion that the adoption of the 20% General Mandate would be in the best interest of the Company and its shareholders, on the basis that it is the most optimum and cost efficient method of fund raising for the Company.

As at the date of this Notice, no new shares in the Company had been issued pursuant to the mandate granted to the Directors at the last AGM held on 21 June 2021 which will lapse at the conclusion of the forthcoming 46th AGM.

7. Proposed Retention of Independent Director

Practice 5.3 of the Malaysian Code on Corporate Governance 2021 provides that shareholders' approval be sought in the event the Company intends for an Independent Director who has served in the capacity for more than nine (9) years to continue to act as Independent Director of the Company, through a two-tier voting process.

Datuk Kisai bin Rahmat and Encik Wan Ahamad Sabri bin Wan Daud have been the Company's Independent Directors for more than nine (9) years on a cumulative basis. The proposed Ordinary Resolutions 9 and 10, if passed, will allow both Datuk Kisai bin Rahmat and Encik Wan Ahamad Sabri bin Wan Daud to continue acting as Independent Directors of the Company until the conclusion of the next Annual General Meeting.

Details of the Board's justification and recommendation for the retention of both Datuk Kisai bin Rahmat and Encik Wan Ahamad Sabri bin Wan Daud as Independent Directors are set out in the Corporate Governance Overview Statement on page 56 of the Annual Report.

STATEMENT ACCOMPANYING NOTICE OF THE 46th ANNUAL GENERAL MEETING

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The details of the Directors who are standing for re-election and retention as per Agenda 2 & 6 of the Notice of 46th Annual General Meeting are provided for in the "Directors' Profile" on pages 16 to 23 of this Annual Report. Details of their interests in the securities of the Company are set out in the "Analysis of Shareholdings" on page 161 of this Annual Report.

HIGH PRECISION MACHINING

We manufacture high value precision and critical parts for the automotive industry that meet the strictest quality standards.





C O R P O R A T E P R O F I L E

Sapura Industrial Berhad started its business in automotive components manufacturing in the early 1980s through an acquisition of a coil spring business from Henderson's Ltd., Australia. Taking off from just the coil spring – Sapura Industrial has since expanded its business to include high precision machining of engine, transmission and brake components, manufacture of stabiliser bars and assembly of chassis modular components for the automotive industry as well as for producing cold drawn high-grade structured steel bars used in the automotive, electrical & electronics industries.

As the business expanded in tandem with Malaysia's automotive industry, a holding company was established in 1994 under the name of Sapura Motors Berhad. The Company was subsequently listed on the Second Board of Bursa Malaysia Securities Berhad on 9 May 1997, before it was transferred to the Main Board on 14 January 2004. In August that same year, the Company assumed its present name of Sapura Industrial Berhad, to reflect its diverse business activities.

As the Company continues to evolve with the times, the one thing that has remained constant is our corporate core values. In every phase of Sapura Industrial Berhad's transformation journey, these core values have been the driving force behind our success and form the basis of a performance-based culture. Today, Sapura Industrial has become a name synonymous with quality, reliability and service excellence

and this has been borne out by the awards and accolades we have received from industry peers and giants in the automotive industry at home and abroad.

Sapura Industrial has earned its standing in the industry through sheer determination, far-sightedness and plain hard work. Backed by a solid track record and with all the prerequisites in place, Sapura Industrial is preparing for the next thrust forward. The Company is now set to take on the entrepreneurial challenge of carving out a larger presence in the international marketplace. The way to success is through our people and because of their dedication, professionalism and teamwork, we are confident we will grow our businesses and achieve further value for the benefit of all our stakeholders.



C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

**Tan Sri Dato' Seri Ir.
Shamsuddin bin Abdul Kadir**
Executive Chairman

Dato' Shahrizan bin Shamsuddin
Executive Director

Datuk Kisai bin Rahmat
Independent Non-Executive Director

Puan Sri Datin Seri Mariam Parineh
Non-Independent
Non-Executive Director

Datuk Wira Jalilah binti Baba
Independent Non-Executive Director

**Datuk Syed Izuan bin Syed
Kamarulbahrin**
Independent Non-Executive Director

Md. Shah bin Hussin
Independent Non-Executive Director

Wan Ahamad Sabri bin Wan Daud
Independent Non-Executive Director

AUDIT COMMITTEE

Datuk Kisai bin Rahmat (Chairman)
Datuk Syed Izuan bin Syed Kamarulbahrin
Wan Ahamad Sabri bin Wan Daud

BOARD NOMINATION AND REMUNERATION COMMITTEE

Datuk Kisai bin Rahmat (Chairman)
Puan Sri Datin Seri Mariam Parineh
Md. Shah bin Hussin
Wan Ahamad Sabri bin Wan Daud

DIRECTOR IN CHARGE OF SHAREHOLDERS' COMMUNICATIONS

Datuk Kisai bin Rahmat
Senior Independent
Non-Executive Director

Email :
director-sib@sapuraindustrial.com.my

or
Mail to :
Lot 2 & 4, Jalan P/11, Seksyen 10
Kawasan Perindustrian Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan

COMPANY SECRETARY

Liyana Lee binti Abdullah
(SSM Practising Certificate
No. 202008001402)
(MIA No. 10293)

REGISTERED OFFICE

Lot 2 & 4, Jalan P/11, Seksyen 10
Kawasan Perindustrian Bangi
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel : +603-8925 6011
Fax : +603-8925 8292

AUDITORS

Ernst & Young PLT
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel : +603-7495 8000
Fax : +603-2095 9076/78

SHARE REGISTRAR

Tricor Investor & Issuing House
Services Sdn. Bhd.
Office :
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603-2783 9299
Fax : +603-2783 9222

Customer Service Centre :
Unit G-3, Ground Floor
Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Name : SAPIND
Stock Code : 7811



C O R P O R A T E S T R U C T U R E

As at 6 May 2022



S A P U R A I N D U S T R I A L B E R H A D

Registration No.: 197401000510 (17547-W)



BOARD OF DIRECTORS



**DATUK WIRA JALILAH
BINTI BABA**

Independent
Non-Executive Director



**DATUK SYED IZUAN BIN
SYED KAMARULBAHRIN**

Independent
Non-Executive Director



**DATUK KISAI
BIN RAHMAT**

Independent
Non-Executive Director



**TAN SRI DATO' SERI
IR. SHAMSUDDIN
BIN ABDUL KADIR**

Executive Chairman



**DATO' SHAHRIMAN
BIN SHAMSUDDIN**

Executive Director



**MD. SHAH
BIN HUSSIN**

Independent
Non-Executive Director



**PUAN SRI DATIN SERI
MARIAM PARINEH**

Non-Independent
Non-Executive Director



**WAN AHAMAD SABRI
BIN WAN DAUD**

Independent
Non-Executive Director

DIRECTORS' PROFILE

TAN SRI DATO' SERI IR. SHAMSUDDIN BIN ABDUL KADIR

Executive Chairman



Age Gender Nationality	: 90 Male Malaysian
Date of Appointment	: 12 March 1974
Board Committees	: Nil
Board Meeting Attendance (FY2022)	: 6/6

Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir was appointed to the Board of Sapura Industrial Berhad as Non-Executive Director and Chairman on 12 March 1974. He was appointed as Executive Chairman on 26 June 2013.

Tan Sri Shamsuddin is the Chairman and Founder of the Sapura Group. Well into its 47th year, the Sapura Group has since diversified and currently participates in key industries through three public listed companies. Sapura Industrial Berhad started its business in automotive components manufacturing in the early 1980s when Tan Sri Shamsuddin first acquired the coil spring business from Henderson's Ltd., Australia. Sapura Industrial Berhad has since evolved into a leading player in the automotive industry.

Tan Sri Shamsuddin graduated from Brighton Technical College in the United Kingdom and began his career at Telekom Malaysia where he held several key positions. In 1975, he formed the Sapura Group which has since grown into a leading knowledge and technology company in Malaysia.

Tan Sri Shamsuddin's strong commitment to life-long education led him to co-found the Universiti Tun Hussein Onn Malaysia Foundation where he had served as Chairman of Universiti Tun Hussein Onn Malaysia from 2001 to 2009 and was inaugurated as the Pro Chancellor in 2009. In 2007, University of Brighton, United Kingdom conferred the Honorary Degree of Doctor of Science to Tan Sri Shamsuddin in recognition of his outstanding contribution to engineering development in Malaysia and the development of the Brighton Alumni Association of Malaysia. For his numerous contributions, he has been awarded with Honorary Doctorates from various Malaysian universities.

Tan Sri Shamsuddin is a senior fellow of the Institute of Engineers Malaysia and Academy of Science Malaysia. In conjunction with UMNO's 60th Anniversary Celebrations in 2006, Tan Sri Shamsuddin was conferred with the prestigious "Malay Personality of Distinction" award. In 2011, he received the "Jewels of Muslim World" award from OIC Today Magazine in collaboration with OIC International Business Centre, for his contributions in the development of the Malaysian and Muslim world economy.

DIRECTORS' PROFILE

Age Gender Nationality	: 53 Male Malaysian
Date of Appointment	: 29 January 2002
Board Committees	: Nil
Board Meeting Attendance (FY2022)	: 6/6

DATO' SHAHRIMAN BIN SHAMSUDDIN

Executive Director

Dato' Shahrیمان bin Shamsuddin was appointed to the Board of Sapura Industrial Berhad as an Executive Director on 29 January 2002.

Dato' Shahrیمان holds a Master of Science in Engineering Business Management from Warwick University, United Kingdom and a Bachelor of Science in Industrial Technology from Purdue University, United States of America.

Dato' Shahrیمان began his career with Sapura Group in 1991 and has held a number of key senior positions within the Group. As the Managing Director of Sapura Resources Berhad, he manages a diversified portfolio which includes property investment and aviation. He is also a Non-Independent Non-Executive Director of Sapura Energy Berhad, and sits on the Boards of Sapura Technology Sdn. Bhd. and Sapura Holdings Sdn. Bhd.



DIRECTORS' PROFILE

DATUK KISAI BIN RAHMAT

Senior Independent
Non-Executive Director



Age | Gender | Nationality : 71 | Male | Malaysian

Date of Appointment : 18 October 2006

Board Committees : Audit Committee
- Chairman
Board Nomination and
Remuneration Committee
- Chairman

Board Meeting Attendance (FY2022) : 6/6

Datuk Kisai bin Rahmat was first appointed to the Board of Sapura Industrial Berhad on 18 October 2006. Datuk Kisai is the Chairman of the Audit Committee and the Board Nomination and Remuneration Committee of Sapura Industrial Berhad.

Prior to joining Sapura Industrial Berhad, Datuk Kisai was the Executive Director, Engineering and Manufacturing for Proton Holdings Berhad and a Director of several Proton's subsidiary companies. At present, Datuk Kisai is the Vice Executive Chairman of Yasmin Jurumuda Sdn. Bhd.

Datuk Kisai holds a Master of Science in Industrial Engineering and Production Management from Cranfield Institute of Technology, England and a Bachelor of Science in Mechanical Engineering from University of Strathclyde, Scotland.

DIRECTORS' PROFILE

PUAN SRI DATIN SERI MARIAM PARINEH

Non-Independent Non-Executive Director

Age Gender Nationality	: 45 Female American/ Malaysian PR
Date of Appointment	: 7 September 2020
Board Committees	: Board Nomination and Remuneration Committee - Member
Board Meeting Attendance (FY2022)	: 6/6

Puan Sri Datin Seri Mariam Parineh was first appointed to the Board of Sapura Industrial Berhad on 7 September 2020 as a Non-Independent Non-Executive Director. Puan Sri Mariam is a member of the Board Nomination and Remuneration Committee of Sapura Industrial Berhad.

Puan Sri Mariam is a business development and marketing strategist. Passionate about doing business differently with keen interest in business growth strategy through alignment.

She started her entrepreneurial career in Malaysia with her first company in stone care and restoration which she later sold to start a business consultancy. She has guided many companies through expansion and is experienced in business strategy pivoting. She has a keen interest in the entrepreneurial journey of new organisations as well as innovations within established organisations. She manages several private companies involved in landscape architecture, fashion, Food & Beverage, digital healthcare and agetech marketplace solution.

She founded a company as a way to invest in and create opportunities to empower women in business and catapult business that focus on customer empowerment. Currently, she is active in Valet Inc., an agetech start-up she founded to transform and autonomize the way we age in place.

Outside her professional life, she is very passionate about and supports the empowerment and advancement of disadvantaged or marginalised women around the world. She is a co-founder and impact investor of the Malaysia Baby Box Project.

Puan Sri Mariam studied Bachelor of Science in Managerial Economics at University of California, Davis. She later continued her studies in the Executive Management Program at Columbia University, New York and Harvard Business School, Massachusetts.



DIRECTORS' PROFILE

DATUK WIRA JALILAH BINTI BABA

Independent Non-Executive Director



Age | Gender | Nationality : 68 | Female | Malaysian

Date of Appointment : 7 September 2020

Board Committees : Nil

Board Meeting Attendance (FY2022) : 6/6

Datuk Wira Jalilah binti Baba was first appointed to the Board of Sapura Industrial Berhad on 7 September 2020 as an Independent Non-Executive Director.

Datuk Jalilah began her career as an Economist with Malaysian Investment Development Authority (MIDA), under Ministry of International Trade & Industry (MITI) in 1976. Datuk Jalilah served in several key positions at MIDA, including Overseas Director based in Europe and Director General & Chief Executive Officer between 2008 to 2011. With over 30 years experience in MIDA, she has led numerous international business negotiations for Malaysia and introduced numerous prudent action plans and policies that helped position the country as a premier foreign investment destination. At present, Datuk Jalilah is the Non-Independent and Non-Executive Chairman of PKT Logistics Group Sdn. Bhd.

In 2015, Datuk Jalilah was appointed as the first female President of the Malaysian International Chamber of Commerce & Industry (MICCI). She is currently an advisor and council member for SME Association Malaysia which has over 10,000 member companies.

She is a regular speaker at international forums, conferences and business platforms. She is also a frequent speaker at seminars and knowledge sharing sessions covering corporate risk and governance practices for Malaysian Directors Academy (MINDA) and Malaysian Institute of Corporate Governance (MICG).

She is passionate about developing skills for women in business and young entrepreneurs and is an active speaker at workshops run by the Ministry of Women Development of Malaysia and Asian Strategy and Leadership Institute (ASLI).

Datuk Jalilah has received various accolades over the years for her contribution to the country, industry and society, some of which include "Woman of the Year Award 2011" and "The Most Eminent Brand Icon Leadership Award" by the Brand Laureate & Asia Brand Foundation, and "Outstanding Asia Entrepreneur Award 2017 and 2018" by Passion and Commitment Foundation of Sunway Group.

Datuk Jalilah holds a Bachelor of Arts (Economics) from University of Malaya.

DIRECTORS' PROFILE

DATUK SYED IZUAN BIN SYED KAMARULBAHRIN

Independent Non-Executive Director

Age Gender Nationality	: 52 Male Malaysian
Date of Appointment	: 21 January 2022
Board Committees	: Audit Committee - Member
Board Meeting Attendance (FY2022)	: N/A

Datuk Syed Izuan was first appointed to the Board of Sapura Industrial Berhad on 21 January 2022 as an Independent Non-Executive Director. Datuk Syed Izuan is a member of the Audit Committee of Sapura Industrial Berhad.

Datuk Syed Izuan started his career with Price Waterhouse in 1993, carrying out statutory audit on private and public limited companies. After spending several years with Price Waterhouse, Datuk Syed Izuan joined the Business Development & Corporate Affairs Department of Malaysian Resources Corporation Berhad. He later held several positions within The Sapura Group, initially as an Investment Manager and later was appointed as the Chief Financial Officer. Subsequently, he left to join Tradewinds Plantation Berhad as its Chief Financial Officer. Datuk Syed Izuan was also attached to The Weststar Group, which is primarily involved in the automotive, aviation, construction & property, defense and engineering, as the Group Financial Adviser. He has almost 30 years of experience in corporate financing, mergers and acquisition, accounting and advisory.

Datuk Syed Izuan currently sits on the Board of Sedania Innovator Berhad as an Independent Non-Executive Director where he is also the Chairman of Audit & Risk Management Committee and member of Nomination Committee, Remuneration Committee as well as the ESOS Committee. He was formerly an Independent Non-Executive Director and member of the Audit Committee of Evergreen Fibreboard Berhad from 2013 until 2014 and a Non-Executive Director of Sapura Resources Berhad from 2003 until 2005.

A graduate from Emile Woolf College of Accountancy, London, Datuk Syed Izuan is a Fellow Member of the Association of Chartered Certified Accountants UK, a member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants.



DIRECTORS' PROFILE

ENCIK MD. SHAH BIN HUSSIN

Independent Non-Executive Director



Age Gender Nationality	: 71 Male Malaysian
Date of Appointment	: 1 September 1997
Board Committees	: Board Nomination and Remuneration Committee - Member
Board Meeting Attendance (FY2022)	: 6/6

Encik Md. Shah bin Hussin was first appointed to the Board of Sapura Industrial Berhad on 1 September 1997. He became a Non-Independent Non-Executive Director on 1 August 2009 and was appointed as Independent Non-Executive Director on 25 September 2013. Encik Md. Shah is a member of the Board Nomination and Remuneration Committee of Sapura Industrial Berhad.

Encik Md. Shah was the Managing Director of Sapura Industrial Berhad from 1997 to 2009. Prior to his appointment as Managing Director, he was the Group General Manager of Sapura Industrial Berhad. He was formerly an Assistant General Manager of HICOM-Yamaha Manufacturing (M) Sdn. Bhd., General Manager of Body Fashion (M) Sdn. Bhd. and H & R Johnson (M) Berhad. He is currently the Executive Chairman of ZDA Corporation Sdn. Bhd.

Encik Md. Shah is a member of the Institute of Engineers, Malaysia since 1990. He holds a Master in Business Administration from Ohio University, United States of America and a Bachelor of Science in Mechanical Engineering from West Virginia University, United States of America.

DIRECTORS' PROFILE

ENCIK WAN AHAMAD SABRI BIN WAN DAUD

Independent Non-Executive Director

Age Gender Nationality	: 67 Male Malaysian
Date of Appointment	: 9 March 2011
Board Committees	: Audit Committee - Member Board Nomination and Remuneration Committee - Member
Board Meeting Attendance (FY2022)	: 6/6

Encik Wan Ahamad Sabri bin Wan Daud was first appointed to the Board of Sapura Industrial Berhad on 9 March 2011. Encik Wan Ahamad Sabri is a member of the Audit Committee and Board Nomination and Remuneration Committee of Sapura Industrial Berhad.

Encik Wan Ahamad Sabri has over 32 years of experience in marketing and trading of non-ferrous metals, coal and minerals in the international market. He also has extensive international business contacts. He had served in various senior management positions within the MMC Group both locally and overseas. He is currently a Management Consultant of a company dealing in the sourcing of non-ferrous metals and mineral products.

Encik Wan Ahamad Sabri holds a Bachelor of Economics from University of Malaya.



ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

FAMILY RELATIONSHIP WITH DIRECTOR AND/OR SUBSTANTIAL SHAREHOLDERS

None of the directors and/or the substantial shareholders of the Company have any family relationship with the other directors and/or substantial shareholders of the Company except for Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir who is the spouse of Puan Sri Datin Seri Mariam Parineh and father to Dato' Shahrman bin Shamsuddin.

CONFLICT OF INTEREST

None of the directors of the Company have any conflict of interest with the Company, other than direct or indirect interest in shares of the Company as disclosed in the Directors' Report on page 78 of this Annual Report.

CONVICTIONS FOR OFFENCES

None of the directors of the Company have any conviction for offences within the past 5 years.

C H I E F E X E C U T I V E O F F I C E R ' S P R O F I L E

ENCIK HELMI BIN SHEIKH MAHMOOD

Chief Executive Officer

Age : 58
Gender : Male
Nationality : Malaysian

Encik Helmi bin Sheikh Mahmood was appointed as the Chief Executive Officer of Sapura Industrial Berhad (SIB) on 1 October 2014.

Encik Helmi holds a Master of Science in Manufacturing Systems Engineering from Warwick University, United Kingdom and a Bachelor of Science in Mechanical Engineering from University of Tri-State, United States of America.

Encik Helmi began his career as an Engineer in Sapura Machining Corporation Sdn. Bhd., a subsidiary of SIB in 1994. With over 25 years of experience in the manufacturing sector he has held various senior positions in SIB Group since 2002, which includes General Manager of various subsidiaries and Chief Operating Officer of SIB Group effective 1 January 2012 before assuming his present position.

Encik Helmi does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interests with the Company, other than those disclosed in this Annual Report. He also has no conviction for offences within the past 5 years.

As at 6 May 2022 Encik Helmi holds 61,917 shares in the Company.

SENIOR MANAGEMENT'S PROFILE

Puan Liyana Lee binti Abdullah was appointed as Group Financial Controller of Sapura Industrial Berhad (SIB) on 1 February 2009.

Puan Liyana obtained a professional qualification with Chartered Institute of Management Accountants (UK).

Puan Liyana has over 25 years of financial experience in a listed conglomerate involved in automotive manufacturing, property investment, education and car dealership. She has held various senior management positions within the Sapura Group with experience in corporate restructuring and fund raising projects. She is a licensed Company Secretary with 20 years of experience in corporate secretarial matters. She started her career with Arthur Anderson as an auditor, and is an Associate Member of the Chartered Institute of Management Accountants (UK) and a qualified Chartered Accountant registered with the Malaysian Institute of Accountants.

Puan Liyana does not hold any directorship in public companies and listed issuers. She does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has she any conflict of interest with the Company. She also has no conviction for offences within the past 5 years.

Encik Md Radzi bin Osman was appointed as a General Manager, Group Manufacturing of Sapura Industrial Berhad (SIB) on 1 December 2021.

Encik Radzi holds a Master in Business Administration from Ohio University, USA and a Bachelor of Science in Mechanical Engineering, Texas Tech University, USA.

Encik Radzi started his career as General Manager in Sapura Automotive Industries Sdn. Bhd., a subsidiary of SIB in 2002. Encik Radzi has held several senior positions in SIB Group since 2002, which includes General Manager of Asian Automotive Steels Sdn. Bhd., Sapura Technical Centre Sdn. Bhd., International Autoparts Sdn. Bhd. and Group Quality & Warranty before assuming his current position.

Prior to joining SIB, he has worked for 14 years with Japanese and Korean manufacturing companies and a public listed logistic company. Encik Radzi has almost 30 years of experience in the manufacturing sector.

Encik Radzi does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

PUAN LIYANA LEE BINTI ABDULLAH

Group Financial Controller

Age : 55
Gender : Female
Nationality : Malaysian

ENCIK MD RADZI BIN OSMAN

General Manager,
Group Manufacturing

Age : 58
Gender : Male
Nationality : Malaysian

SENIOR MANAGEMENT'S PROFILE

ENCIK MOHD SALLEH BIN JANI

General Manager,
Group Business Development

Age : 56
Gender : Male
Nationality : Malaysian

Encik Mohd Salleh bin Jani was appointed as a General Manager, Group Business Development of Sapura Industrial Berhad (SIB) on 1 February 2015.

Encik Salleh holds a Bachelor of Science in Mechanical Engineering (Design) from University of Hiroshima, Japan.

Encik Salleh began his career as an Engineer in Sapura Machining Corporation Sdn. Bhd., a subsidiary of SIB in Mac 1993. He has held various positions in SIB Group since 1993, which includes General Manager of Sapura Brake Technologies Sdn. Bhd. and International Autoparts Sdn. Bhd. before assuming his present position.

Prior to joining SIB, Encik Salleh was attached to Sony Kisarazu, Japan from 1990 until 1991 and Sony Video, Malaysia from 1991 until 1993 as the Production Engineering Engineer.

Encik Salleh does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

ENCIK KAMALUDDIN BIN ABDUL AZIZ

General Manager,
Group Procurement &
Vendor Development

Age : 51
Gender : Male
Nationality : Malaysian

Encik Kamaluddin bin Abdul Aziz was appointed as a General Manager, Group Procurement & Vendor Development of Sapura Industrial Berhad (SIB) on 1 July 2015.

Encik Kamaluddin holds a Master of Business Administration (MBA) and a Bachelor of Mechanical Engineering from Universiti Kebangsaan Malaysia.

Encik Kamaluddin began his career as a Plant Manager in Sapura Brake Technologies Sdn. Bhd., a subsidiary of SIB from 2003 until 2011 before assuming his present position.

Prior to joining SIB, Encik Kamaluddin was working as a Supplier Development Engineer at Perusahaan Otomobil Nasional Sdn. Bhd. (Proton) from 1995 until 2003.

Encik Kamaluddin does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

SENIOR MANAGEMENT'S PROFILE

Encik Shariman bin Abdul Sofi was appointed as a General Manager, Group Strategic Planning & New Business Development of Sapura Industrial Berhad (SIB) on 1 December 2021.

Encik Shariman holds a Master in Accountancy from Universiti Teknologi MARA, Malaysia and a Bachelor in Accounting & Financial Management from University of Sheffield, United Kingdom.

Encik Shariman began his career as an Assistant Manager, Finance & Accounts in Sapura Automotive Industries Sdn. Bhd., a subsidiary of SIB in 2004. He has held several positions in SIB since 2004, which includes Senior Manager and General Manager, Group Finance & Accounts of SIB before assuming his current position.

Prior to joining SIB, Encik Shariman held various accounting related positions in construction, property development and higher education companies. Encik Shariman has almost 26 years of experience in finance & accounting.

Encik Shariman does not hold any directorship in public companies and listed issuers. He does not have any family relationship with any of the Directors and/or major shareholders of the Company nor has he any conflict of interest with the Company. He also has no conviction for offences within the past 5 years.

ENCIK SHARIMAN BIN ABDUL SOFI

General Manager,
Group Strategic Planning &
New Business Development

Age : 51
Gender : Male
Nationality : Malaysian

HOT & COLD FORMING

Our advance hot and cold forming technology produces high strength steel components that have become the staple of the modern automotive industry.





MANAGEMENT DISCUSSION AND ANALYSIS

Our performance for the financial year ended 31 January 2022 reflects the Group's resilience to remain sustainable in a competitive industry, faced with yet another year of challenging economic conditions.

Experience gained from implementation of COVID-19 containment measures revealed the critical nature of ensuring that our organisation is prepared for a seamless return to productivity to deliver on our commitments to our customers.

It also created an awareness within the Group of the need to strategise on critical steps forward to equip us for the rapid growth within the automotive industry. Our ability to transform and adapt is vital to experience greater growth and sustainability in the coming years.

MALAYSIAN ECONOMY

The year 2021 continued to be demanding and challenging for the Malaysian economy with COVID-19 pandemic affecting and altering both personal life and commerce.

The Malaysian economy expanded 3.1% as compared to a contraction of 5.6% in 2020. Private consumption recovered at 1.9% amid a gradual return to normalcy which improved consumer sentiments during the second half of the year.

The year ended with positive continued improvement in both employment and income growth. The absence of strict containment measures moving forward, coupled with the support from pent-up demand are expected to provide additional lift to spending.

Average headline inflation was at 2.5% in 2021 (2020: -1.2%), supported by varied policy interventions to contain pass-through from global cost pressures. These include enforcing price-ceiling on retail fuel, electricity rebates and price controls on staple food items.

Malaysia experienced less severe pandemic related disruptions including higher freight costs and labour shortages as compared to other economies due to proximity to global manufacturing hubs. (Source: Bank Negara Malaysia Annual Report 2021).

The gradual easing of COVID-19 containment measures, improvements in both income and employment rates supported by Malaysia's high vaccine coverage and effectiveness will continue to strengthen the economy moving forward.

MALAYSIAN AUTOMOTIVE INDUSTRY

COVID-19 pandemic containment measures affected the local automotive industry which experienced an overall drop in volume during a period of lockdown between June to August 2021.

The automotive industry's status as a non-essential service provider resulted in a pause in actual showroom sales and more importantly, a standstill in the assembly and manufacturing facilities.

Industry-wide production disruptions and strict social movement restrictions led to weaker consumer interest and ensuing supply-chain challenges thereafter.

Total Industry Volume (TIV) registered in 2021 was 508,911 units, a decrease of 20,603 units or 4% compared to 2020 with 529,514 units. However, the contraction was considerably smaller than recorded in 2020 which was at 12.4%.

Despite the challenges, TIV for 2021 slightly surpassed Malaysian Automotive Association's (MAA) revised forecast of 500,000 units announced in July 2021.

Total Industry Production (TIP) of new vehicles in 2021 decreased by 3,535 units or 0.7% to reach a total of 481,651 units as compared to 485,186 units in 2020.

These data represent two consecutive years of declined sales and production due to the enforcement of Full Movement Control Order (FMCO) between March 2020 and August 2021.

However, the gradual opening of the Malaysian economy created a promise of an economic rebound which helped improve business confidence and better sales of new vehicles required for the running of businesses. This led to a growth in the Commercial Vehicles segment which registered a 15.9% increase to reach 56,248 units.

Passenger Vehicles registered lower sales due to FMCO disruptions. It directly affected customer buying sentiments to decline by 5.9% or 28,308 units to register at 452,663 units. (Source: MAA Market Review 2021).

Overall, the MAA reported positive recovery for the industry amid another challenging year. The Malaysian Government continues to offer measures to uplift and ensure sustainability of the industry

MANAGEMENT DISCUSSION AND ANALYSIS

including the extension of the Sales Tax exemption which has been extended three times, with the latest extension ending 30 June 2022.

The Sales Tax exemption under the Malaysian Government’s PEMERKASA+ aid package of 100 percent for completely-knocked-down (CKD) passenger vehicles and 50 percent on completely-built-up (CBU) vehicles continued to be an impetus for prospective buyers and contributed to sustained demand for new passenger vehicles. This is evident in the encouraging sales surge in the months following the gradual uplifting of movement restrictions.

FINANCIAL PERFORMANCE

Despite another challenging year surrounding the COVID-19 pandemic, for FY2022 the Group generated revenue of RM153.9 million (FY2021: RM155.9 million). Revenue was affected by lower overall volume due to non-production periods as a result of the MCO imposed by the government to curb the spread of COVID-19.

While lower revenue contribution was apparent for our main customers, the new modular assembly project we embarked on with Mazda and Stellantis (formerly known as Naza Automotive Manufacturing) in their plants in Kulim and Gurun, Kedah respectively had contributed positively to revenue for FY2022.

The Group recorded a loss of RM3.8 million as compared to a net profit of RM0.7 million for FY2021. This loss had taken into account the non-recurring income of RM4.1 million following receipt of proceeds from Sapura Schulz Hydroforming Sdn. Bhd. (Sapura Schulz) liquidation proceedings.

Loss incurred was mainly due to a Group-wide assessment for impairment of inventories and spares for slow-moving and phased-out models. This impairment was done in line with the Group’s bigger initiative of a progressive transformation of its manufacturing activities which includes a rationalisation of facilities and manpower as we prepare the Group to transform into a leaner and more efficient technology-based manufacturing organisation.

The first initiative undertaken was the integration of our coil spring manufacturing facility in Port Klang with the stabiliser bars facility in Bangi. The synergy will result in enhanced productivity, efficiency and optimisation of resources.

The Group continued to implement various containment measures and initiatives throughout FY2022 under its Business Continuity Plan following the pandemic in 2020. The pandemic resulted in evident increase in costs across the supply chain.

In order to cushion its effects, the Group implemented various mitigation initiatives including manpower rationalisation, reduction in personnel-related expenses and a continuously prudent approach to production-related expenses.

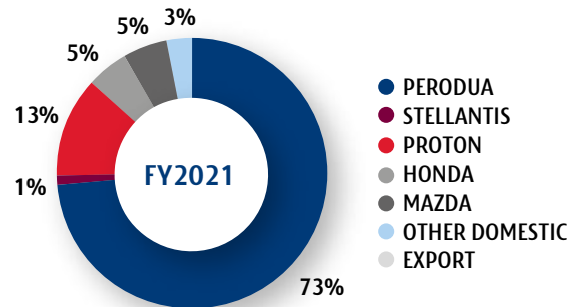
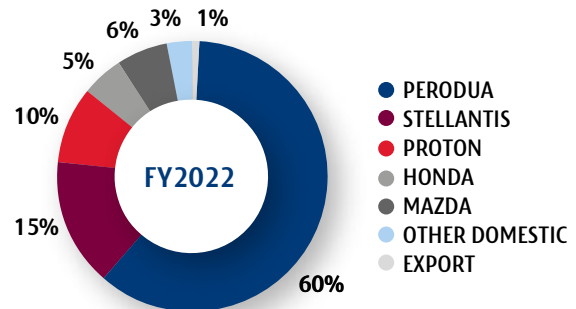


Diagram 1: Revenue by Customers

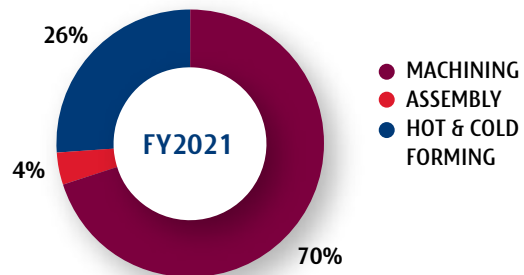
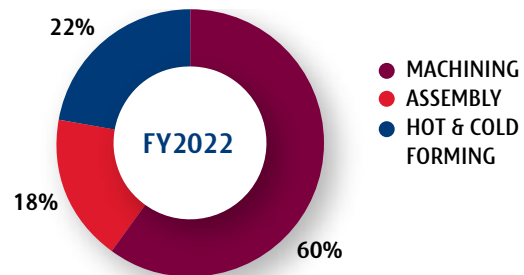


Diagram 2: Revenue by Core Business

MANAGEMENT DISCUSSION AND ANALYSIS

As illustrated in Diagram 1 above, Perodua contributed the highest revenue in the current financial year at 60% (RM92 million) as compared to FY2021 at 73% (RM114 million). Despite halting their production from June to August 2021, Perodua experienced robust sales in the subsequent months due to greater market demand partly owing to the Sales Tax exemption and aggressive marketing campaigns in addition to delivering their backlog orders.

Total revenue contribution from other OEMs such as Stellantis, Proton, Honda and Mazda increased from RM42 million to RM60 million, representing 39% of the Group's FY2022 revenue.

Total Group borrowings and gearing ratio remained comparable at RM34 million and RM35 million respectively and 0.3 times for both FY2022 and FY2021.

We remain prudent in our approach to cash management, stringent cost improvement measures and maintaining a level of debt corresponding with our growth plans.

DIVIDENDS

The Group has always been committed to rewarding shareholders through annual dividends. In respect of the financial year ended 31 January 2022, a special single-tier dividend at 2 sen per ordinary share was paid out following receipt of the one-off proceeds from Sapura Schulz liquidation proceedings.

We are grateful for the support our shareholders have shown us through these challenging times. We strongly believe the projected economic rebound and ensuing growth of the local automotive industry will fare positively for us in the coming years.

We are on-track in the implementation of business initiatives to progressively transform the Group and create significant value for more sustainable growth moving forward.

OPERATIONAL PERFORMANCE

The financial year ended 31 January 2022 was another challenging year to the local automotive industry in general mainly due to a longer non-production period of three months between June till August 2021 as compared to two months in the previous year.

This affected the Group's overall volume with lower revenue recorded at RM153.9 million compared to RM155.9 million in the previous year. The pandemic also triggered supply-chain challenges resulting in higher material and operating costs across the Group's operations.

After production disruptions in FY2021, the Group put in place a Business Continuity Plan (BCP) to ensure our operations are continuously



prepared to resume production following any unforeseen pauses to fulfil all obligations to our customers.

Implementation of the BCP made apparent the crucial requirement to evaluate the overall efficiency and productivity of our current production facilities and processes.

In order to create technical competitiveness, there is an urgent need for the Group to transform and upgrade its capabilities through modernisation, automation and the integration of technology to drive greater value creation. This would be the platform to build clear differentiation in our products within the local automotive ecosystem.

This transformation began with a rationalisation exercise to leverage on synergies within various manufacturing processes within the Group. The first initiative was the relocation of the coil spring plant in Port Klang to integrate with the production of stabiliser bars in Bangi. This shall result in increased efficiency and productivity with greater optimisation of cost and resources.

Within the overall transformation plan, the Group will continuously examine inherent synergies and harness them with the use of technology to revolutionise productivity, improve product quality and minimise product rejection. The use of robotics and automation significantly improves our productivity with the ability to impeccably perform repetitive tasks while providing accurate real-time production inputs.

To this end, our Research and Development Division successfully implemented Real Time Overall Equipment Effectiveness (OEE) monitoring hardware and software in selected machining lines. Measuring OEE is critical to optimise our manufacturing process which enables swift and efficient mitigation to improve productivity and reduce and eliminate wastage.

The system is currently being integrated to other lines and we will further explore other related Industrial Revolution 4.0 (IR4.0) enabling technologies to be integrated into current systems.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's coil spring manufacturing garners about 70% of the domestic market share. We will continue to upgrade our systems and facilities to protect our leadership position in this segment. In FY2022 we installed a new Stress Peening machine within the coil spring line, which increases product durability and performance while simultaneously improving product design by reducing part weight. This upgrade will also optimise future quality enhancements.

Product and service differentiation will continue to drive our competitiveness as we pursue new business opportunities. In order to ensure a continuous revenue stream, we actively partner with our customers to identify and participate in their product strategy and lifecycle. We grow in tandem with our customers to deliver the most optimum solution to fulfil their requirements.

In FY2022 we continued to deliver on contractual commitments to our customers related to both new and replacement parts of their product lines. Perodua continues to lead the market with innovative products aimed at enhancing performance and customer experience. Proton gradually gained market share with the localisation of their new GEP3 Engine Program for domestic and export markets.

We participated in Honda's localisation program for hub and disc assembly for their City Hybrid model. For both Honda and Mazda, we will actively pursue opportunities in line with new model introductions as well as replacement models.

During the year, we successfully gained the trust of two new customers, Toyota and Kia for development of various machining-based parts including brake disc and stabiliser bars.

Precision Machining

SIB is at the forefront in high precision machining of automotive engine, transmission and brake components. Over the years, we have invested in the latest technology and equipment necessary to offer products of precise specifications and of highest quality standards crucial for



critical safety components such as connecting rods, camshafts, brake discs, brake drums, front hubs and engine mounting bracket.

Our customer base includes Perodua and Proton, as well as OEMs with operations in Malaysia such as Honda, Mazda, Toyota and Kia.

Precision Machining contributed 60% of the Group's total revenue for FY2022 (FY2021:70%).

Chassis and Modular Assembly

SIB has established itself as one of the major brake systems and modular suppliers in the domestic market, particularly in chassis and modular assembly operations. The Group's expertise is further enhanced with long-term technical relationships with Japan's Advics Co. Ltd and South Korea's Erae Automotive Systems Co. Ltd.

Our experience and expertise coupled with an established supply chain management system have enabled our growth from assembly of modular components to total chassis integration for customers such as Proton, Mazda, Great Wall and Stellantis. We are undertaking modular assembly operations for Mazda and Stellantis in their respective car assembly plants in Kulim and Gurun, Kedah.



The Chassis and Modular Assembly Division contributes 18% of total Group revenue for FY2022 (FY2021: 4%).

Hot and Cold Forming

The Hot and Cold Forming Division specialises in suspension components including production of high-quality coil springs, strut assemblies and stabiliser bars. We are able to create differentiation both locally and for the export market due to our in-house Research and Development capabilities in product research, design and analysis coupled with extensive testing facilities to ensure our products meet the exacting standards of our customers.

MANAGEMENT DISCUSSION AND ANALYSIS

Our capabilities in this segment have enabled us to partner with customers such as Perodua, Proton, Honda, Mazda, Mitsubishi and UMW Kayaba, in addition to overseas markets such as Thailand, India and Ecuador. We will continue to aggressively pursue opportunities in other markets by working in tandem with our customers in tapping into their global supply chain.

The Hot and Cold Forming Division contributes 22% of total Group revenue for FY2022 (FY2021:26%).



Stress Peening Machine

Synergy for the Future

Throughout the years, the Group has carved a reputation for itself as a strong part of the local automotive ecosystem and value-chain. Our competitive edge is built upon the commitment to continually enhance our value and product differentiation through Research and Development activities, and partnering with our customers to ensure we only deliver products which meet stringent standards of this industry.

We will continue to unlock and harness synergies to build and improve upon the wealth of technology, skills and experience inherent within different parts of our business as a catalyst for sustainable growth for the future.

Our transformation plan will drive modernisation and automation through the use of technology to increase technical competitiveness as we continue to strengthen and grow the current business.

The Group's core competencies will drive future diversification plans into new strategic segments either through internal growth or through partnerships. Our core engineering capabilities, Research and Development, advanced testing facilities, supply chain management and prudent financial management will anchor these diversification initiatives.

Investments in leading edge assets to upgrade production facilities and a more aggressive push to integrate technology within our manufacturing processes will protect quality and result in cost optimisation across the Group. This transformation underpins our future ability to deliver higher-value precision-based parts to our customers and is critical for us to achieve greater efficiency and technical competitiveness to create clear differentiation for us in the local ecosystem.

Our R&D efforts coupled with technical expertise and experience enables the Group to evolve our current core product range into high-value precision modules and parts to protect our leadership position.

We are committed to enhance our value and increase efficiency in our business to build a stronger foundation to pursue opportunities consistent with the rapid growth of the global automotive industry.

We have embarked on a series of initiatives to modernise and automate including infusing IR4.0 based technologies that transforms our production lines into fully integrated systems.



Group Research and Development Team

MANAGEMENT DISCUSSION AND ANALYSIS



The pilot implementation of IR4.0 Real Time OEE monitoring hardware and software for the brake drum and front disc lines were completed during FY2022 and the internal teams are ready to implement the same for other production facilities.

This OEE platform is developed in-house and its implementation has proven to enhance durability performance of components. The integrated OEE monitoring system is able to reduce complex production problems into simple, accessible information to improve overall efficiency and lower operating expenses.

We will align these efforts to create a niche as a leader in advanced manufacturing solutions as a cornerstone to guide continued growth of the Group.

Continuous operational excellence initiatives underscore the need for us to be agile in adapting to the rapid developments within the industry. Our operational strategies are implemented based on the Lean Production System Framework which include 5S, Kaizen, Lean Six Sigma, Value-Add Value Engineering (VAVE) and Innovative and Creative Circle (ICC).

Industry Outlook

MAA is projecting a 17.9% increase in TIV for 2022 to 600,000 units as compared to actual TIV for 2021 of 508,911 units.

Passenger vehicles are expected to increase by 19.3% while the commercial vehicles segment to grow by 6.7% as compared to 2021. (Source: MAA Market Review 2021).

This positive forecast is incumbent upon global and the local economies recovering to pre-pandemic levels which would further improve the labour market and increase consumer spending.

The Government's Sales Tax exemption which will end on 30 June 2022 is expected to continue contributing positively to vehicle buying interest. This will be augmented by the introduction of new and replacement models with enhanced specifications and styling at competitive price points as brands aggressively push to recover and regain market share.



Cold Coiling Machine

Growth of the local automotive industry could face challenges in the form of obstructions within the supply-chain and increased freight costs related to risks of new COVID-19 variants. Continued global shortage of semiconductor chips could also factor into production disruptions and impact actual sales of new vehicles.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Prospects

Malaysian economy is projected to grow between 5.3% to 6.3% in 2022 (2021: 3.1%), underpinned by expansion of both external and domestic demand. Lifting of pandemic containment measures and the reopening of international borders would result in improvements in employment and income prospects to consequently lift spending. (Source: Bank Negara Malaysia Annual Report 2021).

The MAA is forecasting a return to pre-pandemic levels with TIV to increase by 17.9% to 600,000 units in 2022. This encouraging forecast will energise the local automotive ecosystem with projected volume from both new and replacement models.

The Group will continue to be prudent as we strive to protect our current leadership position in the industry and preferred vendor status to our customers. We will pursue strategies which would elevate value and differentiation of our products and services and proactively align with their strategic plans.

Global E-Mobility is slated for exponential growth in the coming years amid growing environmental concerns. Critical areas identified under the National Automotive Policy 2020 (NAP 2020) include Energy Efficient Vehicles (EEV), Next-Generation Vehicles (NxGV), corresponding critical components and related enabling technologies within the EV digital ecosystem.

The Group is positioned to pursue opportunities within this growth segment through Research & Development of critical EEV components using lightweight materials, miniaturisation, intelligence and electrification technologies. We will also focus on building expertise in software and services for enhanced product performance.

We will ensure our future transformation and growth strategies are in tandem with the objectives in NAP 2020 and beyond. We will continue to evaluate and integrate IR4.0 enabling technologies to enhance technical and supply-chain competitiveness. Our future diversification plans will explore opportunities related to Next-Generation Vehicles (NxGV) and its enabling technologies.

We aim to further grow the Group's value by exploring synergies in our core capabilities into scalable and sustainable new ventures with a high barrier to entry. Our strategy is to diversify through partnerships with established players to accelerate market reach and create a platform for sharing of knowledge and capabilities within specific industries including medical, aerospace, oil and gas, e-commerce and digital marketing platforms and renewable energy.

Global shifts in the automotive industry warrants us to accelerate the deployment of critical digital enablers and digitalising existing operations. We will continue to invest in our people to create a full-fledged knowledge-based organisation to enhance productivity and competitiveness for a meaningful participation in the future trajectory of this industry.

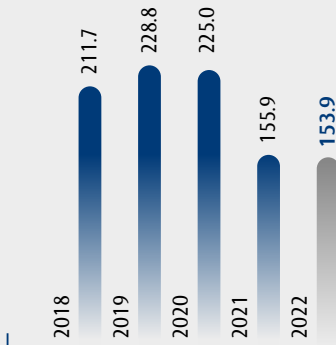


FINANCIAL HIGHLIGHTS

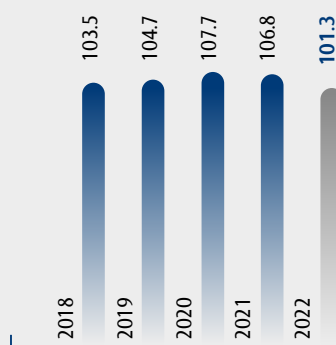
31 JANUARY

		2018	2019	2020	2021	2022
Revenue	(RM'million)	211.7	228.8	225.0	155.9	153.9
Profit/(loss) attributable to owners of the parent	(RM'million)	3.1	4.2	2.3	0.7	(3.8)
Equity	(RM'million)	103.5	104.7	107.7	106.8	101.3
Basic/diluted earnings/(loss) per share	(sen)	4.23	5.82	3.15	1.00	(5.19)
Net asset per share attributable to owners of the parent	(RM)	1.42	1.44	1.48	1.47	1.39

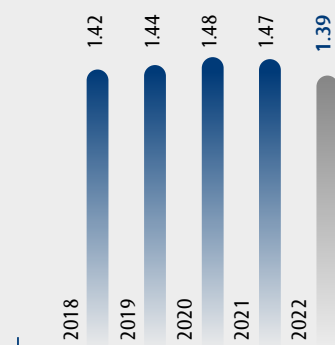
Revenue (RM' million)



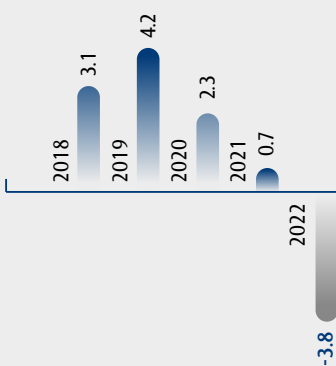
Equity (RM' million)



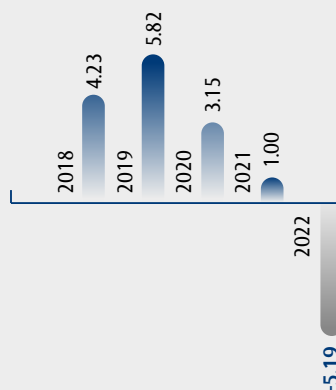
Net asset per share attributable to owners of the parent (RM)



Profit/(loss) attributable to owners of the parent (RM' million)



Basic/diluted earnings/(loss) per share (sen)



CHASSIS & MODULAR ASSEMBLY

Besides being one of the major brake systems and modular suppliers, we also produce high-end and high-value assembly components for the manufacture of finished modules.





S U S T A I N A B I L I T Y REPORT

Bursa Malaysia Securities Berhad in its Main Market Listing Requirements (MMLR) paragraph 9.45(2) and paragraph 29 requires listed companies to include in its annual report, a narrative statement of the company's management of material economic, environmental and social risks and opportunities known as Sustainability Statement.

At Sapura Industrial Berhad ("SIB" or "the Group"), we acknowledge the 4 pillars that the Group have to drive positive changes, which are: within the workplace, within the industry, within the communities in which we operate and the impact on the environment. Being in the automotive manufacturing business for over 40 years and recognised as a reputable manufacturing company in Malaysia with a strong foundation in corporate governance, we are committed to not only adopt sustainability principles and practices across the pillars all the time, but also to promote sustainability as an integral part of our businesses as well.

OUR SUSTAINABILITY APPROACH

During the year, the Group revised and strengthened our Risk Management Framework to provide more comprehensive support in the achievement of SIB strategic business objectives in addition to safeguarding the Group's reputation, resources, people and finance.

The revised Risk Management Framework also includes environmental, social and governance (ESG) related risks as recommended by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) version 2018. The proper management of ESG-related risks is critical to the achievement of the Group's strategic vision and mission.

SIB's sustainability framework complies with MMLR issued by Bursa Malaysia Securities Berhad and core option of Global Reporting Initiative (GRI) framework that focused on the evaluation of economic, environmental and social ("EES") risks and opportunities accompanied with the Group's corporate governance framework

and social responsibilities. The 2 terms, ESG and EES are often used interchangeably hence, to ensure completeness, SIB used the term as EESG (environment, economic, social and governance) in the Group's revised Risk Management Framework. For the purpose of reporting in annual report FY2022, SIB will include EES aspects in this Sustainability Report, whereby the "G" or governance aspect is explained in the Corporate Governance Overview Statement.

We shall continuously focus in improving our internal capabilities to manage, communicate and report on our progress on sustainability-related activities. By applying good corporate governance framework, environmentally responsible practices and sound social policies, SIB is able to achieve sustainable growth and enhance long-term value for our shareholders.

SCOPE OF REPORTING

SIB's Sustainability Report 2022 covers the progress of EES aspects in our core businesses and daily operations for the financial year ended 31 January 2022 (FY2022). The report also highlights the systems and measures that we have developed and implemented in ensuring our products, operational processes and supply chains are consistently robust, balanced and resilient; our working environment are safe and healthy; and international standards and local regulations are complied with. This report was also reviewed by the Group's Sustainability Committee and Internal Audit.

There is no change in the scope of reporting from the Sustainability Report of FY2021.

SUSTAINABILITY REPORT

SUSTAINABILITY GOVERNANCE

In SIB, the responsibilities to adopt sustainability approaches and adhere to sustainability efforts are shared across all levels in the Group.



Board of Directors (BOD)

- Oversees the Group's sustainability framework and strategy, and provides direction to the Audit Committee and Sustainability Committee.

Audit Committee

- Oversees the implementation of sustainability strategies and plans approved by the Board.
- Review sustainability related issues and reports.

Sustainability Committee

- This Committee is led by the Chief Executive Officer (CEO).
- The Committee consists of Head of Business Units and Corporate Functions that have direct involvement in managing sustainability matters.
- The latest trends and emerging EES issues that could become relevant to the Group will be brought up and discussed at the Committee level.
- Where necessary, experts and representatives from other areas in the organisation are invited to the Committee.
- The Sustainability Committee prepares and submits the Sustainability Report to the Board of Directors for approval.

Operation and Support Functions

- Ensure compliance to SIB Sustainability Framework and Risk Management Framework.
- Manage EES - related risks and report to Sustainability Committee.

The CEO develops sustainability plans and initiatives for the Group, while the Audit Committee ensures the adequacy and effectiveness of the Group's governance, risk management and internal control systems as well as monitors compliance with policies and procedures.

The role of the Sustainability Committee, as delegated by the Board, consists of the following:

- To identify and recommend sustainability strategies for approval and adoption by the Board;
- To ensure that sustainability strategies incorporate Economic, Environment and Social areas;
- To monitor and report on a timely basis to the Board on execution, progress and results of sustainability strategies and action plans;
- To conduct sustainability assessment and stakeholder engagement for prioritisation; and
- To oversee the preparation of Sustainability Report in accordance with the Sustainability Reporting Guide of Bursa Malaysia.

SUSTAINABILITY REPORT

The approach of sustainability is based on SIB’s vision, mission and core values:

OUR VISION To be a leader in advanced manufacturing solutions

OUR MISSION Delivering solutions and value to our customers, employees, shareholders and community by harnessing technologies and resources.

OUR CORE VALUES Define who we are and form the basis of a performance driven culture – Honourable, Professional, Resourceful, Resilient and Agile.

Underlying all efforts is an overriding commitment towards the principles of discipline, good conduct, professionalism, loyalty, integrity and cohesiveness. These principles are outlined in our Code of Ethics and Business Conduct - principles by which business should be executed and the conduct that is expected of our employees at the workplace. In addition, our Code of Ethics and Business Conduct is supported by a robust Whistle-Blowing Policy.

KEY STAKEHOLDERS ENGAGEMENT

Strong engagement with our key stakeholders is our priority. We recognise that we can further improve and make headways in our sustainability journey by collaborating with our stakeholders, and understanding their expectations and responding to their concerns. We have undertaken various activities and implement new initiatives as part of our engagement approach with various key stakeholders.

STAKEHOLDERS	DESCRIPTION	ENGAGEMENT APPROACH
Shareholders	Owners of the Company	Annual general meeting, annual report, quarterly report, board of directors
Investors	An entity which commits capital in expectation of financial returns	Annual report, quarterly report, corporate website, press release
Employees	People engaged by the Company to provide services to facilitate operations	Meetings, briefings, social activities, intranet, employee training, survey
Customers	OE manufacturers, REM distributors, end users	Meetings, customer satisfaction surveys, customer audits, annual report, corporate website
Suppliers	Business partners providing goods or services	Meetings, supplier audits, site visits
Government	Government bodies and ministries, regulators	Forums, summits, support government initiatives, site visits
Communities	Local communities surrounding our business, as well as remote communities affected by our business	Corporate social responsibility events

SUSTAINABILITY REPORT

MATERIALITY ASSESSMENT

The materiality assessment enables SIB to identify potential key sustainability risks and opportunities that may impact the Group’s business and its stakeholders, by conducting a thorough screening process of our business activities and any changes within the internal and external environments. The assessment conforms to Bursa Malaysia’s Sustainability Reporting Guidelines.

The materiality assessment process is as follows:



A review was conducted during the reporting period to determine whether the materiality assessment needed to be updated or modified due to any significant changes in key influencing factors both inside and outside the Group. The review provided recommendations for improvement in business focus area and inclusion of ESG and EES related risks into the Group’s Risk Management Framework.

The materiality assessment produced the following list of topics, which was presented to and approved by the Board of Directors.

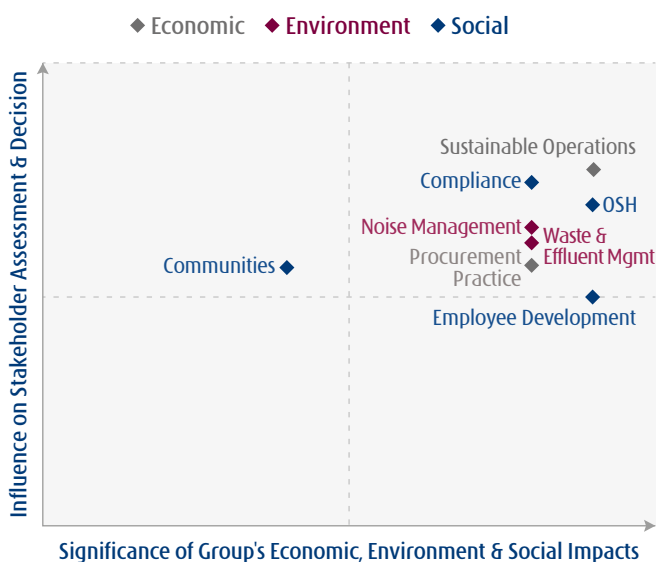
PILLARS	INDICATORS	OBJECTIVES
Economic		
Sustainable Operations	<ul style="list-style-type: none"> Economic Performance 	<ul style="list-style-type: none"> Generate sustainable financial and business solutions for our customers while managing costs effectively and maintaining high quality standards Continuously improve operational performance and advancement in product design and development Quality and customer satisfaction
Procurement Practice	<ul style="list-style-type: none"> Procurement Practices Vendor Development Programme Vendor Performance Assessment 	<ul style="list-style-type: none"> Promote local and sustainable procurement Enhance vendor capability Gain accreditation to international quality certifications
Environment		
Waste & Effluent Management	<ul style="list-style-type: none"> Waste & Effluent Generation and Treatment 	<ul style="list-style-type: none"> Comply strictly with international environmental standards The 3Rs of Waste Management (Reduce, Reuse & Recycle)
Noise Management	<ul style="list-style-type: none"> Noise Generation 	<ul style="list-style-type: none"> Reduce noise pollution

SUSTAINABILITY REPORT

PILLARS	INDICATORS	OBJECTIVES
Social		
Employee Development	<ul style="list-style-type: none"> • Training & Development 	<ul style="list-style-type: none"> • Regular engagement with employees to attract and retain good employees
Occupational Safety, Health & Well-being	<ul style="list-style-type: none"> • Compliance with Safety Standards • No Major Accident 	<ul style="list-style-type: none"> • Maintain a safe work environment with injury prevention procedures in place
Employee & Community Engagement	<ul style="list-style-type: none"> • Health & Wellness • Local Communities 	<ul style="list-style-type: none"> • Strengthen relationships with surrounding communities • Corporate Social Responsibility • Community Health and Well-Being
Compliance	<ul style="list-style-type: none"> • Environmental Compliance • Socio-economic Compliance 	<ul style="list-style-type: none"> • Comply with regulatory requirements and all applicable laws in environment, labour, safety and health

This matrix shows key material sustainability matters that are most critical to our business and stakeholders:

SIB Group Materiality Matrix



MATERIAL SUSTAINABILITY MATTERS

ECONOMIC

Sustainable Operations

Clear strategic direction, a robust business model and an effective and efficient operating model are critical elements to ensure sustainability of our operations and improve value creation for our stakeholders.

During the year, the Group realigned its vision, mission and strategic objectives and identified respective business units and Group functions responsible in achieving these medium and long-term goals.

The shared accountability will improve the Group's focus in driving operational excellence in productivity and efficiency, emphasizing on exceptional quality with strict adherence to standards, and delivering innovative solutions to our customers in a cost effective manner. The Group has identified 5 Strategic Objectives and 10 Operational Objectives which we will strive to achieve within the next 5 years.

Our focus to improve product design, quality, and process that will increase customer satisfaction resulted in significant improvements in the machining and coil spring formation as per table below:

SUSTAINABILITY REPORT

	Automation	Modernisation	IoT
Machining	4 initiatives	1 initiative	3 initiatives
Forming: Coil Spring	3 initiatives	2 initiatives	
Benefits	Increase <ul style="list-style-type: none"> Productivity, capacity, efficiency Quality Process visibility 	Improve <ul style="list-style-type: none"> Efficiency Product range Factory overheads Production cost 	Data management: <ul style="list-style-type: none"> Automated real time data analysis Shopfloor control

The Group continues to conduct customer satisfaction surveys to gauge feedback towards our products and services. The survey covers several key aspects including commercial, quality, services, delivery and safety. In FY2022, the results showed that customer satisfaction has increased in product delivery aspect with a score of 8.3 points (FY2021:8.1) and quality aspect by scoring of 8.1 points (FY2021:8.0). Meanwhile, the services aspect declined to 8.2 points (FY2021:8.4), with the commercial aspect remained at 7.8 points similar to the previous year.

Newly included in this survey was the safety aspect which received a score of 8.2 points. This positive score is consistent with the reduction in number of customers’ complaints during FY2022.

	FY 2020	FY 2021	FY 2022
Number of Customers’ Complaints	19	22	7

All SIB operating plants are certified with IATF 16949 quality management standards. The certification affirms our culture of continuous improvement hinged on our focus on customer satisfaction which drives our ability to deliver high-value and differentiated products and solutions.

We also believe that exceeding customers’ expectations is a direct outcome of the knowledge, experience, ingenuity and commitment of our people. We recognise the importance of recruiting the right people, developing and providing them with the right opportunities to realise their true potential.

Operational Transformation Program that was launched in 2019 is continued during the year. The initial objective of this program is for the Group to achieve world class manufacturing practices across four strategic turning points: people, manufacturing, quality and supply chain. This objective is realigned in FY2022 to better reflect its relationship with the Group’s vision and mission statement where the program’s strategic points now focus on:

- Rationalising manpower towards lean and efficient management
- Refocusing on modernisation and automation to attain lean operation with IR4.0 to optimise efficiency with real time data
- Readiness towards becoming an advanced manufacturing solutions provider

This program was improved during the year through staff engagement sessions and actual measurement of the level of Lean Production System (LPS) implemented in the Group.

Continuous enhancements made to systems and documentations through the Teach, Test and Verify (TTV) method that is ongoing since 2019 has shown positive outcomes. The TTV method features built-in checks, audits and performance measurement in the workplace through scorecards, campaigns and frequent monitoring to identify and address abnormality findings. This has shown positive results in improving staff engagement and understanding of process efficiency in performing tasks.

Sapura Transformation 2.0 Program was launched in 2020 as a continuation from the Operational Transformation Program with an objective to elevate performance measurement from the TTV method to more enhanced quality and standards.

SUSTAINABILITY REPORT

Success of the program has been evident by our ability to consistently produce higher quality products. The program is continued during FY2022 focusing on process upgrading and optimisation initiatives, with periodic staff engagement sessions to gather feedback and improve their understanding of the operational objectives.

Continuous improvement through standardisation, measurement and strengthening operational processes to result in optimised financial outcomes remain the key focus in this initiative.

Procurement Practice

The Group is committed to ensure that speed, efficiency and quality are adhered to in the supply chain management process. As we progress up the value chain, we remain engaged with our Vendor Development Programme (VDP) through which our vendors work towards improving and strengthening their capabilities to Levels 3, 4 and 5 as well as pursuing accreditation to international quality certifications.

With more stringent standards implemented through the Sapura Transformation Program, the number of Defect Countermeasure Request Sheet (DCRS) issued to suppliers decreased from 32 in FY2021 to 10 in FY2022. The Group actively seeks solutions to reduce defect with suppliers through Supplier Improvement Program as below:

- Stringent quality monitoring of materials and products received from suppliers
- Engage suppliers to analyse root cause and improvement measures
- Problem solving presentation by supplier
- Update the defect details in Supplier Performance Scorecard

We continue to provide support and advice to all our vendors and suppliers in striving for excellence in key areas of quality, safety, cost and delivery. As an active member of the OEMs Vendor Associations, SIB serves as an intermediary between the car makers and vendors, thus we contribute to the overall productivity and efficiency of the automotive supply chain.

ENVIRONMENT

Waste and Effluent Management

SIB waste and effluent management commitment is to closely monitor our environmental footprint and minimise any negative impact to our environment that might result from our business operations. The Group is mindful of impacts of environmental issues including

climate change and the detrimental effects of greenhouse gases, toxic emissions and pollution due to poor waste management. This drives SIB to be more responsible in supporting the use of renewable natural resources, promoting minimal pollution and strictly complying with environmental laws and regulations especially related to emission standards, noise level management and treatment of plant effluents and waste water.

To mitigate adverse impact on the environment, our manufacturing facilities are in compliance with ISO 14001:2015 Environmental Management System through which we implement processes and procedures that reduce the impact of emissions and waste materials as well as conserve energy and material resources. As part of its certification audit process during the financial year of 2022, six locations were inspected and affirmed that the Environment, Health & Safety (EHS) management system was properly implemented.

The Group implemented several activities as part of the waste and effluent management such as by having Environmental, Health and Safety (EHS) Program monthly audit by SIB Safety and Health Committee and continuous monitoring by using Environment Aspect Impact (EIA).

Employees working in the treatment of plant effluents and waste water are fully trained as per local regulations. Continuous training and awareness on EHS-related issues are conducted for relevant personnel on a regular basis, to prevent negative environmental impact and regulatory breaches. In addition, reminder on EHS awareness is made every day during morning assembly.

Minimal wasteful consumption is a high priority in SIB. Waste materials such as coolants, hydraulic oil, zinc phosphates and other chemical compounds are accounted for and safely disposed through licensed waste transporter and contractor in accordance with local regulations, whereby recyclable materials such as used oil are sold to external party. The Group also uses ESWIS Online System for monitoring of waste disposal and transport of hazardous materials. For FY2022, we are pleased to report that there were no operational spills on both water and land.

Noise Management

Long-term hearing loss can be linked to occupational noise, especially when employees are exposed to continuous and intermittent noise from processes and machinery. This makes noise a significant material issue for the Group's manufacturing plant where specific policies are in place to protect workers from damaging noise levels. We have also

SUSTAINABILITY REPORT

implemented a system to mitigate noise pollution as far as possible at our factories.



Audiometric tests for factory workers

A KPI based on the total area exposed to noise level above 82dB (International Standard) has been established at our factories and we continuously work towards reducing these exposed areas. We also engaged external environmental consultants to conduct annual noise monitoring and provide recommendations to reduce noise levels. In addition to engineering change, employees are provided with PPE and hearing protection, with appropriate signage placed in high noise level areas. Regular awareness and briefings such as during daily morning assembly are conducted to ensure work and occupational health standards are followed within the workplace.

SOCIAL

Employee Development

SIB recognises our employees as the cornerstone that will drive the Group to achieve its vision and mission. As our business grows and the environment in which we operate becomes more complex and challenging, the quality of our workforce is just as crucial in ensuring our success into the future. Employee development at SIB is a vital strategic approach in improving our business competitiveness over the long-term. Hence, the Group remains attentive to hiring people with the right talents and skills for the jobs, developing them in tandem with changes at the workplace and in the industry, and providing them opportunities for professional development, all of which empower them in reaching their highest potential. Throughout the financial year in review, SIB has invested RM66,048 (FY2021: RM170,646) in its employees' continuing professional development.

At SIB, we provide a range of staff development programmes such as formal trainings, job rotations, workshops, seminars and mentoring to provide our employees with the knowledge and skill enhancements relevant to their job requirements and prepare them for the next level in their career progression. Dedicated development programmes are targeted for employees at different stages of their career, from factory operators and entry level to mid-career up to senior leadership. In addition, SIB also established Career Development Programme (CDP) that aims to develop individual professionalism and skill competency with intention to prepare them for career advancement and succession planning by sponsoring selected and qualified candidates to further their studies at local universities in courses relevant to the Group's business. Currently, the Group is sponsoring 1 employee at PHD level, 2 employees at Master's Degree level and 1 employee at Degree level and to-date, 30 employees have benefited from CDP since 2001.

The Group also realises that young graduates play a significant role as next generation of employees. Therefore, SIB encourages university and college students to apply for our internship programs that will provide them opportunities to understand SIB business operations, learn how businesses function and gain exposure in the areas of technical and commercial trades, thereby accelerating their career experience. Due to the Movement Control Order (MCO) enforced in Malaysia in 2021, only 3 interns were accepted during FY2022 (FY2021: 6 interns). However, the number of interns increased to 10 during the first quarter of 2022.

To promote a sustainable and engaging experience at the workplace, we connect and communicate with our employees regularly through various far-reaching initiatives. These initiatives include townhalls, "teh tarik" meetings with SIB management, and periodic meetings with in-house and trade union representatives. Additionally, the Group also introduced Engagement Programs that organises engagement activities according to different staff categories with the intention to have effective 2-way communications for them to share feedback. One of the potential issues received from these sessions was staff safety concerns arising from non-ergonomic workplace formats which has since been rectified and resolved.

Employees are also encouraged to share their honest feedback and concerns through formal appraisal channels from which we use to guide our initiatives and management decisions in encouraging collaboration for greater success, driving accountability and rewarding high performance. The Group observed improvements in employees' performance from appraisal channels including

SUSTAINABILITY REPORT

reduction in number of latecomers, falsification of medical chit (MC) and lower employee turnover rate especially among non-executive levels.

Employee motivation and satisfaction are also enhanced with other organisational benefits such as “early bird” allowance and rewards for staff with no medical leave and medical expense. In recognition of employees’ overall performance and work contribution, Monthly Best Worker recognitions are awarded in every operating company with monetary and non-monetary benefits given.

Occupational Safety, Health & Well-being

SIB is committed in upholding an incident-free and a safe and healthy working environment for our employees. Safety and Health remains of highest priority across the Group, as it underscores our work culture and is central to our operations.

Our Group’s Occupational Safety & Health Policy requires production facilities to adhere to the OHSAS 18001:2007 Occupational Health and Safety Management Certification Standards and Occupational Safety and Health Act 1994. Internal and external audits are conducted to ensure compliance.

The following principles are outlined in the Group’s Occupational Safety & Health Policy:

- Compliance with applicable safety, health and environmental laws and regulations;
- Establish Health, Safety and Environment (HSE) Committees at all operating units;
- Develop and implement HSE management systems in all operating units with a dedicated Safety Officer to ensure that the system is enforced;
- Provide information and training on HSE and conduct safety campaigns to create awareness on a regular basis;
- Inspect and supervise that HSE is maintained in all workplaces and work systems; and
- Report immediately, investigate and implement corrective actions on all incidents.

HSE Activities

A host of Occupational, Health and Safety-related activities and measures were carried out throughout the year. These include:

No.	Activities	Details
1.	Monthly workplace inspection	Safety inspection to monitor workplace safety condition
2.	Workplace Safety Campaign	Safety promotion via banner
3.	Commuting Safety Campaign	Road safety promotion and wearing safety vest campaign
4.	Internal training	Briefings regarding environment, safety & health issues, also COVID-19 SOP compliance
5.	External training	Collaboration with external training provider to conduct safety & health training
6.	Quarterly meeting	Quarterly Safety & Health Committee Meeting to discuss safety issues
7.	COVID-19 Awareness Program	Awareness program via email, posters and buntings regarding COVID-19 SOP and compliance
8.	COVID-19 Detection Test	Weekly saliva test to detect any infection among staff
9.	Eagle eye Program	Ad-hoc safety inspection to monitor workplace safety
10.	ESH monitoring & surveillance	Chemical monitoring, noise monitoring and audiometric test in the workplace

SUSTAINABILITY REPORT

Effective implementation of the Group’s Occupational Safety & Health Policy across the organisation allows a safe, secure and healthy working environment in SIB at all times. This is evidenced by zero Lost Time Injury (LTI) reported in 2022.

Lost Time Injury (LTI)	2019	2020	2021	2022
Fatalities	0	0	0	0
Injuries: Major	3	0	4	0
Injuries: Minor	4	4	6	0
Total LTI -Days	104	9	78	0

COVID-19 Precautionary Measures

The Group continuously observes the health and safety measures and Standard Operating Procedures (SOP) outlined by relevant Ministries especially the Ministry of Health for the COVID-19 pandemic to safeguard the health and safety of all our employees and the extended community. This is to ensure the pandemic will not adversely affect daily business operations and performance as well as to break the chain of COVID-19 infections in this country. Regular communications regarding the danger of the COVID-19 pandemic and preventive measures have been taken to ensure a high level of awareness among employees.



Highlights on the precautionary action taken by the Group are as follows:

Limiting Number of On-site Employees

During the MCO, the Group set a limit on the number of employees who could be on-site or in the office. The remaining employees were instructed to work from home or work on rotation basis to ensure business continuity.

Physical Distancing

All working and common spaces such as reception area, canteen, discussion rooms, surau, etc. were properly marked to ensure 1-metre physical distancing.

Face Masks

All employees were provided with face masks free of charge.

Hand Sanitisers

Hand sanitisers were made available throughout our business premises.

Temperature Checks and Registration

Having body temperature scans at main entrances and registration via MySejahtera app or manually upon arrival at office or factory.

Posters, E-mails and Notices

Posters, e-mails and notices to remind employees and visitors of COVID-19 safe steps and practices were strategically placed and shared.

Travel Restriction / Advisory

Employees’ movement between business units were restricted and visits to business partners were not encouraged.

Virtual Meetings

All internal and external meetings were mostly done virtually.

Enhanced Cleaning and Disinfecting

Offices, operation areas and high touch points were frequently cleaned and disinfected.

COVID-19 Tests

Weekly Rapid Antigen Test to detect infections.

SUSTAINABILITY REPORT

Employee & Community Engagement

SIB sees itself as being part of the greater community which means that our responsibilities also extend beyond the confines of the Group. In affirming our position as a responsible corporate citizen, we are dedicated in establishing a strong relationship with the surrounding communities in which we operate, contributing to their overall health and well-being through community projects and supply of local goods and services.

Employee and community engagement, teamwork and camaraderie outside the workplace are essential in building a dynamic and committed workforce. In turn, SIB employees feel a sense of belonging to the Group, motivating them to take ownership of their roles and responsibilities, respecting the need for work-life integration and overall well-being.



Visit and donation to our staff affected by flood, Kampung Jawa, Klang (December 2021)



Visit and donation to flood victims , Hulu Langat (December 2021)



Visit to orphanage home, Rumah Bakti Al Kausar, Bangi

SUSTAINABILITY REPORT

The challenges with COVID-19 pandemic faced by the Group in FY2021 continued until third quarter of FY2022 when the MCO was replaced with the National Recovery Plan starting from October 2021. Amidst the challenges, SIB donated RM20,000 to an old folks' home at Hulu Langat, gave school vouchers worth RM60,000 to 60 under-privileged primary school children and donated to about 45 mosques.

The Group also values the contributions of our employees, even those who are no longer with us. For the children of employees who have passed away whilst in service, we continue to support them through a small monthly contribution of RM100 until they complete secondary school education. For FY2022, there are 12 children who benefited from this financial support. In FY2023, we are committed to continue providing support and assistance to our employees and communities that are in need.

Compliance

Complying with regulatory requirements is crucial in ensuring that all necessary standards, processes and systems are in place in running our operations without risking either the Group's commerciality or competitiveness.

The Group's risk management framework sets out the process for risk identification, measurement and treatment with continuous monitoring, review and communication. To achieve the right balance, every employee is involved in identifying and mitigating sustainability risks across all areas of operations with Group Internal Audit Department overseeing the adequacy and effectiveness of the risk management framework while monitoring compliance with policies and procedures.

The Group has implemented SIB Anti-Bribery and Corruption Policy and Whistle-Blowing Policy since 1st June 2020, complying with the requirements of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009). These policies together with Purchases Policy, No-Gift Policy and Entertainment Policy were reviewed again during the FY2022 for improvement and alignment with the recommendations from Institute of Internal Auditors Malaysia (IIAM). SIB understands that proactive actions should be taken to ascertain adequate controls and procedures are in place across the organisation to prevent associated persons from undertaking conduct that would be in breach of the provision. A breach of the Corporate Liability provision is a criminal offence that comes with hefty penalties.

Integrity and Governance function led by an Integrity Officer is

responsible to oversee and manage these policies and undertakes the following functions:

- Complaints Management
- Detection and Verification
- Integrity Compliance and Enhancement
- Governance

As a result, we are pleased to report that the Group has not been fined or penalised for any major environmental or statutory violation by the relevant authorities during this reporting period.

OUR COMMITMENT

Sustainability is an on-going process, and to integrate sustainable practices in all that we do require inclusive and strong partnerships built upon principles and values, a shared vision and shared goals. To strive for a purposeful and responsible growth, we endeavour to collaborate with our stakeholders in responding swiftly to changes in demands of the business, environment and communities. We are also clear about the important role we play in driving positive change and will continuously work towards enhancing our shareholder value, strengthening our risk management framework, adopting and applying good corporate governance framework, environmentally responsible practices and sound social policies, as well as empowering our employees and communities that we engage with.

Our core values of being honourable, professional, resourceful, resilient and agile underpin the way we do business and our conduct with the communities where we operate and serve. We shall maintain our commitment to further integrate SIB's core values in our journey towards achieving sustainability across all aspects of our business.

RESEARCH & DEVELOPMENT

Our strength in R&D ensures the Company is kept abreast with the latest technical and technological advancements and know-how.





C O R P O R A T E G O V E R N A N C E

OVERVIEW STATEMENT

Sapura Industrial Berhad ("SIB" or "the Company") Board of Directors ("the Board") regards sound Corporate Governance as vital to the success of the Company's business. It is about commitment to values and ethical conduct. Thus, the Board is fully committed to ensuring that the interests of all stakeholders are not just safeguarded, but continually enhanced to ensure the sustainability and the long-term growth of the Group's businesses. Accordingly, the stakeholders' expectations must be assessed and managed, and not assumed.

This Corporate Governance Overview Statement is augmented with Corporate Governance Report, based on prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance 2021 ("the Code"). The Corporate Governance Report is available on the Company's corporate website at www.sapuraindustrial.com.my. This Corporate Governance Overview Statement should also be read together with the Statement on Risk Management & Internal Control, the Audit Committee's Report and Sustainability Report stated in this Annual Report.

The Board is pleased to report to shareholders the manner in which the Company has applied the Code.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

I. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group's affairs. To discharge the Board's stewardship responsibilities, the Board has assumed the following principal roles and responsibilities:-

- i) Review and approve annual corporate plan, which includes overall corporate strategy, marketing plan, human resources plan, financial plan and budget and risk management plan;
- ii) Oversee and review the performance of the business and to evaluate whether the business is being properly managed;
- iii) Identify principal risks and ensure the implementation of appropriate systems to manage these risks;

- iv) Ensure that there is an appropriate succession plan for members of the Board and Senior Management;
- v) Develop and implement an investor relations program or shareholders' communications policy;
- vi) Review the adequacy and integrity of internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives, and guidelines; and
- vii) Review and approve financial statements.

To assist in the discharge of its stewardship role, the board has established Board committees, namely the Audit Committee and Board Nomination & Remuneration Committee to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making however, lies with the Board.

Board Charter

The Board has established and adopted the Board Charter with the objective of ensuring good Corporate Governance is applied in all of the Company's business dealings. The Board Charter serves as reference and guidance, providing Board members and Management insight into the functions of SIB Board. The Board shall update the Charter as and when need arises to reflect changes to the Company's policies, procedures as well as to comply with the latest regulations and legislations.

Code of Ethics & Business Conduct

The Board recognises the importance of having in place a Code of Ethics, setting out the standards of conduct expected from Directors and employees, to cultivate and promote good corporate behaviour. Through its "Code of Ethics and Business Conduct", the Board strives to adhere to the highest ethical

CORPORATE GOVERNANCE OVERVIEW STATEMENT

standards in discharging its responsibilities and continues to promote integrity and ethical conduct among its members, employees and third parties in all aspects of the Company's business operations, including confidentiality of information, conflicts of interest, health, safety and health, insider trading as well as establishing whistle-blowing policy among others.

Whistle-Blowing Policy

The Company is committed to promote a highly ethical culture of integrity and accountability. The Board has adopted a Whistle-Blowing policy to provide and facilitate the handling of wrongdoings and protection to whistle-blowers. The Policy outlines how and to whom a genuine concern may be raised, in good faith about fraud, illegal, unethical or improper business conduct within the Group.

Anti-Bribery and Corruption Policy

Acknowledging the need to raise awareness and inculcate a zero corruption culture throughout the Group, an Anti-Bribery and Corruption Task Force has been set up to formalise the Anti-Bribery and Corruption Policy as well as to implement the anti-corruption and bribery programmes ("ABC Programmes"). The ABC Programmes involve continuous education for our employees, suppliers, subcontractors and business partners. In addition, monitoring potential corruption risk is included in the annual risk assessment of the Group.

The Board Charter, Code of Ethics and Business Conduct, Whistle-Blowing Policy and Anti-Bribery and Corruption Policy are available on the Company's corporate website at www.sapuraindustrial.com.my.

The Chairman and Chief Executive Officer (CEO)

The Company aims to ensure a balance of power and authority between the Chairman and the CEO with a clear vision of responsibility between the running of the Board and the Company's business respectively. The positions of Chairman and CEO are separated and clearly defined.

Role of Chairman

The Chairman is responsible for leadership of the Board in ensuring the effectiveness of all aspects of its role. The Chairman is responsible for managing the business of the Board to ensure that all Directors are properly briefed on issues arising at Board

meetings, leading the Board in setting the values and standards of the Company, maintaining a relationship of trust with and between the Executive and Non-Executive Directors and ensuring the provision of accurate, timely and clear information to Directors.

The Chairman, in consultation with the CEO and the Company Secretary, sets the agenda for Board meetings and ensures that all relevant issues are on the agenda and that sufficient time is allowed for the discussion of complex or contentious issues. Where appropriate, informal meetings are arranged beforehand to enable thorough preparation for the Board discussion. The Chairman also ensures that every Board resolution is put to vote to ensure the will of the majority prevails.

Role of Chief Executive Officer

The CEO is the conduit between the Board and the Management in ensuring the success of the Company's governance and management functions. The appointment of the CEO is governed by the applicable laws and regulations including without limitation the guidelines and directives as may be issued by the regulatory authorities which may be applicable to the Company from time to time as well as the Internal Guidelines.

The CEO has the executive responsibility for the day-to-day operation of the Company's business, ensuring business excellence and operational efficiency on behalf of the Board. He implements and coordinates the policies, corporate strategies and decisions adopted by the Board.

Role of Executive Director

The Executive Director's role is to assist the Executive Chairman in carrying out his responsibilities. The Executive Director is responsible for providing strategic leadership and managing relationship with all stakeholders. The Executive Director shall ensure that the Group's strategies and corporate policies are effectively followed through.

Conduct of the Company's business

The Executive Directors and CEO are assisted and supported by its Management Team with vast experience, skills and knowledge of the industry in ensuring that the business of the Company is well managed. A brief profile of the key management personnel of the Group are stated at pages 24 to 27 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

II. BOARD COMPOSITION

The Board is mindful that the Code recommends at least half of the Board comprises independent directors. Currently, the Board has two (2) executive directors, one (1) non-independent non-executive director and five (5) independent non-executive directors. In line with the Code on gender diversity, presently, the Board has two (2) female Directors namely YBhg Puan Sri Datin Seri Mariam Parineh and Datuk Wira Jalilah binti Baba. The diverse professional backgrounds of the directors provide the Board with an effective mix of members with industry-specific knowledge and broad business and commercial experience. A brief profile of the directors is presented on pages 16 to page 23 of this Annual Report.

The Board continually assesses the composition and the tenure of its independent directors to ensure they have the appropriate balance of skills, expertise and experience to bring an independent view in the consideration of Board issues and provide the appropriate advice to maintain the highest level of corporate ethics. SIB measures the independence of its Directors based on the criteria prescribed under the MMLR in which a Director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company. Our independent directors, who are professionals of credibility and repute, demonstrate independent judgement and objectivity in the Board's deliberations.

Practice 5.3 of the Code recommended that the tenure of an Independent Director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond a cumulative term limit of nine (9) years, it should justify and seek annual shareholders' approval through a two-tier voting process.

Datuk Kisai bin Rahmat and Encik Wan Ahamad Sabri have been the Company's Independent Director for more than nine (9) years cumulatively respectively. Following an assessment by the Board Nomination and Remuneration Committee (BNRC) and the Board, the Company will be

seeking shareholders' approval at the forthcoming AGM for the retention of both Datuk Kisai bin Rahmat and Encik Wan Ahamad Sabri as Independent Directors through a two-tier voting process. The justifications for their reappointment are as follows:-

- i. Their appointment is made in accordance with the requirements of the MMLR and therefore are able to bring independent and objective judgement to the Board;
- ii. They are able to provide proper check and balance in the proceedings of the Board and the Committees;
- iii. Their vast experience, knowledge and skills in a diverse range of businesses allows them to participate actively and contribute during the deliberations or discussions at the Board and Committee meetings; and
- iv. They exercise due care as Independent Non-Executive Director of the Company and carry out their professional and fiduciary duties in the interest of the Company and shareholders.

The non-executive directors contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources as well as improving governance and controls. They also ensure that the strategies proposed by the management are fully discussed and examined, and take into account the long-term interest not only of the shareholders, but also of employees, customers and suppliers. Together with the CEO who has an in-depth knowledge of the business, the Board constitutes individuals who are committed to steer the business with vision, integrity and professionalism.

The Board recognises and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made on merit, taking into account the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

We believe a more diversified Board would promote multiple-perspective analysis of issues and deliberations, and therefore result in higher quality decision making. Leveraging on input from a broader and diverse experience and knowledge base, the Board would also benefit from a more comprehensive oversight into a wider range of possible risks and sensitivities including reputation and compliance risks.

The value of a more strengthened Board composition is critical to provide necessary oversight and leadership as the Company navigates a challenging post-pandemic business landscape and charts a more sustainable growth on the global platform.

Each Board member is expected to commit sufficient time to carry out his role as Director and/or member of the Board Committee in which he is a member. In accordance with the requirements of the MMLR, none of the Directors of the Company holds more than five (5) directorships in public listed companies. This ensures the Directors' commitment, resources and time are focused for an effective input to the Board.

Board Meetings

Meetings and Procedure

All Board and Board Committee meetings for the ensuing financial year are scheduled in advance so as to enable the Directors to plan and organise their respective schedules for the year.

The Board ordinarily meets at least four (4) times a year at quarterly intervals, with additional/special meetings convened as and when deemed necessary. At each regularly scheduled meeting, there is a full financial and business review and discussions, including evaluating the performance to date against the annual budget and business plan previously approved by the Board for that year. Whenever necessary, Senior Management and/or external advisors may be invited to attend the Board and/or the Board Committee meetings to provide their professional views, advice and explanation on specific items so as to enable the Board and/or the Committees to arrive at a considered and informed decision.

During the current financial year under review, the Board held six (6) meetings. Details of attendance at Board meetings are as follows:-

NO.	NAME OF DIRECTORS	POSITION	MEETING ATTENDANCE
1.	Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir	Executive Chairman	6/6
2.	Dato' Shahrizan bin Shamsuddin	Executive Director	6/6
3.	Dato' Azlan bin Hashim (resigned wef 1 November 2021)	Non-Independent Non-Executive	4/5
4.	Datuk Kisai bin Rahmat	Independent Non-Executive	6/6
5.	Puan Sri Datin Seri Mariam Parineh	Non-Independent Non-Executive	6/6
6.	Datuk Wira Jalilah binti Baba	Independent Non-Executive	6/6
7.	Encik Md. Shah bin Hussin	Independent Non-Executive	6/6
8.	Encik Wan Ahamad Sabri bin Wan Daud	Independent Non-Executive	6/6
9.	Datuk Syed Izuan bin Syed Kamarulbahrin (appointed wef 21 January 2022)	Independent Non-Executive	NA

CORPORATE GOVERNANCE OVERVIEW STATEMENT

To facilitate an effective discharge of responsibilities, dedicated Board Committees have been established guided by clear terms of reference. The Board Committees are chaired by non-executive directors who exercise skilful leadership with in-depth knowledge of the relevant industry.

• Audit Committee

The primary objective of the Audit Committee is to assist the Board of Directors in discharging its responsibilities relating to financial accounting and reporting matters. In compliance with the MMLR and the Code, the Audit Committee comprises three (3) directors, who are all independent non-executive directors:

Chairman	Datuk Kisai bin Rahmat <i>Senior Independent Non-Executive Director</i>
Members	Dato' Azlan bin Hashim <i>Non-Independent Non-Executive Director</i> (resigned wef 1 November 2021)
	Datuk Syed Izuan bin Syed Kamarulbahrin <i>Independent Non-Executive Director</i> (appointed wef 21 January 2022)
	Encik Wan Ahamad Sabri bin Wan Daud <i>Independent Non-Executive Director</i>

The terms of reference of Audit Committee are available on the Company's corporate website at www.sapuraindustrial.com.my.

The Audit Committee held six (6) meetings during the financial year.

• Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee (BNRC) was set up with the primary responsibility of proposing and recommending to the Board, candidates for directorships to be filled in the Board and Board Committees. The BNRC, in recommending candidates for appointment to the Board and Board Committees, assesses the candidates' experience, background, capabilities and skills required by the Board. The Board believes that individuals with diverse backgrounds, independence, competencies and diversity represented on the Board could improve its effectiveness and bring differing perspectives in its deliberations and decision making processes.

The BNRC, in determining candidates for appointment to the Board Committees, considers various factors which include time

commitment of the Board Committee members in discharging their roles and responsibilities through attendance at their respective meetings.

The BNRC is also responsible to propose, consider and recommend to the Board the remuneration packages for the executive directors and the CEO. The remuneration of the executive directors and the CEO is competitive and attractive as it has been benchmarked against the industry and commensurate with the performance of the Group's business.

Currently, the composition of the BNRC complies with the MMLR. The BNRC comprises of non-executive directors, majority of whom are independent.

Chairman	Datuk Kisai bin Rahmat <i>Senior Independent Non-Executive Director</i>
Members	Puan Sri Datin Seri Mariam Parineh <i>Non-Independent Non-Executive Director</i> (appointed wef 10 May 2022)
	Encik Wan Ahamad Sabri bin Wan Daud <i>Independent Non-Executive Director</i>
	Encik Md. Shah bin Hussin <i>Independent Non-Executive Director</i>

The above composition ensures that any decisions made are impartial and in the best interest of the Company without any element of fear or favour.

The BNRC meets as and when required and at least once every financial year. During the financial year under review, BNRC held three (3) meetings wherein all the members of BNRC attended the meetings.

The BNRC's Terms of Reference cover the following areas:

- Objectives;
- Composition and appointment of its members;
- Meetings and procedures;
- Functions and duties;
- Selection and Assessment of Directors;
- Remuneration and terms of employment of the Executive Directors and CEO.

The BNRC's Terms of Reference is available on the Company's corporate website at www.sapuraindustrial.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Minutes of Meetings

The proceedings and resolutions passed at each Board and Board Committee meeting are minuted and kept in the statutory register at the registered office of the Company. In the event of any potential conflict of interests, the directors in such a position will make a declaration to that effect as soon as is practicable. The directors concerned will then abstain from any decision making process in which they are involved.

Supply of Information

The Board has unrestricted access to timely and accurate information necessary in the furtherance of their duties. The Company Secretary ensures that all Board meetings are furnished with proper agendas. Board papers, which include reports on Group performance and major operational, financial, strategic and regulatory matters, are circulated to all the directors not less than seven (7) days prior to the meeting, to allow the directors sufficient time for review. In most instances, senior management of the Company as well as external advisors are invited to be in attendance at Board meetings to provide fresh insights and to furnish clarification on issues that may be raised by the Board.

Company Secretary

The Directors have full and unrestricted access to the advice and services of the Company Secretary who supports and plays an advisory role to the Board in relation to the Board's policies and procedures and ensures compliance with the relevant regulatory requirements, codes, guidance, legislations and best practices on governance. The Company Secretary is also responsible for management of the Company's registers. The Company Secretary provides support to the Chairman of the Company to ensure the effective functioning of the Board and also organises and attends all Board meetings and Board Committees meetings, ensuring that an accurate and proper record of deliberation of issues discussed, decisions and conclusions are taken.

The Company Secretary records, prepares and circulates the minutes of the meetings of the Board and Board Committees and ensures that the minutes are properly kept at the registered office of the Company and produced for inspection, if required. In addition, the Company Secretary also updates the Board regularly on amendments to the Listing Requirements, practice and guidance notes, circular from Bursa Malaysia Securities Berhad, legal and regulatory developments and impact, if any, to the Company and its business. The appointment and removal of the Company Secretary is also a matter for the Board to decide to ensure qualified and suitable individual is selected.

Independent Professional Advice

There is a formal procedure sanctioned by the Board of Directors, whether as a full board or in their individual capacity to seek independent professional advice, where necessary, at the Group's expense from time to time. This is to enable the Board to discharge its duties in relation to matters being deliberated. The procedure will involve informing the Company Secretary who will propose a list of advisors for consideration. The advice given could also be shared with the other Board members. Similar access is also extended to the Board Committees on the same basis.

Appointment to the Board

The proposed appointment of new Board members is reviewed and assessed by the BNRC. Thereafter the BNRC submits its recommendation on the proposed appointment to the Board for approval. The BNRC's primary role is to review the required mix of skills and experience of the directors on the Board, and determine the appropriate Board balance and size of non-executive directors. It will establish procedures and processes towards an annual assessment of the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual director including time commitment. The Board is satisfied that the current composition of the Board brings the required mix of skills and experience required for the Board to function effectively.

Directors' Training

The Board acknowledges that its directors must keep abreast of developments in the Group's operating environment and business and will need to enhance their knowledge and business acumen to meet challenging commercial risks. All Directors including the newly appointed Director have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia.

The Board endeavours to provide continual training and development of its current and new directors, by ensuring that the Directors participate in a specifically tailored training and induction program. However, the COVID-19 pandemic situation limited the ability for Directors to attend physical training programs. Moving forward, relevant virtual training sessions are planned for all Directors. During the financial year, the following training sessions were attended by some of the Board members:

- SC's Audit Oversight Board Conversation with Audit Committees
- MSWG Webinar - The Updated Malaysian Code on Corporate Governance
- MSWG Webinar - COVID Creates Unique Governance Issues

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- MIA Women of Substance Symposium 2022
- ESG & Leadership Workshop: The Formula for a Sustainable Future

In addition, all Directors have been briefed on the latest Malaysian Code on Corporate Governance 2021 issued by Securities Commission on 28 April 2021 on introduction of new best practices and further guidance to strengthen the corporate governance culture of listed companies.

Re-election and Reappointment of Directors

The Company's Constitution provides that all directors appointed by the Board are subject to election by the shareholders at their first Annual General Meeting and thereafter shall retire from office by rotation at least once in each three (3) years, but shall be eligible for re-election at each Annual General Meeting.

The Board makes recommendations concerning the re-election, reappointment and the continuation in office of any Director for shareholders' approval at the Annual General Meeting.

III. REMUNERATION

Level and Make-up of Remuneration

The BNRC is responsible for evaluating and recommending to the Board the level and make-up of the remuneration of the Executive Chairman, Executive Director and CEO ensuring that they commensurate with the scope of responsibilities held in

order to attract and retain the persons of necessary calibre, experience and quality needed to successfully lead the Company.

The BNRC is also responsible for reviewing and making recommendations to the Board the framework and remuneration packages of the Non-Executive Directors to ensure that the levels of remuneration are sufficient to attract and retain the directors needed to run the Company successfully. In its review, the BNRC considers various factors including the Directors' fiduciary duties, time commitments expected of them and the Company's performance.

For the financial year ended 31 January 2022, the total Directors' fees payable to the Non-Executive Directors amounting to RM379,610 have been recommended to the shareholders for approval at the Company's forthcoming Annual General Meeting.

Remuneration Committee

The Board is satisfied that the BNRC has effectively and efficiently discharged its roles and responsibilities with respect to its nomination and remuneration functions. As such, it is not necessary to separate the Nomination and Remuneration functions into distinct nomination and remuneration committees.

The Details of the directors' remuneration for the financial year ended 31 January 2022 are as follows:

	Executive RM	Non-Executive RM	Total RM
Fees		379,610	
Salaries and other emoluments	3,193,000		3,193,000
Bonus	-	-	-
Other emoluments		64,000	
Benefits-in-kind	38,985	-	38,985
Contributions to defined contribution plan	199,763		199,763
Total	3,431,748	443,610	3,875,358

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The number of directors whose remuneration fall into the following bands are as follows:

Bands	Executive	Non-Executive	Total
Below RM50,000	-	1	1
RM50,001 – RM100,000	-	5	5
RM100,001 – RM150,000	-	1	1
RM1,550,001 – RM1,600,000	1	-	1
RM1,850,001 – RM1,900,000	1	-	1
Total	2	7	9

Details of the remuneration of the top five (5) Senior Management for the financial year ended 31 January 2022 are disclosed in the Corporate Governance Report which is available on the Company's corporate website at www.sapuraindustrial.com.my.

PRINCIPLE B : EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial Reporting

The Board is committed to provide a balanced and meaningful assessment of the Group's financial performance and prospects. The usual channel for release of this information is through the audited financial statement, quarterly announcements and the Annual Report. In discharging its fiduciary responsibility, the Board is assisted by the Audit Committee whose primary responsibility is to oversee the Group's financial reporting processes and ensure the quality of its financial reporting.

Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control and a risk management framework to safeguard shareholders' investment and Group assets and for reviewing the effectiveness of these systems. The Statement on Risk Management and Internal Control is presented on pages 67 to 71 of the Annual Report providing an overview of the risk management and status of internal control system within the Group.

Relationship with Auditors

The Board, through the Board Audit Committee, maintains a formal and transparent professional relationship with both the Group internal and external auditors.

The function of the Audit Committee in relation to the external auditors and the number of meetings held since the previous financial year end as well as the attendance record of each member is shown in the Audit Committee's Report on pages 63 to 66 of the Annual Report.

The membership of the Audit Committee, the terms of reference and a summary of the activities of the Committee are presented in the Audit Committee's Report on pages 63 to 66 of the Annual Report.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 2016 to ensure that financial statements prepared for each financial year give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the results and cash flow of the Group for the financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPAL C : INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

General Meetings

The Company has been using the general meetings as a platform for communicating with its shareholders. All shareholders are welcome to attend the Company's general meetings and to actively participate in the proceedings. They are encouraged to give their views and suggestions for the benefit of the Company. Every opportunity is given to shareholders to ask questions and seek clarification on the business and performance of the Company. The Board, Senior Management of the Group as well as the Company's auditors are present to respond to issues raised during the meeting.

Notice of general meetings and annual reports/circulars are sent out with sufficient notice so as to enable shareholders to have the required information to make informed decisions. In line with MMLR, voting by poll shall be conducted for any resolutions set out in the notice of any general meetings in the presence of independent scrutineer.

In view of the outbreak of COVID-19 and the guidance issued by the Securities Commission Malaysia and standard operating procedure regarding physical distancing issued by the Ministry of Health, the Company's Forty Fifth Annual General Meeting ("45th AGM") in 2021 was held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV"). To ensure effective participation of and engagement with shareholders, the Company encouraged the shareholders and proxies to submit their questions electronically to the Company before and during the AGM. Members of the Board, Senior Management and external auditors were present virtually to respond to questions raised by the shareholders or proxies. The Company had conducted poll voting via RPV for all resolutions set out in the Notice of the 45th AGM. The shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures in a fully virtual meeting together with the Notice of the 45th AGM. The results of the poll were verified by the independent scrutineer. The Company continues to explore ways to leverage on technology to enhance the quality of engagement with its shareholders, and facilitate further participation by shareholders at all general meetings of the Company.

Communication with Stakeholders

The Board recognises the importance of being transparent and accountable to the Company's stakeholders and as such has various channels to maintain communication with them. The annual report, quarterly announcements on financial results, relevant announcements on the Group's business and activities, as well as the Company's website are the primary mode of communication to all its stakeholders.

The key objective of the Company's dialogue with its shareholders at the Annual General Meeting or Extraordinary General Meeting is to provide an opportunity for a two-way communication process between the Company and its private and institutional investors. In a process of engaging our stakeholders, the Company is able to answer any questions that may be raised while gaining insights into their views and perspectives. At the Annual General Meeting or Extraordinary General Meeting, shareholders are also encouraged to ask questions about the resolutions being proposed as well as the Group's operations in general.

Senior Independent Director

The Board has identified Datuk Kisai bin Rahmat as the Senior Independent Non-Executive Director of the Board to whom any concerns on issues affecting the Company and the Group may be conveyed. He may be contacted at director-sib@sapuraindustrial.com.my.

Corporate Website

The Company has established a website at www.sapuraindustrial.com.my where shareholders and stakeholders can access information regarding Sapura Industrial Berhad Group. Information on the website includes amongst other the Group's corporate structure, main business activities and announcements to Bursa Malaysia.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors dated 19 May 2022.

A U D I T C O M M I T T E E ' S R E P O R T

The Audit Committee of Sapura Industrial Berhad is pleased to present their report for the financial year ended 31 January 2022 in compliance with paragraph 15.15 of the Main Market Listing Requirement of Bursa Malaysia Security Berhad (MMLR).

COMPOSITION

The current composition is in compliance with paragraph 15.09 (1) (a) and (b) and 15.10 of the MMLR where all three Audit Committee members are Independent and Non-Executive Directors who fulfill the criteria of independence as defined in the MMLR. None of the Independent Directors has appointed alternate directors.

As at the date of this Report, the members of the Audit Committee during the financial year comprised the following Directors:

Datuk Kisai bin Rahmat

Chairman, Senior Independent Non-Executive Director

Dato' Azlan bin Hashim

Member, Non-Independent Non-Executive Director
(resigned wef 1 November 2021)

Encik Wan Ahamad Sabri bin Wan Daud

Member, Independent Non-Executive Director

Datuk Syed Izuan bin Syed Kamarulbahrin

Member, Independent Non-Executive Director
(appointed wef 21 January 2022)

Dato' Azlan bin Hashim is a qualified accountant, currently a Fellow of the Institute of Chartered Accountants (Ireland) and member of Malaysian Institute of Certified Public Accountant while Datuk Syed Izuan bin Syed Kamarulbahrin is Fellow Member of ACCA, UK and member of Malaysian Institute of Certified Public Accountant, which is in compliance with paragraph 15.09(1)(c) of MMLR which requires at least one member of the Committee to be a qualified accountant.

The Chairman of the Committee is not the Chairman of the Board. This is in line with Practice 9.1 under the Malaysian Code on Corporate Governance 2021 (MCCG).

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee set out the authority, duties and responsibilities of the Committee which are consistent with the requirements of the MMLR and the MCCG. This Terms of Reference is accessible on the Group official website at www.sapuraindustrial.com.my.

MEETINGS HELD FOR THE FINANCIAL YEAR ENDED 31 JANUARY 2022

The Audit Committee held six (6) meetings during the financial year ended 31 January 2022 with the Head of Internal Audit and the Group Financial Controller cum Company Secretary in attendance. The Chief Executive Officer, External Auditors and the Head of the Auditee Companies were also invited to brief the Audit Committee on issues tabled for discussion.

The meetings were structured through distribution of relevant papers to members with sufficient notification.

AUDIT COMMITTEE'S REPORT

Audit Committee Meeting Attendance

There were six (6) meetings held during the financial year ended 31 January 2022 and the details of attendance are as follows:-

NO.	NAME OF AUDIT COMMITTEE MEMBERS	POSITION	MEETING ATTENDANCE
1.	Datuk Kisai bin Rahmat (Chairman)	Independent Non-Executive	6/6
2.	Dato' Azlan bin Hashim (resigned wef 1 November 2021)	Non-Independent Non-Executive	3/4
3.	En. Wan Ahamad Sabri bin Wan Daud	Independent Non-Executive	6/6
4.	Datuk Syed Izuan bin Syed Kamarulbahrin (appointed wef 21 January 2022)	Independent Non-Executive	NA

CONTINUOUS TRAINING

Audit Committee members acknowledge the need for continuous education training. However, the COVID-19 pandemic situation in 2021 limited the ability for Directors to attend physical training programs. Moving forward, relevant virtual training sessions are planned for all Directors. During the financial year, Audit Committee members were briefed by External Auditors on development of new or amended accounting standards and how it impacted SIB Group.

- ◆ Changes in accounting policies and practices and implementation thereof.
- ◆ Significant adjustments arising from the external audit process.
- ◆ Going concern assumption.
- ◆ Adequacy and appropriateness of disclosure.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the financial year.

The main activities undertaken by the Committee were as follows:

Financial Reporting

- Reviewed the quarterly and year end financial statements before recommending to the Board for approval to announce to Bursa Malaysia Securities Berhad.
- Ensuring that financial statements comply with applicable financial reporting standard and considered the following on a regular basis:

External Audit

- Reviewed the External Auditor's scope of work and audit plan for the financial year.
- Considered significant issues arising from the annual audit by the External Auditor.
- Held separate meetings with the External Auditors, excluding the attendance of the Management, to discuss any problems and reservations.
- Considered the suitability and independence of the External Auditor with the Management. Factors considered including the adequacy of experience and resources of the firm and professional staff assigned to the audit and level of non-audit services rendered for the financial year under review. The Audit Committee procures a confirmation from them that they are and have been independent throughout the conduct of the audit engagement.
- Considered together with Management the audit fees of External Auditors for recommendation to the Board for approval.

AUDIT COMMITTEE'S REPORT

Internal Audit

- Reviewed the internal audit plan to confirm the annual audit of the Group.
- Reviewed and appraised the audit reports by the Internal Auditors.
- Reviewed the adequacy of Internal Audit Department's resources and budget to meet the planned activities across the Group.
- Reviewed and appraised the audit reports by the Internal Auditors and Management's response and follow-up actions to major findings.
- Monitored the implementation of the audit recommendations in subsequent meetings to obtain assurances that all key risks and control concerns have been fully addressed.
- Held separate meetings with the Internal Auditors, excluding the attendance of the Management, to discuss any problems and reservations.

Risk Management and Internal Control

- Reviewed and appraised the various corporate governance, risk management and internal control systems.
- Reviewed the adequacy and effectiveness of the governance and risk management processes as well as the internal control system through risk assessment reports from the Group Risk Management Committee and the Internal Audit Department. Significant risk issues were summarised and communicated to the Board for consideration and resolution.
- Recommended to the Management any improvement on internal controls, procedures and systems of the Group to improve the robustness of its risk monitoring and control activities.

Related Party Transactions

- Reviewed the related party transactions entered into by the Group and any conflict of interest situation that may arise within the Group so as to ensure that transactions are fair and reasonable, and are not detrimental to the interest of the Group.

Others

- Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Sustainability Report before submission to the Board for consideration and approval for inclusion in Company's Annual Report.

The Audit Committee Chairman also continuously engaged with Senior Management and the auditors in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Audit Committee in a timely manner.

INTERNAL AUDIT FUNCTION

During the financial year under review, the Audit Committee is supported by an in-house Internal Audit Department in the discharge of its duties and responsibilities. The Department reports directly to the Audit Committee and its principle responsibility is to provide independent and objective assurance on the adequacy and effectiveness of the risk management, internal control and governance processes. The purpose, authority and responsibility of Internal Audit Department are articulated in an Internal Audit Charter.

The Internal Audit function is headed by Encik Nik Lukman, a qualified accountant with over 25 years' experience in a wide range of accounting and internal audit works. He is a member of The Institute of Internal Auditors Malaysia, Malaysian Institute of Accountants and CPA Australia. There are one internal audit manager, one executive and an audit assistant assisting the department head to carry out various audit assignments. All the internal audit personnel are free from any relationships or conflict of interest, which could impair their objectivity and independence.

The Internal Audit Department reviewed and evaluated the adequacy and effectiveness of the internal control system to anticipate any potential risks and recommended improvements, where necessary. The Department also assessed:

- a. the Group's compliance to its established policies and procedures, guidelines and statutory requirements;
- b. reliability and integrity of financial and operational information;
- c. safeguarding of assets; and
- d. operational effectiveness and efficiency.

AUDIT COMMITTEE'S REPORT

The Management was required to explain any purported lack of compliance pursuant to the audit reports issued. The audit reports, incorporating relevant action plans agreed with the Management, were circulated to the respective Senior Management, Business Units Head and Group Financial Controller and were reviewed by the Audit Committee.

Validation of controls based on the key risk profile identified under the Enterprise - Wide Risk Management framework were also conducted in major subsidiaries to ensure those controls are in place and adequate. The resulting report was forwarded to the Management and Audit Committee for recommendations.

A follow-up audit review was also conducted to monitor and ensure that all audit recommendations have been effectively implemented.

Internal Audit's function, including its activities are guided by its Charter, Audit Manuals and the International Standards for the Professional Practice of Internal Auditing.

There were no areas of the internal audit function which were outsourced in the financial year ended 31 January 2022. The total cost incurred for the internal audit function of the Group for the financial year was RM435,558.

However, effective from 1 February 2022, the internal audit function has been outsourced to Assuring Consulting Sdn. Bhd.

REPORTING TO THE EXCHANGE

In the financial year ended 31 January 2022, the Audit Committee was of the view that the Group was in compliance with MMLR and as such, the reporting to Exchange under paragraph 15.16 of the MMLR is not required.

DATUK KISAI BIN RAHMAT
Chairman
Audit Committee

S T A T E M E N T O N

R I S K M A N A G E M E N T A N D I N T E R N A L C O N T R O L

Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) requires the Board of public listed companies to include a statement on the state of their internal controls in their annual reports. Part II of Principle B in the Malaysian Code on Corporate Governance (MCCG) issued in 2021 requires the Board of Directors (the Board) of public listed companies to maintain an effective risk management framework and internal control systems to safeguard shareholders' investment and the Group's assets.

The Board is pleased to provide the following statement, which is prepared in accordance with paragraph 15.26(b) of the MMLR and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITY

The Board recognises its overall responsibility in maintaining an effective and adequate system of risk management and internal control for the Group, which is an integral part of good corporate governance. The Board also acknowledges its responsibility to ensure that the risk management and internal control systems are reviewed to ensure its efficiency and integrity to safeguard shareholders' investment and the assets of the Group. Such systems cover not only financial controls but also operational and compliance controls and risk management procedures.

In pursuing its responsibility, the Board has established an ongoing process for identifying, evaluating and managing significant risks faced by the Group and to regularly review this process. The Statement on Risk Management and Internal Control (SORMIC) outlines the nature and scope of its risk management and internal control which has been in place during the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

However, due to inherent limitations, the Board acknowledges that risk management and internal control systems provide reasonable but not absolute assurance in eliminating the risks of failure in achieving business objectives. Hence the systems can only provide reasonable assurance against material misstatement, fraud or loss.

The Management is assigned with the role of assisting the Board in implementing the policies and procedures on risk management and control by identifying and assessing the various risks faced by the Group and ensuring appropriate and suitable internal controls are in place to mitigate, control and monitor these risks.

RISK MANAGEMENT

The Board considers risk management and internal control as critical to the Group's business operations and key to good corporate governance. The Board has oversight over this critical area through the Audit Committee, who delegated the role of overseeing the Group's risk management to the Group Risk Management Committee (GRMC), although the Board retains overall accountability of the Group's risk profiles.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

An overview of the Group’s overall risk management framework is illustrated in the following diagram:



The governance structure to manage the risk profiles allows the Group to have a “3 Lines Model” that defines the relationship between these functions and facilitate strong governance and risk management as per the following diagram:

	1 st line of defence	2 nd line of defence	3 rd line of defence
Role	Departments and Functional Teams	GRMC	Internal Audit
	Take and manage risk	Set risk policy and monitor	Validate
Key Activities	Identifying risk at operational level related to strategic business objectives.	Establish risk management policy, procedures, methodologies, tools including risk appetite framework and make available throughout the Group.	Perform independent testing and assess whether risk appetite framework, risk policy, risk procedures and related controls are functioning as intended.
	Conduct business in accordance with agreed strategic business objectives and related risk appetite.	Monitor risk and communicate with the CEO and the board regarding the exceptions and come up with action plan when needed.	Provide assurance to management and the Board related to the quality and effectiveness of the risk management program, including risk appetite framework.
	Perform thoughtful, periodic Risk Control Self Assessments (RCSA).	Provide independent risk oversight across all risk types, business units and locations.	

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group’s Risk Management Framework has been reviewed and revised during the year to provide adequate guidance in managing the risks of the Group. The updated Risk Management Framework is aligned with the ISO 31000:2018 and includes Environment, Social and Governance (ESG) related risks as recommended by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) version 2018.

The following are 7 steps adopted in the Group’s risk management workflow:

SIB Group Risk Management Workflow



The Group’s risk management workflow starts with identifying the strategic objectives that will support the achievement of the Group’s vision and mission as follows:

VISION To be a leader in advanced manufacturing solutions

MISSION Delivering solutions and value to customers, employees, shareholders and community by harnessing technologies and resources.

In performing risk identification, the Group categorises the risks as strategic or operational risks. Strategic risks are those that are mission-critical with a direct negative impact to the achievement of the Group’s strategic objectives whereas operational risks are risks that are at granular level, in conducting daily business activities and operations. The Group has identified 18 strategic risks that will be closely monitored by GRMC while operational risks will be monitored by the respective Heads of Department.

The risks profiles of the Group are identified, assessed and evaluated during risk management workshops with Senior Management’s input. Risks identified are assessed by examining the potential impact

on the Group based on the likelihood and impact of occurrence. A 5-point scale that contains 5 response options are used to determine the likelihood and impact of each risk profile. Members of GRMC and Heads of Department provide their responses to each strategic risk identified and the consolidated results will be known as inherent risk score. The above process adopted in assessing the risks provides a structured approach in identifying, prioritising and managing the Group’s risks.

During the course of audit activities, Internal Auditors will conduct risk and internal control assessments for both strategic and operational risks to ascertain whether the internal controls are in place and working effectively.

Monitoring and Reporting

The GRMC continuously monitors and reviews the adequacy and effectiveness of risk management and control systems within the Group. A control self-assessment system is also in place for Management to monitor critical and routine risks areas under their jurisdiction using the Risk Profiles and Risk Heatmap.

The Audit Committee reviews and monitors the adequacy and effectiveness of the Group’s risk management, internal control and governance processes on a periodic basis, based on reports provided by Internal Auditors. Formal procedures are in place for action to be taken to remedy any significant weakness identified in these reports.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Audit Committee has unrestricted access to Internal Auditors, External Auditors and the employees of the Group and are also entitled to obtain third party independent professional advice should the requirement exist in the course of performing their responsibility.

This process has been in place throughout the financial year under review and up to the date of this report.

The Group will continue its focus on institutionalising risk management as a business culture within the Group.

INTERNAL CONTROL

The Audit Committee reviews the adequacy and integrity of the Group's system of risk management and internal controls on behalf of the Board. The Audit Committee, assisted by the Internal Auditors perform structured and systematic audit review that complies with the guidelines by International Professional Practice Framework (IPPF) of the Institute of Internal Auditors.

The audit performed by Internal Auditors assessed the effectiveness of risk management, internal controls, anti-corruption, whistle-blowing and governance processes of the Group and the extent of compliance with Group's operating policies and procedures. The findings on weaknesses or deficiencies in internal control processes from the audit activities performed are presented to the Audit Committee. This function serves an important source of information for the Audit Committee to identify possible remedial course of actions to improve the weaknesses found in risk management and control systems.

The Internal Auditors carry out internal control reviews on the financial and operating activities of the Group based on an annual plan presented and approved by the Audit Committee. Internal Audit functions are carried out objectively and reports directly to the Audit Committee and are independent from the management of the Group and the functions which it audits.

The key elements of the framework of the internal control system of the Group are as follows:

- All major decisions require the approval of the Board and are only made after appropriate in-depth analysis. The Board meets regularly on a quarterly basis, and reviews the financial and operational performance of the Group.
- Clear Group organisational structure that is aligned with the business and operational requirements, defined lines of responsibilities and appropriate levels of delegation.
- All Departments and Divisions of the Group have clearly documented policies and procedures incorporating control and scope of responsibilities. Periodic review is done to ensure their relevance and effectiveness. The policies reviewed during the year are:
 - ◆ Group Risk Management Framework
 - ◆ Group Anti-Bribery and Corruption Policy
 - ◆ Code of Ethics and Business Conduct
 - ◆ Group No Gift Policy
 - ◆ Group Entertainment Policy
 - ◆ Group Whistle-Blowing Policy
 - ◆ Group Purchasing Policy
- Consolidated risk register of the Group and any report received on any significant problem that has occurred during the year will be reviewed. Any potential impact to the existing risk profile and risk appetite will be assessed.
- The Group's Limit of Authority (LoA) sets out the authority limits in the areas of corporate, operations, financial and human resource. The LoA prescribes limits of authority and prohibits unfettered power within the various levels of management and Group members. The LoA may be reviewed by the Board upon recommendation by management, to ensure its provisions are effective in managing risk and are practical for implementation.
- The Internal Auditors monitor compliance with the Group's policies and procedures and applicable laws, regulations and standards, and provide independent assurance on adequacy and effectiveness of the risk management and internal control system by conducting regular audit and continuous assessment. Major audit findings and recommendations for corrective actions and improvement are highlighted to the Audit Committee and Senior Management. Audit follow-up is carried out to ensure the implementation of corrective action plans in a timely manner.
- The Audit Committee, on behalf of the Board, regularly reviews and holds discussion with management on the action taken on internal control issues identified in various reports prepared by the Internal Auditors and External Auditors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- An Annual Budget and Business Plan are prepared and adopted by the Board to facilitate the Group in its business and financial performance. The Board reviews and monitors the achievements of the Group's performance on a quarterly basis.
- Exco Committee Meetings, attended by all General Managers and chaired by the Chief Executive Officer, are held to deliberate on business, financial and operational issues which include reviewing and approving all key strategic business measures and policies. Progress status of any internal control measures recommended to the business units during the course of internal audit was also reviewed.
- Monthly Operational Performance Meetings at Group and Company levels attended by respective Business Unit Heads and chaired by the Chief Executive Officer to review operational performance and issues including progress of ongoing initiatives.
- Code of Ethics and Business Conduct is established and adopted for all directors, officers and staff, and a Whistle-Blowing Policy to facilitate disclosure of any improper conduct within the Group.
- Quality Management Systems has been implemented in all of the Group's manufacturing subsidiaries where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by qualified management representatives and periodical surveillance audits are conducted by an independent certification bodies to ensure compliance.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Chief Executive Officer and Group Financial Controller have provided assurance to the Board and Audit Committee that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects, to ensure the achievement of its business objectives. Based on the review on adequacy and effectiveness of the risk management and internal control framework of the Group and the assurance provided by the Management Team, the Board is of the view that the system of risk management and internal control is satisfactory and adequate to safeguard shareholders' investment and the Group's assets.

The Group will continue to identify, evaluate and monitor all major risks and take measures to strengthen the internal control and risk management environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of MMLR, the external auditors, Messrs. Ernst & Young PLT, have reviewed this Statement on Risk Management and Internal Control in accordance with the Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control (AAPG 3) issued by Malaysian Institute of Accountants for inclusion in this Annual Report and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of risk management and internal control within the Group.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Statement made in accordance with a resolution of the Board of Directors dated 19 May 2022.

A D D I T I O N A L COMPLIANCE INFORMATION

Pursuant to Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and/or its subsidiary companies involving the Company's directors and/or major shareholders' interests either still subsisting at the end of financial year, or which were entered into since the end of the previous financial year.

2. MATERIAL CONTRACTS RELATED TO LOAN

There were no material contracts related to loans entered into by the Company and/or its subsidiary companies involving the Company's directors and/or major shareholders' interests during the financial year under review.

3. RECURRENT RELATED PARTY TRANSACTIONS ENTERED INTO DURING FINANCIAL YEAR ENDED 31 JANUARY 2022 PURSUANT TO SHAREHOLDERS' MANDATE

Shareholders' mandate was not required to be procured for recurrent related party transactions entered into during financial year ended 31 January 2022.

4. AUDIT AND NON-AUDIT FEES

The amount of annual audit fees payable to Messrs. Ernst & Young PLT by the Group and the Company is RM169,100 and RM43,900 respectively.

Apart from the annual audit fees, there were non-audit fees amounting RM6,900 paid to Messrs. Ernst & Young PLT by the Group and the Company during the financial year under review.

5. PROFIT ESTIMATION, FORECAST OR PROJECTION

There were no profit estimation, forecast or projection made or released by the Company during the financial year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are responsible for the preparation of the audited financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and the cash flow of the Group and of the Company for the financial year.

In preparing the financial statements of the Group and of the Company, the Directors have adopted appropriate accounting policies and applied them consistently and prudently. The Directors have also ensured that those applicable accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and which enable them to ensure that the financial statements are in compliance with the provisions of the Companies Act, 2016.

The Directors are also responsible for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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D I R E C T O R S ' R E P O R T

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 January 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries.

The principal activities of the subsidiaries are described in Note 16 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
(Loss)/profit net of tax	(3,813,008)	2,006,774
Attributable to:		
Owners of the parent	(3,777,675)	2,006,774
Non-controlling interests	(35,333)	-
	(3,813,008)	2,006,774

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual in nature.

DIVIDENDS

During the financial year, the amount of dividends paid by the Company were as follows:

- (a) In respect of financial year ended 31 January 2021, as reported in the Directors' Report for that year:
 - final single tier dividend of 1 sen per ordinary share amounting to RM727,757 declared on 7 July 2021 and paid on 19 July 2021.
- (b) In respect of financial year ended 31 January 2022:
 - special single tier dividend of 2 sen per ordinary share amounting to RM1,455,515 declared on 22 September 2021 and paid on 17 November 2021.

The directors do not recommend the payment of any final dividend for the financial year under review.

DIRECTORS' REPORT

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year and at the date of this report are:

Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir
 Dato' Shahrizan bin Shamsuddin
 Datuk Kisai bin Rahmat
 Md. Shah bin Hussin
 Wan Ahamad Sabri bin Wan Daud
 Puan Sri Datin Seri Mariam Parineh
 Datuk Wira Jalilah binti Baba
 Datuk Syed Izuhan bin Syed Kamarulbahrin (appointed on 21 January 2022)
 Dato' Azlan bin Hashim (resigned on 1 November 2021)
 Azmi bin Hashim (alternate director to Dato' Azlan bin Hashim, resigned on 1 November 2021)

The names of the directors of the subsidiaries in office since the beginning of the financial year and at the date of this report are:

Helmi bin Sheikh Mahmood
 Mohd Salleh bin Jani
 Liyana Lee binti Abdullah
 Noriyuki Wada
 Noriharu Noshimura
 Md Radzi bin Osman (appointed on 15 December 2021)
 Shariman bin Abdul Sofi (appointed on 15 December 2021)
 Abdul Halim bin Baharom (resigned on 15 December 2021)
 Adnan bin Jamal (resigned on 15 December 2021)
 Kelana bin Sajari (resigned on 15 December 2021)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements or other than benefits included in remuneration as director and/or employee of related corporations) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

The Company maintains a liability insurance for the directors and officers of the Group. The total sum insured for the directors and officers of the Group for the financial year amounted to RM10,000,000.

The total insurance premium effected for any director and officer of the Company as at the financial year end is RM11,625.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.2.2021	Acquired	Transferred	At 31.1.2022
The Company				
Sapura Industrial Berhad				
Direct interest:				
Dato' Shahrizan bin Shamsuddin	663,175	-	-	663,175
Indirect interest:				
Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir	20,377,300	-	-	20,377,300
Puan Seri Datin Seri Mariam Parineh	20,377,300	-	-	20,377,300

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the abilities of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 7 to the financial statements.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young PLT for the financial year ended 31 January 2022.

Signed on behalf of the Board in accordance with a resolution of the directors dated on 19 May 2022.

Datuk Kisai bin Rahmat

Md. Shah bin Hussin

S T A T E M E N T B Y D I R E C T O R S

Pursuant to Section 251(2) of the Companies Act 2016

We, Datuk Kisai bin Rahmat and Md. Shah bin Hussin, being two of the directors of Sapura Industrial Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 85 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 January 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 19 May 2022.

Datuk Kisai bin Rahmat

Md. Shah bin Hussin

S T A T U T O R Y D E C L A R A T I O N

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Liyana Lee binti Abdullah, being the officer primarily responsible for the financial management of Sapura Industrial Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 85 to 160 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly
declared by the abovenamed
Liyana Lee binti Abdullah
at Bandar Baru Bangi, Selangor Darul Ehsan
on 19 May 2022

Liyana Lee binti Abdullah
(MIA Membership No.: 10293)

Before me,

I N D E P E N D E N T A U D I T O R S ' R E P O R T T O

T H E M E M B E R S O F S A P U R A I N D U S T R I A L B E R H A D

(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Sapura Industrial Berhad, which comprise the statements of financial position as at 31 January 2022 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 85 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 January 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the financial statements of the Group are described below. The matters were addressed in the context of our audit of the financial statement of the Group as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAPURA INDUSTRIAL BERHAD (CONT'D.)

(Incorporated in Malaysia)

Revenue from sales of automotive parts (Refer to Note 4 to the financial statements)

Revenue from sales of automotive parts recognised by the Group during the year amounted to approximately RM153.9 million. We identified revenue from sales of automotive parts to be an area of audit focus, as we consider the voluminous transactions for numerous types of products to be a possible cause of material misstatement in the timing and recognition of revenue.

Our audit procedures for revenue from sales of automotive parts included amongst others the following procedures:

- (a) We obtained an understanding of the Group's relevant internal controls and tested the controls over timing and amount of revenue recognised;
- (b) We inspected the terms of significant sales contracts to determine the point in time at which customers obtained control of the promised goods and the Group satisfied the performance obligation;
- (c) We focused on using analytics by obtaining general ledger and subledger data that enables us to focus establishing the correlation, between revenue, trade receivables and cash collection;
- (d) We reperformed testing over cash entries that settled trade receivables and inspected documents evidencing customers acceptance; and
- (e) We focused on testing the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period.

We also considered the Group's description of the accounting policy related to revenue, and the adequacy of the disclosures in Note 4 to the financial statements.

Impairment assessment of property, plant and equipment and development expenditure (Refer to Note 13 and Note 15 to the financial statements)

As at 31 January 2022, the carrying amounts of the property, plant and equipment and development expenditure amounting to RM55.0 million and RM1.6 million, which represents 32% and 1% of the Group's total assets respectively. At the reporting date, the Group reviewed the indicators of impairment of these assets and where such indicators exist, the Group performed an impairment assessment to determine the recoverable amounts. The Group has identified the COVID-19 pandemic and the challenging environment which resulted in declining volume and margins as indicators of impairment.

Accordingly, the Group has performed an impairment review on these property, plant and equipment and development expenditure by estimating the recoverable amount using Value-in-Use ("VIU"). Estimating the VIU involves estimating the future cashflows that will be derived from these assets and discounting them at an appropriate rate. The estimation of VIU is significant to our audit as it is complex and contains assumptions, particularly on profit margins, growth rates, discount rates and anticipated sales volumes that are inherently uncertain.

Our audit procedures for impairment assessment for property, plant and equipment and development expenditure included amongst others the following procedures:

- (a) We obtained an understanding of the Group's relevant processes and internal controls over estimation of recoverable amounts of the cash-generating units;
- (b) We assessed the assumptions to determine if they are appropriate and supportable by comparing those assumptions with internally derived information and external market data;
- (c) We evaluated the discount rates, long-term growth rates and methodology used in deriving the present value of the cash flows, with support of our valuation specialists; and
- (d) We performed sensitivity analysis over key inputs to understand the impact of alternative assumptions on the carrying amount.

We also considered the adequacy of disclosures in the significant accounting judgements and estimates in Note 3.2(c) to the financial statements.

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF SAPURA INDUSTRIAL BERHAD (CONT'D.)**
(Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAPURA INDUSTRIAL BERHAD (CONT'D.)

(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ismed Darwis bin Bahatiar
No. 02921/04/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
19 May 2022

STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 31 January 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	4	153,864,873	155,869,622	13,901,045	17,664,619
Cost of sales		(137,004,110)	(131,789,097)	-	-
Gross profit		16,860,763	24,080,525	13,901,045	17,664,619
Other income	5	7,848,656	5,206,038	6,291,365	2,144,404
Administrative expenses		(26,914,186)	(25,158,368)	(17,695,382)	(18,337,138)
Selling and marketing expenses		(249,562)	(178,101)	(193,739)	(89,708)
Other expenses		(58,976)	(250,546)	(54,776)	(100,229)
(Loss)/profit from operations		(2,513,305)	3,699,548	2,248,513	1,281,948
Finance costs	6	(2,242,134)	(1,416,629)	(153,766)	(225,227)
(Loss)/profit before tax	7	(4,755,439)	2,282,919	2,094,747	1,056,721
Taxation	10	942,431	(1,551,547)	(87,973)	(213,503)
(Loss)/profit net of tax		(3,813,008)	731,372	2,006,774	843,218
Other comprehensive income: Actuarial gain/(loss) on retirement benefit net of tax		493,424	(156,659)	141,598	(56,657)
Total comprehensive (loss)/ income for the year		(3,319,584)	574,713	2,148,372	786,561
(Loss)/profit attributable to:					
Owners of the parent		(3,777,675)	730,479	2,006,774	843,218
Non-controlling interests		(35,333)	893	-	-
		(3,813,008)	731,372	2,006,774	843,218
Total comprehensive (loss)/ income attributable to:					
Owners of the parent		(3,284,251)	573,820	2,148,372	786,561
Non-controlling interests		(35,333)	893	-	-
		(3,319,584)	574,713	2,148,372	786,561
(Loss)/earnings per share attributable to owners of the parent (sen):					
Basic/diluted	11	(5.19)	1.00		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

as at 31 January 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Assets					
Non-current assets					
Property, plant and equipment	13	55,049,403	56,120,609	3,951,231	2,090,240
Investment properties	14	32,387,178	32,129,689	13,994,931	13,748,280
Development expenditure	15	1,608,419	1,414,427	-	-
Investments in subsidiaries	16	-	-	30,457,880	30,457,878
Other receivables	18	-	-	27,864,229	18,030,211
Deferred tax assets	26	63,407	114,778	-	-
		89,108,407	89,779,503	76,268,271	64,326,609
Current assets					
Inventories	17	31,107,933	26,720,085	-	-
Tax recoverable		672,427	727,513	-	-
Trade and other receivables	18	26,742,003	24,878,584	7,774,284	12,574,678
Other current assets	19	5,851,085	4,782,583	559,786	103,220
Dividend receivable		-	-	-	6,030,000
Short term investments	20	8,999,257	17,949,152	-	-
Cash and bank balances		11,169,684	16,960,346	1,764,260	1,565,562
		84,542,389	92,018,263	10,098,330	20,273,460
Asset held for sale	21	466,719	-	-	-
Total assets		174,117,515	181,797,766	86,366,601	84,600,069
Equity and liabilities					
Current liabilities					
Retirement benefit obligations	22	419,647	245,128	144,950	137,643
Trade and other payables	27	26,721,081	26,978,223	2,742,658	3,476,911
Provisions	28	119,481	96,067	-	-
Tax payable		70,336	138,614	94,305	42,744
Loans and borrowings	23	11,488,149	10,775,770	2,236,734	1,707,742
		38,818,694	38,233,802	5,218,647	5,365,040
Net current assets		46,190,414	53,784,461	4,879,683	14,908,420

STATEMENTS OF FINANCIAL POSITION
as at 31 January 2022 (cont'd.)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities					
Retirement benefit obligations	22	8,448,612	8,942,146	3,244,322	3,331,898
Loans and borrowings	23	22,612,643	23,828,463	2,532,150	496,749
Deferred tax liabilities	26	2,826,041	3,910,279	-	-
Provisions	28	102,078	70,773	-	-
		33,989,374	36,751,661	5,776,472	3,828,647
Total liabilities		72,808,068	74,985,463	10,995,119	9,193,687
Net assets		101,309,447	106,812,303	75,371,482	75,406,382
Equity attributable to owners of the parent					
Share capital	29	74,975,863	74,975,863	74,975,863	74,975,863
Retained profits		24,878,321	30,345,844	395,619	430,519
		99,854,184	105,321,707	75,371,482	75,406,382
Non-controlling interests		1,455,263	1,490,596	-	-
Total equity		101,309,447	106,812,303	75,371,482	75,406,382
Total equity and liabilities		174,117,515	181,797,766	86,366,601	84,600,069

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 January 2022

	Note	← Attributable to owners of the parent →			Non-controlling interests ("NCI") RM	Total equity RM
		Non-distributable Share capital RM	Distributable Retained profits RM	Total RM		
As at 1 February 2021		74,975,863	30,345,844	105,321,707	1,490,596	106,812,303
Total comprehensive loss for the year		-	(3,284,251)	(3,284,251)	(35,333)	(3,319,584)
Dividends on ordinary shares	12	-	(2,183,272)	(2,183,272)	-	(2,183,272)
At 31 January 2022		74,975,863	24,878,321	99,854,184	1,455,263	101,309,447
As at 1 February 2020		74,975,863	31,227,539	106,203,402	1,489,703	107,693,105
Total comprehensive income for the year	12	-	573,820	573,820	893	574,713
Dividends on ordinary shares		-	(1,455,515)	(1,455,515)	-	(1,455,515)
At 31 January 2021		74,975,863	30,345,844	105,321,707	1,490,596	106,812,303

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

C O M P A N Y S T A T E M E N T O F

C H A N G E S I N E Q U I T Y

For the year ended 31 January 2022

	Note	Non-distributable Share capital RM	Distributable Retained profits RM	Total RM
As at 1 February 2021		74,975,863	430,519	75,406,382
Total comprehensive income for the year		-	2,148,372	2,148,372
Dividends on ordinary shares	12	-	(2,183,272)	(2,183,272)
At 31 January 2022		74,975,863	395,619	75,371,482
As at 1 February 2020		74,975,863	1,099,473	76,075,336
Total comprehensive income for the year		-	786,561	786,561
Dividends on ordinary shares	12	-	(1,455,515)	(1,455,515)
At 31 January 2021		74,975,863	430,519	75,406,382

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

S T A T E M E N T S O F C A S H F L O W S

For the year ended 31 January 2022

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Operating activities				
(Loss)/profit before tax	(4,755,439)	2,282,919	2,094,747	1,056,721
Adjustments for:				
Property, plant and equipment				
• depreciation	10,218,700	11,590,696	357,790	369,176
• written off	976,844	1,128,422	1,247	-
• gain on disposal	-	(96,524)	-	(69,832)
Investment properties				
• depreciation	233,147	231,237	195,621	193,707
Development expenditure				
• amortisation	553,171	555,942	-	-
• written off	-	46,442	-	-
Right-of-use assets				
• depreciation	1,210,118	1,144,862	1,085,042	1,054,239
• gain on lease modification	-	(1,606)	-	-
Provision for/(reversal of) short term accumulating compensated absences	15,928	61,943	(22,168)	32,363
Profit from short term investments	(246,030)	(425,367)	-	-
Provision for impairment loss on other receivables	-	25,012	253,430	820,183
Increase in provisions	221,559	166,840	-	-
Net unrealised loss/(gain) on foreign exchange	2,058	(19,483)	-	-
Increase in liability for defined benefit plan	796,198	767,812	290,930	285,213
Provision for/(reversal of) impairment loss on trade receivables	878,965	(1,104,178)	-	-
Writeback of impairment loss on trade receivables	-	(735,113)	-	-
Dividend income	-	-	-	(1,950,000)
Net reversal of provision for slow moving inventories	(78,424)	(1,065,069)	-	-
Inventories written off	1,576,227	2,469,706	-	-
Interest expense	2,242,134	1,416,629	153,766	225,227
Interest income	-	-	(58,568)	-
Operating profit before working capital changes	13,845,155	18,441,122	4,351,837	2,016,997
Increase in inventories	(5,885,651)	(2,240,037)	-	-
(Increase)/decrease in trade and other receivables	(2,742,384)	9,418,079	(5,287,054)	1,464,333
(Increase)/decrease in other current assets	(1,068,502)	(2,392,813)	(456,566)	105,227
(Decrease)/increase in trade and other payables	(275,127)	3,720,519	(712,085)	(281,888)
Utilisation of provisions	(166,840)	(121,938)	-	-
Cash generated from/(used in) operations	3,706,651	26,824,932	(2,103,868)	3,304,669

STATEMENTS OF CASH FLOWS

For the year ended 31 January 2022 (cont'd.)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Operating activities (cont'd.)				
Interest paid	(2,115,329)	(1,320,489)	(122,666)	(108,169)
Taxes paid	(249,644)	(1,339,005)	(81,127)	(130,715)
Retirement benefits paid	(475,773)	(217,302)	(184,886)	(170,716)
Net cash generated from/(used in) operating activities	865,905	23,948,136	(2,492,547)	2,895,069
Investing activities				
Purchase of investment property	(490,636)	-	(442,272)	-
Purchase of property, plant and equipment	(11,567,560)	(7,892,266)	(49,945)	(35,029)
Proceeds from disposal of property, plant and equipment	-	96,524	-	69,832
Withdrawal/(placement) of investments in money market funds	9,195,925	(7,574,622)	-	-
Dividend received	-	-	6,030,000	-
Investment in subsidiary	-	-	(2)	-
Interest received	-	-	58,568	-
Development expenditure incurred	(747,163)	(395,764)	-	-
Net cash (used in)/generated from investing activities	(3,609,434)	(15,766,128)	5,596,349	34,803
Financing activities				
Repayment of term loans	(1,295,707)	(2,352,926)	-	-
Net drawdown of other short term borrowings	1,732,297	1,414,373	632,000	368,000
Repayment of hire purchase obligations	(183,124)	(96,860)	(183,124)	(96,860)
Repayment of lease liabilities	(1,117,327)	(1,170,098)	(1,170,708)	(1,170,708)
Dividends on ordinary shares	(2,183,272)	(1,455,515)	(2,183,272)	(1,454,135)
Net cash used in financing activities	(3,047,133)	(3,661,026)	(2,905,104)	(2,353,703)
Net (decrease)/increase in cash and cash equivalents	(5,790,662)	4,520,982	198,698	576,169
Cash and cash equivalents at beginning of year	16,960,346	12,439,364	1,565,562	989,393
Cash and cash equivalents at end of year	11,169,684	16,960,346	1,764,260	1,565,562

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

1. Corporate information

Sapura Industrial Berhad ("the Company") is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The registered office of the Company is located at Lot 2 & 4, Jalan P/11 Seksyen 10, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 16.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 May 2022.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") as issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board, and the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis except where disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") except when otherwise indicated.

As of 1 February 2021, the Group and the Company have adopted new, amendments and revised MFRS (collectively referred to as "pronouncements") that have been issued by the Malaysian Accounting Standard Board ("MASB") as described fully in Note 2.2.

2.2 Changes in accounting policies

On 1 February 2021, the Group and the Company adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2021.

Effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
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The adoption of the above new and amended standards did not have any significant effect on the financial performance or position of the Group and the Company.

2.3 New and revised pronouncements yet in effect

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective.

Effective for annual periods beginning on or after 1 April 2021

Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
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NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.3 New and revised pronouncements yet in effect (cont'd.)

Effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Proceeds Before Intended Use
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract
Amendments to MFRS 1, MFRS 9, MFRS 16 and MFRS 141	Annual Improvements to MFRS Standards 2018 - 2020

Effective for annual periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial application of MFRS 17 and MFRS 9
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Deferred yet to be effective

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The Group and the Company are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impact to the financial statements of the Group and the Company.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.4 Basis of consolidation (cont'd.)

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra- group transactions are eliminated in full.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

2.5 Transactions with non-controlling interests

Non-controlling interest at the reporting period, being the portion of the net assets of the subsidiaries attributable to equity interest that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statements of financial position and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

2.6 Subsidiaries

Subsidiaries are entities controlled by the Company.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control when such rights are substantive. The Company considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment charges. Dividends received from subsidiaries are recorded as a component of revenue in the Company's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.7 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

2.8 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Building	2%
Plant, machinery, electrical installation, factory equipment and application tools	10% to 33%
Furniture, fittings, office equipment, renovation, computers and motor vehicles	10% to 25%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.8 Property, plant and equipment and depreciation (cont'd.)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.9 Investment properties

Investment properties are land or buildings held by the Group or held under finance leases, to earn rental income or for capital appreciation or both. Investment property is stated at cost less accumulated depreciation and accumulated impairment losses.

Freehold land is not depreciated. Depreciation of other investment properties is provided for on a straight-line basis to write off the cost to its residual value over its estimated useful life at the following periods:

Leasehold land	Over lease period of 50 - 99 years
Buildings	Over a period of 50 years or period of the lease whichever is the shorter

Upon the disposal of an item of investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

When an indication of impairment exists, the carrying amount of the asset is written down immediately to its recoverable value. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.11.

2.10 Intangible asset - Development expenditure

Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criterias for recognition are fulfilled:

- It is technically feasible to complete the intangible assets so that it will be available for use;
- Management's intention to complete the intangible asset for use;
- There is an ability to use the intangible asset;
- It can be demonstrated that the intangible asset will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use the intangible asset are available; and
- The expenditure attributable to the intangible asset during its development can be reliably measured

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.10 Intangible asset - Development expenditure (cont'd.)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.11 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.12 Financial assets

(a) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets or both. Financial assets held with the objective to only collect contractual cash flows are classified and measured at amortised cost. Otherwise, the financial assets are classified as fair value through OCI and measured at fair value.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Company commit to purchase or sell the asset.

(b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- (i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost includes trade and other receivables, cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.12 Financial assets (cont'd.)

(b) Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

The Group designated its short-term investment in money market funds as financial assets at fair value through profit or loss.

(c) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- (i) The rights to receive cash flows from the asset have expired; or
- (ii) The Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - The Group and the Company have transferred substantially all the risks and rewards of the asset, or
 - The Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Group and the Company have transferred their rights to receive cash flows from an asset or have entered into a pass-through arrangement, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company would be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.13 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-month (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when contractual payments are 30 to 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.14 Cash and bank balances

Cash and bank balances comprise cash at bank and on hand and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group’s cash management.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Materials and component parts, spares and tools and consumables: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.17 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Loans and borrowings

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.17 Financial liabilities (cont'd.)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plan

The Group operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the statements of financial position to reflect the full value of the plan deficit or surplus. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligations adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.20 Leases

As a lessee

(a) Right-of-use assets

Right-of-use assets represent land, building, plant, machinery and factory equipment leased by the Group from third parties under operating leases.

Leasehold lands are depreciated over the period of respective leases of 99 years. Depreciation of right-of-use assets is computed on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Building	20% to 25%
Plant, machinery and factory equipment	25%

The Group presents right-of-use assets in 'property, plant and equipment' in the statement of financial position and the accounting policy for leased assets are the same for property, plant and equipment in all respects.

(b) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date if the implicit interest rate to the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments associated with short-term leases of twelve months or less and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss over the lease term.

The Group presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.20 Leases (cont'd.)

As a lessor

When the Group and the Company act as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term.

2.21 Revenue

The Group is in the business of manufacturing and sale of automotive parts in the automotive industry. Revenue from contracts with customers is recognised when control of goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

(i) Revenue from contracts with customers

(a) Sale of automotive parts

Sales are recognised at a point in time upon control of the goods being transferred to the customers, generally on delivery of goods.

Advance payments received from customers are recognised as contract liabilities and are recognised as revenue when the Group satisfies its performance obligation under the contract.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Management fees

The performance obligation is satisfied over time upon services being rendered to the customers.

(iv) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

(v) Sale of scrap

Income from sale of scrap is recognised at a point in time upon control of the goods being transferred to the customer.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.22 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

(b) Deferred tax

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associate, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unabsorbed tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associate, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

2. Significant accounting policies (cont'd.)

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.25 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non- occurrence of uncertain future events not wholly within the control of the Group or the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group and the Company.

2.26 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Where the grant relates to an asset, the fair value is recognised as deferred capital grant in the statement of financial position and is amortised over the expected useful life of the relevant asset by equal annual instalments. Government grants receivable as compensation for expenses already incurred are recognised by the Group and the Company during the period that it becomes receivable as a deduction to the related expense.

2.27 Assets held for sale

The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying accounting policies that have significant effect on the amount recognised in the financial statements in the current year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed allowances to the extent that it is probable that taxable profit will be available against which the losses and allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details of recognised and unrecognised deferred tax assets is disclosed in Note 26.

(b) Provision for expected credit losses of trade and other receivables

The Group uses simplified approach to calculate ECLs for trade receivables and other investments. The provision rates are based on various customer's historical observed default rates. The Group will consider and assess the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 18.

(c) Impairment on property, plant and equipment and development expenditure

The Group determines whether its property, plant and equipment and development expenditure are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. The Group considers the higher of fair value less cost to sell method or value-in-use method to determine the recoverable amount.

In determining recoverable amount, significant judgement is required in the estimation of the present value of future cash flows generated by the assets. The key assumptions used in developing the estimate are anticipated profit margins, growth rates, anticipated sales volumes and the discount rate, which are subject to changes in economic conditions. The carrying amount of property, plant and equipment and development expenditure as at the reporting date are disclosed in Note 13 and Note 15 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

4. Revenue

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Type of goods or services				
Sales of automotive parts	153,864,873	155,869,622	-	-
Management fees from subsidiaries	-	-	13,901,045	15,714,619
Total revenue from contracts with customers	153,864,873	155,869,622	13,901,045	15,714,619
Dividends from subsidiaries, representing total revenue from other sources	-	-	-	1,950,000
	153,864,873	155,869,622	13,901,045	17,664,619
Geographical markets				
Malaysia	152,680,078	155,868,577	13,901,045	15,714,619
Outside Malaysia	1,184,795	1,045	-	-
Total revenue from contracts with customers	153,864,873	155,869,622	13,901,045	15,714,619
Total revenue from other sources - Malaysia	-	-	-	1,950,000
	153,864,873	155,869,622	13,901,045	17,664,619
Timing of revenue recognition				
At a point of time	153,864,873	155,869,622	-	-
Over time	-	-	13,901,045	15,714,619
Total revenue from contract with customers	153,864,873	155,869,622	13,901,045	15,714,619
Total revenue from other sources	-	-	-	1,950,000
	153,864,873	155,869,622	13,901,045	17,664,619

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

4. Revenue (cont'd.)

Performance obligations

Sales of automotive parts

The performance obligation is satisfied upon delivery of the automotive parts. Payment is generally due within 30 to 90 days from the date of delivery.

Management fees from subsidiaries

The Company recognises management fees over time upon services being rendered to subsidiaries.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 January are, as follows:

	Group	
	2022 RM	2021 RM
Within 1 year	1,358,694	3,874,712

Set out below is the amount of revenue recognised from:

	Group	
	2022 RM	2021 RM
Amounts included in contract liabilities at the beginning of the year	3,874,712	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

5. Other income

Included in other income are:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Rental income	969,913	930,780	1,991,672	1,939,017
Profit from short term investment (Note 20)	246,030	425,367	-	-
Interest income from advances to subsidiaries	-	-	58,568	-
Income from sales of scrap	1,617,250	1,392,515	-	-
Gain on disposal of a property, plant and equipment	-	96,524	-	69,832
Gain from tenancy contract termination	-	1,606	-	-
Reversal of impairment loss on trade receivables (Note 18(a))	-	1,104,178	-	-
Writeback of impairment loss on trade receivables	-	735,113	-	-
Bad debts recovered	4,107,992	-	4,097,161	-

The Group recognised its scrap sales with local customers at a point in time.

6. Finance costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense on:				
Term loans	1,656,772	907,033	-	-
Revolving credits	18,495	-	3,007	-
Hire purchase obligations	24,007	16,120	24,007	16,120
Bankers' acceptances	176,379	260,129	95,652	92,049
Lease liabilities (Note 25)	126,805	96,140	31,100	117,058
Letter of credits	42,151	40,157	-	-
Bank guarantee charges	4,843	5,027	-	-
Facility commitment fees	192,682	92,023	-	-
	2,242,134	1,416,629	153,766	225,227

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

7. (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit before tax:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Employee benefits expense (Note 8)	33,387,872	34,610,805	13,770,396	14,379,245
Non-executive directors' remuneration (Note 9)	443,610	373,002	443,610	373,002
Amortisation of development expenditure (Note 15)	553,171	555,942	-	-
Auditors' remuneration				
• Statutory audit	169,100	169,100	43,900	43,900
• Other services	6,900	6,900	6,900	6,900
Depreciation of property, plant and equipment (Note 13)	10,218,700	11,590,696	357,790	369,176
Depreciation of right-of-use assets (Note 13)	1,210,118	1,144,862	1,085,042	1,054,239
Depreciation of investment property (Note 14)	233,147	231,237	195,621	193,707
Foreign exchange loss/(gain)				
• Unrealised	2,058	(19,483)	-	-
Development expenditure written off (Note 15)	-	46,442	-	-
Net reversal of provision for slow moving inventories	(78,424)	(1,065,069)	-	-
Inventories written off	1,576,227	2,469,706	-	-
Property, plant and equipment written off	976,844	1,128,422	1,247	-
Gain on disposal of property, plant and equipment	-	(96,524)	-	(69,832)
Provision for/(reversal of) impairment loss on trade receivables (Note 18(a))	878,965	(1,104,178)	-	-
Writeback on impairment loss on trade receivables	-	(735,113)	-	-
Provisions (Note 28)	221,559	166,840	-	-
Wage subsidies	(2,057,800)	(1,923,000)	(181,200)	(237,600)

8. Employee benefits expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Wages and salaries	23,787,520	23,969,541	9,454,144	9,595,741
Social security contribution	326,675	330,477	69,726	74,386
Contributions to defined contribution plan	2,870,089	2,809,861	1,182,061	1,209,719
Increase in liability for defined benefit plan (Note 22)	796,198	767,812	290,930	285,213
Short term accumulating compensated absences	15,928	61,943	(22,168)	32,363
Other benefits	5,591,462	6,671,171	2,795,703	3,181,823
	33,387,872	34,610,805	13,770,396	14,379,245

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

8. Employee benefits expense (cont'd.)

Included in employee benefits expense of the Group and of the Company are remuneration of executive directors of the Group and of the Company excluding benefit-in-kind amounting to RM3,392,763 (2021: RM3,239,724) as further disclosed in Note 9.

9. Directors' remuneration

	Group and Company	
	2022 RM	2021 RM
Directors of the Company		
Executive:		
Salaries and other emoluments	3,193,000	3,048,000
Contributions to defined contribution plan	199,763	191,724
Benefits-in-kind	38,985	36,556
	3,431,748	3,276,280
Non-Executive:		
Fees	379,610	335,002
Other emoluments	64,000	38,000
	443,610	373,002
	3,875,358	3,649,282
Analysis excluding benefits-in-kind:		
Total executive director's remuneration, excluding benefits-in-kind (Note 8)	3,392,763	3,239,724
Total non-executive directors' remuneration, excluding benefits-in-kind (Note 7)	443,610	373,002
	3,836,373	3,612,726

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of Directors	
	2022	2021
Executive directors:		
RM1,850,001 - RM1,900,000	1	-
RM1,750,001 - RM1,800,000	-	1
RM1,550,001 - RM1,600,000	1	-
RM1,450,001 - RM1,500,000	-	1
Non-executive directors:		
RM100,001 - RM150,000	1	-
RM50,001 - RM100,00	5	4
Below RM50,000	1	2

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

10. Taxation

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current income tax:				
Malaysia income tax	342,764	547,163	133,394	108,826
(Over)/under provision in prior years	(106,312)	89,625	(706)	104,677
	236,452	636,788	132,688	213,503
Deferred tax (Note 26):				
Relating to origination and reversal of temporary differences	(1,314,116)	511,382	(44,715)	-
Under provision in prior years	135,233	403,377	-	-
	(1,178,883)	914,759	(44,715)	-
	(942,431)	1,551,547	87,973	213,503

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the year.

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/profit before tax	(4,755,439)	2,282,919	2,094,747	1,056,721
Tax at Malaysian statutory tax rate of 24%	(1,141,305)	547,903	502,739	253,616
Income not subject to tax	-	-	-	(468,000)
Expenses not deductible for tax purposes	887,340	768,976	404,603	563,792
Deferred tax assets not recognised during the year	32,728	153,772	-	45,237
Utilisation of previously unrecognised deferred tax assets	(69,402)	-	(170,335)	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(680,713)	(412,106)	(648,328)	(285,819)
(Over)/under provision of income tax expense in prior years	(106,312)	89,625	(706)	104,677
Underprovision of deferred tax expense in prior years	135,233	403,377	-	-
	(942,431)	1,551,547	87,973	213,503

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

11. (Loss)/earnings per share

(a) Basic/diluted

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	2022	2021
(Loss)/profit net of tax attributable to owners of the parent (RM)	(3,777,675)	730,479
Weighted average number of ordinary shares in issue (unit)	72,775,737	72,775,737
Basic/diluted (loss)/earnings per share (sen)	(5.19)	1.00

(b) Diluted

The Group does not have any potential dilutive ordinary shares. Accordingly, the diluted earnings per share equals the basic earnings per share.

12. Dividends

	Group and Company	
	2022 RM	2021 RM
Recognised during the year:		
Special single tier dividend for 2022: 2 sen per share	1,455,515	-
Final single tier dividend for 2021: 1 sen per share	727,757	-
Final single tier dividend for 2020: 2 sen per share	-	1,455,515
	2,183,272	1,455,515

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

13. Property, plant and equipment

Group	Right-of-Use Asset		Owned Assets				Total RM
	Land and building RM	Plant, machinery and factory equipment RM	Building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM		
At 31 January 2022							
Costs							
At 1 February 2021	11,136,976	195,348	19,139,721	190,753,885	10,649,267		231,875,197
Additions	-	233,615	40,613	11,322,668	204,279		11,801,175
Transfer to Assets Held for Sale (Note 21)	-	-	-	(7,809,665)	-		(7,809,665)
Write offs	-	-	-	(32,163,014)	(608,624)		(32,771,638)
At 31 January 2022	11,136,976	428,963	19,180,334	162,103,874	10,244,922		203,095,069
Accumulated depreciation and impairment							
At 1 February 2021	6,624,920	167,289	10,837,438	148,826,442	9,298,499		175,754,588
Transfer	-	-	-	-	-		-
Depreciation charge for the year (Note 7)	1,154,614	55,504	370,370	9,337,110	511,220		11,428,818
Transfer to Assets Held for Sale (Note 21)	-	-	-	(7,342,946)	-		(7,342,946)
Write offs	-	-	-	(31,188,675)	(606,119)		(31,794,794)
At 31 January 2022	7,779,534	222,793	11,207,808	119,631,931	9,203,600		148,045,666

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

13. Property, plant and equipment (cont'd.)

Group	Right-of-Use Asset		Owned Assets				Total RM
	Land and building RM	Plant, machinery and factory equipment RM	Building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	RM	
At 31 January 2022 (cont'd.)							
Analysed as:							
Accumulated depreciation	7,779,534	222,793	11,207,808	119,631,931	9,203,600	148,045,666	
Accumulated impairment losses	-	-	-	-	-	-	
Net carrying amount	7,779,534	222,793	11,207,808	119,631,931	9,203,600	148,045,666	
	3,357,442	206,170	7,972,526	42,471,943	1,041,322	55,049,403	
At 31 January 2021							
Costs							
At 1 February 2020	9,190,436	195,884	19,139,721	210,545,224	11,244,461	250,315,726	
Additions	-	-	-	7,522,013	370,253	7,892,266	
Disposal	-	-	-	-	(412,948)	(412,948)	
Contract termination	(136,763)	-	-	-	-	(136,763)	
Lease modification	2,083,303	(536)	-	-	-	2,082,767	
Write offs	-	-	-	(27,313,352)	(552,499)	(27,865,851)	
At 31 January 2021	11,136,976	195,348	19,139,721	190,753,885	10,649,267	231,875,197	

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

13. Property, plant and equipment (cont'd.)

Group	Right-of-Use Asset		Owned Assets			Total RM
	Land and building RM	Plant, machinery and factory equipment RM	Building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2021 (cont'd.)						
Accumulated depreciation and impairment						
At 1 February 2020	5,648,457	84,367	10,447,369	164,518,274	9,556,417	190,254,884
Depreciation charge for the year (Note 7)	1,061,940	82,922	390,069	10,504,698	695,929	12,735,558
Disposal	-	-	-	-	(412,948)	(412,948)
Contract termination	(85,477)	-	-	-	-	(85,477)
Write offs	-	-	-	(26,196,530)	(540,899)	(26,737,429)
At 31 January 2021	6,624,920	167,289	10,837,438	148,826,442	9,298,499	175,754,588
Analysed as:						
Accumulated depreciation	6,624,920	167,289	10,837,438	148,826,442	9,298,499	175,754,588
Accumulated impairment losses	-	-	-	-	-	-
	6,624,920	167,289	10,837,438	148,826,442	9,298,499	175,754,588
Net carrying amount	4,512,056	28,059	8,302,283	41,927,443	1,350,768	56,120,609

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

13. Property, plant and equipment (cont'd.)

Company	Right-of-Use Asset	Owned Assets		Total RM
	Land and building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2022				
Cost				
At 1 February 2021	3,255,125	10,423	4,148,883	7,414,431
Additions	-	-	49,945	49,945
Lease modification	3,255,125	-	-	3,255,125
Written off	-	-	(4,400)	(4,400)
At 31 January 2022	6,510,250	10,423	4,194,428	10,715,101
Accumulated depreciation				
At 1 February 2021	2,170,084	10,423	3,143,684	5,324,191
Charge for the year (Note 7)	1,085,042	-	357,790	1,442,832
Written off	-	-	(3,153)	(3,153)
At 31 January 2022	3,255,126	10,423	3,498,321	6,763,870
Net carrying amount	3,255,124	-	696,107	3,951,231
At 31 January 2021				
Cost				
At 1 February 2020	3,347,535	10,423	4,540,512	7,898,470
Additions	-	-	35,029	35,029
Write offs	-	-	(426,658)	(426,658)
Lease modification	(92,410)	-	-	(92,410)
At 31 January 2021	3,255,125	10,423	4,148,883	7,414,431

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

13. Property, plant and equipment (cont'd.)

Company	Right-of-Use Asset	Owned Assets		Total RM
	Land and building RM	Plant, machinery, electrical installation, factory equipment and application tools RM	Furniture, fittings, office equipment, renovation, computers and motor vehicles RM	
At 31 January 2021 (cont'd.)				
Accumulated depreciation				
At 1 February 2020	1,115,845	10,423	3,201,166	4,327,434
Charge for the year (Note 7)	1,054,239	-	369,176	1,423,415
Write offs	-	-	(426,658)	(426,658)
At 31 January 2021	2,170,084	10,423	3,143,684	5,324,191
Net carrying amount	1,085,041	-	1,005,199	2,090,240

(a) During the financial year, the Group and the Company acquired property, plant and equipment at aggregate costs of RM11,567,560 (2021: RM7,892,266) and RM49,945 (2021: RM35,029) respectively, of which RM Nil (2021: RM Nil) was acquired by means of hire purchase.

The net carrying amounts of property, plant and equipment held under hire purchases are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Motor vehicle	483,673	733,608	483,673	733,608

Details of the terms and conditions of the finance leases are disclosed in Note 24.

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

13. Property, plant and equipment (cont'd.)

(b) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 23) are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Plant and machinery	13,936,879	15,127,025	-	-

(c) Included in the property, plant and equipment of the Group and the Company are fully depreciated assets which are still in use with their carrying costs as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Plant, machinery and equipments	84,360,922	91,688,627	10,423	10,423
Furniture, fittings, office equipments, renovation and computers	6,809,576	6,348,707	2,402,454	2,116,849

(d) During the year, the Group and the Company has written off certain property, plant and equipment as they are no longer in use and machinery that relates to phased out models amounting to RM976,844 (2021: RM1,128,422) and RM1,247 (2021: RM Nil) respectively.

(e) Right-of-use assets

The Group and the Company have lease contracts that include extension options for land and building. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio in alignment with the Group's and the Company's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

Operating lease commitments - Group and Company as lessor

The Group and the Company have entered into operating lease agreements for the use of buildings. These leases have an average life of between 1 and 5 years with renewal but no purchase option included in the contracts.

The future aggregate minimum lease receivable under operating leases contracted for as at the reporting date are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Future minimum lease receivables:				
Not later than 1 year	418,346	418,346	1,238,351	1,285,330
Later than 1 year and not later than 5 years	383,484	801,831	1,856,160	311,152
	801,830	1,220,177	3,094,511	1,596,482

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

14. Investment properties

	Freehold land RM	Leasehold land RM	Building RM	Total RM
Group				
At 31 January 2022				
Costs				
At 1 February 2021	16,691,967	16,443,220	3,199,034	36,334,221
Additions	-	490,636	-	490,636
At 31 January 2022	16,691,967	16,933,856	3,199,034	36,824,857
Accumulated depreciation				
At 1 February 2021	-	3,208,511	996,021	4,204,532
Charge for the year (Note 7)	-	169,165	63,982	233,147
At 31 January 2022	-	3,377,676	1,060,003	4,437,679
Net carrying amount	16,691,967	20,311,532	4,259,037	32,387,178
At 31 January 2021				
Costs				
At 1 February 2020/31 January 2021	16,691,967	16,443,220	3,199,034	36,334,221
Accumulated depreciation				
At 1 February 2020	-	3,041,256	932,039	3,973,295
Charge for the year (Note 7)	-	167,255	63,982	231,237
At 31 January 2021	-	3,208,511	996,021	4,204,532
Net carrying amount	16,691,967	13,234,709	2,203,013	32,129,689

Fair value of investment properties of the Group as at 31 January 2022 was estimated by an independent valuer to be approximately RM62,850,000 (2021: RM60,300,000).

The net carrying amounts of investment property of the Group pledged as securities for borrowings (Note 23) is RM16,691,967 (2021: RM16,691,967).

The fair values disclosed are categorised within the Level 3 fair value hierarchy which are described as inputs for assets or liabilities that are based on unobservable market data.

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

14. Investment properties (cont'd.)

	Leasehold land RM	Building RM	Total RM
Company			
At 31 January 2022			
Cost			
At 1 February 2021	16,571,044	2,265,637	18,836,681
Additions	442,272	-	442,272
At 31 January 2022	17,013,316	2,265,637	19,278,953
Accumulated depreciation			
At 1 February 2021	3,419,780	1,668,621	5,088,401
Charge for the year (Note 7)	170,849	24,772	195,621
At 31 January 2022	3,590,629	1,693,393	5,284,022
Net carrying amount	13,422,687	572,244	13,994,931
At 31 January 2021			
Cost			
At 1 February 2020/31 January 2021	16,571,044	2,265,637	18,836,681
Accumulated depreciation			
At 1 February 2020	3,250,845	1,643,849	4,894,694
Charge for the year (Note 7)	168,935	24,772	193,707
At 31 January 2021	3,419,780	1,668,621	5,088,401
Net carrying amount	13,151,264	597,016	13,748,280

Fair value of investment properties of the Company as at 31 January 2022 was estimated by an independent valuer to be approximately RM45,950,000 (2021: RM42,680,000).

Fair value disclosed in the financial statements are categorised within the Level 3 fair value hierarchy which is described as inputs for the assets or liabilities that are based on unobservable market data.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

14. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>Lot 5 & 7, Persiaran Usahawan, Taman IKS, Seksyen 9, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.</p> <ul style="list-style-type: none"> • Land 	Comparison method	<p>(a) A parcel of freehold industrial land located at Lot 14992 Off Jalan Bangi Lama, Mukim of Semenyih with a land area of approximately 60,000 square feet was transacted on 22 October 2021 for RM3,550,000.</p> <p>(b) A parcel of leasehold industrial land located at PT 42209, Villaraya Industrial Park, Off Jalan Sungai Lalang, Mukim of Semenyih with a land area of approximately 80,732 square feet was transacted on 3 August 2021 for RM4,000,000.</p> <p>(c) A parcel of freehold industrial land located at Lot 14989, Mukim of Semenyih with a land area of approximately 59,968 square feet was transacted on 16 January 2020 for RM2,979,884.</p> <p>(d) A parcel of freehold industrial land located at Lot 8045 Off Jalan Bangi Lama, Mukim of Semenyih with a land area of approximately 51,582 square feet was transacted on 15 January 2020 for RM3,390,000.</p>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • Transacted Price were higher/(lower)
<p>Plot 98, Mukim of Bukit Katil, District of Melaka Tengah, Melaka Bandaraya Bersejarah.</p> <ul style="list-style-type: none"> • Land 	Comparison method	<p>(a) A vacant parcel of leasehold industrial land located at Lot 10086, Mukim of Bukit Katil, District of Melaka Tengah, Melaka with a land area of approximately 69,244 square feet was transacted on 3 February 2021 for RM3,462,209.</p> <p>(b) A vacant parcel of freehold industrial land located at Lot 2624, Mukim of Krubong, District of Melaka Tengah, Melaka with a land area of approximately 43,206 square feet was transacted on 3 February 2020 for RM2,938,028.</p>	<p>The estimated fair value would increase/(decrease) if (cont'd.):</p> <ul style="list-style-type: none"> • Transacted Price were higher/(lower)

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THE FINANCIAL STATEMENTS**

31 January 2022

14. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Plot 98, Mukim of Bukit Katil, District of Melaka Tengah, Melaka Bandaraya Bersejarah. • Land (cont'd.)	Comparison method	(c) A vacant parcel of leasehold industrial land located at Lot 4422, Mukim of Cheng, District of Melaka Tengah, Melaka with a land area of approximately 133,279 square feet was transacted on 23 January 2020 for RM6,817,570.	The estimated fair value would increase/(decrease) if (cont'd.): • Transacted Price were higher/(lower)
No 58, Kawasan Perindustrian Gurun, Jalan Jeniang, 08300 Gurun Kedah Darul Aman • Land and building	Comparison method	(a) A leasehold industrial premise located at Plot 91, Jalan Persiaran 11, Kawasan Perindustrian Bakar Arang, Kedah Darul Aman with a land area of approximately 455,529 square feet was transacted on 15 January 2021 for RM10,500,000. (b) A freehold industrial premise located at Plot 38, Jalan PKNK Utama, Kawasan Perusahaan Sungai Petani, Kedah Darul Aman with a land area of approximately 132,611 square feet was transacted on 28 June 2019 for RM6,750,000. (c) A freehold industrial premise located at No. 8, Jalan PKNK 1/2, Kawasan Perusahaan Sungai Petani, Kedah Darul Aman with a land area of approximately 86,779 square feet was transacted on 4 March 2020 for RM4,500,000. (d) A vacant parcel of freehold industrial land located at Lot 585, Pekan Bukit Selambau, District of Kuala Muda, Kedah Darul Aman with a land area of approximately 95,207 square feet was transacted on 28 October 2021 for RM1,190,085.	The estimated fair value would increase/(decrease) if (cont'd.): • Transacted Price were higher/(lower)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

14. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
HS(D) 207937, PT 6409, Bandar Seri Sendayan, Seremban, Negeri Sembilan Darul Khusus • Land	Comparison method	a) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 43811, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 130,685 square feet was transacted on 13 January 2022 for RM6,300,000. (b) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 43836, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 130,685 square feet was transacted on 24 December 2020 for RM5,700,000. (c) Two adjoining vacant parcels of freehold industrial land (within Sendayan Techvalley) located at PT 42819 & 42820, Mukim Labu, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 435,594 square feet was transacted on 21 January 2020 for RM18,730,800. (d) A vacant parcel of freehold industrial land (within Sendayan Techvalley) located at Lot 11658, Bandar Sri Sendayan, District of Seremban, Negeri Sembilan Darul Khusus with a land area of approximately 159,823 square feet was transacted on 18 May 2020 for RM7,032,152.	The estimated fair value would increase/(decrease) if (cont'd.): • Transacted Price were higher/(lower)

**NOTES TO
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31 January 2022

14. Investment properties (cont'd.)

Investment property	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Lot 1 & 3, Jalan P/11, Seksyen 10, Bandar Baru Bangi, Selangor • Land and building	Comparison method	a) A leasehold industrial premise located at No. 36, Jalan P10/21, Seksyen 10, Kawasan Perindustrian Bangi, Bandar Baru Bangi with a land and building area of approximately 42,024 square feet was transacted on 21 April 2021 for RM12,500,000. b) A freehold industrial premise located at No. 1, Jalan Hi-Tech 1, Kawasan Perindustrian Hi-Tech 2, Semenyih with a land and building area of approximately 52,781 square feet was transacted on 8 May 2020 for RM6,500,000. (c) A leasehold Industrial premise located at No. 17, Jalan Perusahaan 1, Kawasan Perusahaan Beranang, Beranang with a land and building area of approximately 146,017 square feet was transacted on 16 January 2020 for RM29,000,000. (d) A leasehold industrial premise located at Nos. 6 and 6A, Jalan P/2A, Seksyen 13, Kawasan Perusahaan Bangi, Bandar Baru Bangi with a land and building area of approximately 130,678 square feet was transacted on 30 December 2019 for RM13,100,000. (e) Industrial premise located at Nos. 3, 5 and 10, Jalan P/2A, Seksyen 13, Bandar Baru Bangi, Bangi with a land and building area of approximately 149,193 square feet was transacted on 19 November 2019 for RM28,000,000.	The estimated fair value would increase/(decrease) if (cont'd.): • Transacted Price were higher/ (lower)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

14. Investment properties (cont'd.)

Comparison method

Entails analysing recent transactions of similar properties in the vicinity or within similar localities for comparison purposes to derive the market value with adjustments made for differences in location, physical characteristics and time element to arrive at the market value.

The fair value of the investment property is at its highest and current best use.

15. Development expenditure

	Group	
	2022 RM	2021 RM
Cost		
At beginning of year	10,254,721	9,928,192
Incurred during the year	747,163	395,764
Write offs	-	(69,235)
At end of year	11,001,884	10,254,721
Accumulated amortisation and impairment		
At beginning of year	8,840,294	8,307,145
Amortisation during the year (Note 7)	553,171	555,942
Write offs	-	(22,793)
At end of year	9,393,465	8,840,294
Net carrying amount	1,608,419	1,414,427

Development expenditure relates to development costs incurred for production of goods on car model projects carried out by the Group. Development expenditure with finite useful lives are amortised over their useful lives.

During the year, the amount of development expenditure recognised as an expense in cost of sales of the Group was RM553,171 (2021: RM602,384).

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16. Investments in subsidiaries

	Company	
	2022 RM	2021 RM
Unquoted shares, at cost	35,298,276	35,298,274
Less: Accumulated impairment losses	(4,840,396)	(4,840,396)
	30,457,880	30,457,878

Movement in accumulated impairment losses:

	2022 RM	2021 RM
At the beginning/end of the year	4,840,396	4,840,396

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Principal activities	2022 %	2021 %
Held by the Company			
Sapura Machining Corporation Sdn. Bhd.^	Manufacture, assemble and supply of high precision machining products for the automotive industry.	100	100
Asian Automotive Steels Sdn. Bhd.^	Manufacture and sale of stabiliser bar and cold drawn high grade structured steel bars used in the automotive, electronics and electrical industries.	100	100
Sapura Automotive Industries Sdn. Bhd.^	Manufacture and sale of coil springs, shock absorbers and strut assemblies, constant velocity joint, axle module and front corner module assemblies for the automotive industry.	100	100
International Autoparts Sdn. Bhd.^	Trading of auto parts in retail/after sales market.	100	100
Automotive Specialist Centre Sdn. Bhd.^	Dormant.	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

16. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Principal activities	2022 %	2021 %
Held by the Company (cont'd.)			
Sapura Brake Technologies Sdn. Bhd. [^]	Manufacture, supply and sale of brake systems for the automotive industry.	100	100
Sapura Technical Centre Sdn. Bhd. [^]	Computer aided design and computer aided manufacture of tools, jigs and dies and engineering services in design, modifications and fabrications of sub-system/system for the application in production and testing.	100	100
Isencorp Sdn. Bhd. [^]	Dormant.	100	100
Subang Properties Sdn. Bhd. ("SPSB") [^]	Dormant.	51.68	51.68
Sapura Aerospace Technologies Sdn. Bhd. ("SATS") [^]	Manufacture and assemble aerospace sub-assemblies, tooling, jigs and fixtures for the aerospace industry.	60	60
Sapura Medical Devices Sdn. Bhd. ("SMDSB") (formerly known as Propel Frontier Sdn. Bhd.) ^o	Export and import of a variety of goods without any particular specialisation.	100	-
Held by International Autoparts Sdn. Bhd.			
Awaltek Sdn. Bhd. [^]	Manufacture, supply, sale or service of equipment, machinery and related accessories for energy and manufacturing industries.	100	100

[^] Audited by Ernst & Young PLT, Malaysia

^o Audited by auditors other than Ernst & Young PLT, Malaysia

Sapura Medical Devices Sdn. Bhd. ("SMDSB")

On 25 May 2021, Sapura Industrial Berhad acquired the entire issued shares of SMDSB (formerly known as Propel Frontier Sdn. Bhd.) for a total cash consideration of RM2.00 only.

SMDSB was incorporated in Malaysia on 18 April 2016 as a private company limited by shares with a share capital of RM2.00 only comprising of 2 ordinary shares. SMDSB has yet to commence operations since its incorporation.

SMDSB was acquired for the manufacture and supply of medical devices.

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

16. Investments in subsidiaries (cont'd.)

Non-controlling interests ("NCI")

	SATSB RM	SPSB RM	Total RM
2022	40%	48.32%	
NCI percentage of ownership interest and voting interest			
Carrying amount of NCI	976,969	478,294	1,455,263
Loss allocated to NCI	(31,072)	(4,261)	(35,333)

	SATSB RM	SPSB RM	Total RM
2021	40%	48.32%	
NCI percentage of ownership interest and voting interest			
Carrying amount of NCI	1,008,041	482,555	1,490,596
Profit/(loss) allocated to NCI	4,463	(3,570)	893

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

	SATSB RM	SPSB RM	Total RM
Summarised statement of profit or loss for 2022:	40%	48.32%	
Revenue	-	-	-
Loss for the year, representing total comprehensive loss	(77,677)	(8,818)	(86,495)

	SATSB RM	SPSB RM	Total RM
Summarised statement of profit or loss for 2021:	40%	48.32%	
Revenue	-	-	-
Profit/(loss) for the year, representing total comprehensive income/(loss)	11,159	(7,390)	3,769

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31 January 2022

16. Investments in subsidiaries (cont'd.)

Non-controlling interests ("NCI") (cont'd.)

	SATS RM	SPSB RM	Total RM
	40%	48.32%	
Summarised statement of financial position as at 31 January 2022:			
Non-current assets	655,729	-	655,729
Current assets	2,311,261	1,000,771	3,312,032
Non-current liabilities	-	-	-
Current liabilities	524,565	10,924	535,489
Net assets	2,442,425	989,847	3,432,272
Summarised statement of financial position as at 31 January 2021:			
Non-current assets	263,023	-	263,023
Current assets	2,598,291	1,004,166	3,602,457
Non-current liabilities	132,298	-	132,298
Current liabilities	208,914	5,500	214,414
Net assets	2,520,102	998,666	3,518,768
Summarised statement of cash flows for 2022:			
Cash flows from/(used in) operating activities	897,126	(45)	897,081
Cash flows used in investing activities	(682,424)	-	(682,424)
Cash flows used in financing activities	(154,782)	-	(154,782)
Net increase/(decrease) in cash and cash equivalents	59,920	(45)	59,875
Summarised statement of cash flows for 2021:			
Cash flows used in operating activities	(1,034,472)	(45)	(1,034,517)
Cash flows from investing activities	1,100,000	-	1,100,000
Cash flows used in financing activities	(6,449)	-	(6,449)
Net increase/(decrease) in cash and cash equivalents	59,079	(45)	59,034

NOTES TO THE FINANCIAL STATEMENTS

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17. Inventories

	Group	
	2022 RM	2021 RM
At cost:		
Materials and component parts	20,050,618	14,266,841
Work-in-progress	4,045,792	4,796,637
Finished goods	4,096,252	4,255,135
Spares and tools	1,015,670	1,754,672
Consumables	481,004	1,404,684
	29,689,336	26,477,969
At net realisable value:		
Work-in-progress	355,930	-
Finished goods	1,062,667	242,116
	31,107,933	26,720,085

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM94,020,670 (2021: RM84,485,580).

18. Trade and other receivables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current:				
Other receivables				
Amounts due from subsidiaries	-	-	27,864,229	18,030,211
Current:				
Trade receivables				
Third parties	25,505,428	21,457,588	-	-
Allowance for impairment third parties	(878,965)	-	-	-
Trade receivables, net	24,626,463	21,457,588	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

18. Trade and other receivables (cont'd.)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables				
Amounts due from subsidiaries	-	-	29,161,982	32,494,492
Amounts due from a related party	53,070	1,237,452	85,925	1,237,452
Amounts due from an affiliate company	12,000	12,000	-	-
Refundable deposits	488,840	539,782	74,376	74,376
Other receivables	1,598,642	38,632,154	76,068	30,429,067
	2,152,552	40,421,388	29,398,351	64,235,387
Less: Allowance for				
Amounts due from subsidiaries	-	-	(21,624,067)	(21,370,636)
Amounts due from a related party	-	(38,199)	-	-
Amounts due from an affiliate company	(12,000)	(12,000)	-	-
Refundable deposits	-	(7,090)	-	-
Other receivables	(25,012)	(36,943,103)	-	(30,290,073)
	(37,012)	(37,000,392)	(21,624,067)	(51,660,709)
Other receivables, net	2,115,540	3,420,996	7,774,284	12,574,678
Total current trade and other receivables	26,742,003	24,878,584	7,774,284	12,574,678
Total trade and other receivables	26,742,003	24,878,584	35,638,513	30,604,889
Add: Cash and bank balances	11,169,684	16,960,346	1,764,260	1,565,562
Total financial assets carried at amortised cost	37,911,687	41,838,930	37,402,773	32,170,451
Classification of trade and other receivables:				
Current	26,742,003	24,878,584	7,774,284	12,574,678
Non-current	-	-	27,864,229	18,030,211
	26,742,003	24,878,584	35,638,513	30,604,889

(a) Trade receivables

Trade receivables are non-interest bearing and the Group's normal trade credit terms range from 30 to 90 (2021: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

18. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2022 RM	2021 RM
Neither past due nor impaired	22,534,399	20,258,546
1 to 30 days past due not impaired	929,340	1,190,096
31 to 60 days past due not impaired	80,327	-
61 to 120 days past due not impaired	203,432	8,946
	1,213,099	1,199,042
Impaired	878,965	-
	24,626,463	21,457,588

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2022 RM	2021 RM
Trade receivables:		
Nominal value	(878,965)	-
Less: Allowance for impairment		
- individually impaired	878,965	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

18. Trade and other receivables (cont'd.)

(a) Trade receivables (cont'd.)

Movement in allowance account:

	Group	
	2022 RM	2021 RM
At the beginning of the year	-	1,104,178
Provision for allowance of impairment (Note 7)	878,965	-
Reversal of allowance of impairment (Note 7)	-	(1,104,178)
At the end of the year	878,965	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other receivables:				
Nominal value	37,012	37,000,392	21,624,067	51,660,709
Less: Allowance for impairment	(37,012)	(37,000,392)	(21,624,067)	(51,660,709)
	-	-	-	-
Movement in allowance account:				
At beginning of year	37,000,392	36,975,380	51,660,709	50,840,526
Provision for allowance of impairment	-	25,012	253,430	820,183
Reversal of allowance of impairment	(4,107,992)	-	(4,097,161)	-
Write off	(32,855,388)	-	(26,192,911)	-
At end of year	37,012	37,000,392	21,624,067	51,660,709

At the reporting date, the Group and the Company has provided an allowance of RM 37,012 (2021: RM37,000,392) and RM 21,624,067 (2021: RM51,660,709) respectively. These mainly relate to balances due from related parties which have been significantly long outstanding.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

18. Trade and other receivables (cont'd.)

(c) Amounts due from subsidiaries

The amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand, except for an intercompany advance of RM5,000,000 (2021: Nil) which interest at a rate of 2.8% p.a. (2021: Nil).

(d) Amounts due from a related party

Representing amounts due from Sapura Holdings Sdn. Bhd. which are unsecured, non-interest bearing and are repayable on demand.

(e) Credit risk

As at the reporting date, the Group has a concentration of credit risk in the form of outstanding balances due from 2 debtors (2021: 2 debtors) representing 41% (2021: 37%) of total net trade receivables.

19. Other current assets

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Prepayments	5,851,085	4,782,583	559,786	103,220

20. Short term investments

	Group	
	2022 RM	2021 RM
As at 1 February	17,949,152	9,949,163
(Withdrawals)/investments during the year	(9,195,925)	7,574,622
Profit received during the year (Note 5)	246,030	425,367
Investment in money market funds, representing total financial assets at fair value through profit or loss	8,999,257	17,949,152

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

21. Assets held for sale

On 17 November 2021, the Board of directors approved the disposal of the Group's Cold Drawn Bar line machine. After obtaining approval from the Board, management immediately began the search for a buyer. The Group found a buyer and issued an offer letter that was accepted on 13 January 2022. As at 31 January 2022, dismantling of the machinery had not commenced and control will be transferred within a year from the reporting date.

The carrying amount of non-current assets held for sale as at 31 January 2022 are as follows:

	Group
	2022
	RM
Cost	
At beginning of the year	-
Transfer from property, plant and equipment (Note 13)	7,809,665
At end of the year	7,809,665
Accumulated depreciation	
At beginning of the year	-
Accumulated depreciation and impairment (Note 13)	(7,342,946)
At end of the year	(7,342,946)
Carrying amount	466,719

22. Retirement benefit obligations

The Group and the Company operate an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The Group's and the Company's obligations under the Scheme are determined based on the latest actuarial valuation by an independent valuer for the financial year 2022. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

22. Retirement benefit obligations (cont'd.)

The amounts recognised on the statement of financial position are determined as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Present value of unfunded defined benefit obligations, representing net liabilities	8,868,259	9,187,274	3,389,272	3,469,541
Analysed as:				
Current	419,647	245,128	144,950	137,643
Non-current	8,448,612	8,942,146	3,244,322	3,331,898
	8,868,259	9,187,274	3,389,272	3,469,541

The amount recognised in the statement of comprehensive income are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax				
Current service costs	451,740	430,339	161,703	153,494
Interest cost	344,458	337,473	129,227	131,719
Total, included in employee benefits expense (Note 8)	796,198	767,812	290,930	285,213
Other comprehensive income				
Actuarial (gain)/loss on retirement benefit, net of tax	(493,424)	156,659	(141,598)	56,657

Movements in the net liability in the current year were as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At beginning of year	9,187,274	8,450,311	3,469,541	3,298,387
Recognised in profit or loss	796,198	767,812	290,930	285,213
Benefits paid	(475,773)	(217,302)	(184,886)	(170,716)
Actuarial (gain)/loss, representing total included in other comprehensive income before tax	(639,440)	186,453	(186,313)	56,657
At end of year	8,868,259	9,187,274	3,389,272	3,469,541

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

22. Retirement benefit obligations (cont'd.)

Principal actuarial assumptions used:

	2022 %	2021 %
Discount rate	4.5	3.8
Expected rate of salary increases		
• Executives	3.8	3.8
• Non executives	4.0	4.0

Assumptions regarding future mortality are based on published statistics and mortality tables.

The following table demonstrates the sensitivity of the present value of defined benefit obligations to changes in the discount rate and expected salary increment, with all other variables held constant.

	Increase/(decrease) in present value of defined benefit obligation			
	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Discount rate				
• 1% increase	(818,790)	(899,869)	(243,044)	(270,734)
• 1% decrease	932,066	1,033,878	270,640	304,037
Expected salary increment				
• 1% increase	909,403	913,654	194,053	193,315
• 1% decrease	(797,803)	(800,468)	(173,588)	(172,716)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

23. Loans and borrowings

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current				
Secured:				
Term loans	3,930,106	5,118,837	-	-
Hire purchase (Note 24)	205,359	200,134	205,359	200,134
Lease liabilities (Note 25)	1,127,400	963,812	1,031,375	1,139,608
	5,262,865	6,282,783	1,236,734	1,339,742
Unsecured:				
Bankers' acceptances	1,725,284	4,492,987	-	368,000
Revolving credits	4,500,000	-	1,000,000	-
	6,225,284	4,492,987	1,000,000	368,000
	11,488,149	10,775,770	2,236,734	1,707,742
Non-current				
Secured:				
Term loans	21,326,770	21,433,746	-	-
Hire purchase (Note 24)	308,400	496,749	308,400	496,749
Lease liabilities (Note 25)	977,473	1,897,968	2,223,750	-
	22,612,643	23,828,463	2,532,150	496,749
Total				
Revolving credits	4,500,000	-	1,000,000	-
Bankers' acceptances	1,725,284	4,492,987	-	368,000
Term loans	25,256,876	26,552,583	-	-
Hire purchase (Note 24)	513,759	696,883	513,759	696,883
Lease liabilities (Note 25)	2,104,873	2,861,780	3,255,125	1,139,608
	34,100,792	34,604,233	4,768,884	2,204,491

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

23. Loans and borrowings (cont'd.)

The remaining maturities of the loans and borrowings as at 31 January are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Within 1 year	11,488,149	10,775,770	2,236,734	1,707,742
More than 1 year and less than 2 years	3,429,748	4,673,013	1,217,653	188,347
More than 2 years and less than 5 years	7,446,735	7,187,394	1,314,497	308,402
More than 5 years	11,736,160	11,968,056	-	-
	34,100,792	34,604,233	4,768,884	2,204,491

The weighted average effective interest rates per annum at the reporting date of borrowings, excluding hire purchase and lease liabilities, were as follows:

	Group		Company	
	2022 %	2021 %	2022 %	2021 %
Bankers' acceptances	2.69	4.39	-	4.39
Revolving credits	4.88	-	4.88	-
Term loans	5.00	5.00	-	-

The term loans are secured by:

- (a) a first legal charge over certain plant and machinery of the Group (Note 13(b)); and
- (b) a first legal charge over certain investment property of the Group (Note 14).

The unsecured borrowings are guaranteed by the Company and certain subsidiaries and a negative pledge over all fixed and other assets of the Company.

The Company has extended corporate guarantees amounting to RM134,627,000 (2021: RM134,627,000) as at the reporting date to banks and financial institutions for banking facilities granted to certain subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

23. Loans and borrowings (cont'd.)

Change in liabilities arising from financing activities

2022	At 1 February 2021 RM	Non-cash movement on lease liabilities RM	Net drawdown/ (repayment) RM	At 31 January 2022 RM
Group				
Revolving credits	-	-	4,500,000	4,500,000
Bankers' acceptances	4,492,987	-	(2,767,703)	1,725,284
Term loans	26,552,583	-	(1,295,707)	25,256,876
Hire purchase (Note 24)	696,883	-	(183,124)	513,759
Lease liabilities (Note 25)	2,861,780	360,420	(1,117,327)	2,104,873
	34,604,233	360,420	(863,861)	34,100,792
Company				
Revolving credits	-	-	1,000,000	1,000,000
Bankers' acceptances	368,000	-	(368,000)	-
Hire purchase (Note 24)	696,883	-	(183,124)	513,759
Lease liabilities (Note 25)	1,139,608	3,286,225	(1,170,708)	3,255,125
	2,204,491	3,286,225	(721,832)	4,768,884

2021	At 1 February 2020 RM	Non-cash movement on lease liabilities RM	Net drawdown/ (repayment) RM	At 31 January 2021 RM
Group				
Bankers' acceptances	3,078,614	-	1,414,373	4,492,987
Term loans	28,905,509	-	(2,352,926)	26,552,583
Hire purchase (Note 24)	793,743	-	(96,860)	696,883
Lease liabilities (Note 25)	1,905,863	2,126,015	(1,170,098)	2,861,780
	34,683,729	2,126,015	(2,205,511)	34,604,233
Company				
Bankers' acceptances	-	-	368,000	368,000
Hire purchase (Note 24)	793,743	-	(96,860)	696,883
Lease liabilities (Note 25)	2,285,668	24,648	(1,170,708)	1,139,608
	3,079,411	24,648	(899,568)	2,204,491

**NOTES TO
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24. Hire purchase

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Minimum lease payments:				
Not later than 1 year	224,225	225,960	224,225	225,960
Later than 1 year and not later than 2 years	143,928	205,395	143,928	205,395
Later than 2 years and not later than 5 years	179,874	323,802	179,874	323,802
	548,027	755,157	548,027	755,157
Less: Finance charges	(34,268)	(58,274)	(34,268)	(58,274)
	513,759	696,883	513,759	696,883
Analysis of present value of finance lease liabilities:				
Not later than 1 year	205,359	200,134	205,359	200,134
Later than 1 year and not later than 2 years	133,526	188,347	133,526	188,347
Later than 2 years and not later than 5 years	174,874	308,402	174,874	308,402
	513,759	696,883	513,759	696,883
Less: Amount due within 12 months (Note 23)	(205,359)	(200,134)	(205,359)	(200,134)
Amount due after 12 months (Note 23)	308,400	496,749	308,400	496,749

The Group and the Company have finance leases for motor vehicles (Note 13(a)). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

The finance leases of the Group and of the Company bear interest during the year at a rates ranging between 4.20% to 4.57% (2021: 4.20% to 4.57%) and 4.20% to 4.57% (2021: 4.20% to 4.57%) per annum respectively.

NOTES TO THE FINANCIAL STATEMENTS

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25. Lease liabilities

The carrying amounts of lease liabilities recognised and the movements during the year are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
At 1 February	2,861,780	1,905,863	1,139,608	2,285,668
Additions	233,615	-	-	-
Accretion of interest (Note 6)	126,805	96,140	31,100	117,058
Payments	(1,117,327)	(1,170,098)	(1,170,708)	(1,170,708)
Lease modification	-	2,082,767	3,255,125	(92,410)
Contract termination	-	(52,892)	-	-
At 31 January	2,104,873	2,861,780	3,255,125	1,139,608
Current	1,127,400	963,812	1,031,375	1,139,608
Non-current	977,473	1,897,968	2,223,750	-
	2,104,873	2,861,780	3,255,125	1,139,608

The remaining maturities of the lease liabilities as at 31 January are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
On demand or within 1 year	1,127,400	963,812	1,031,375	1,139,608
More than 1 year and less than 2 years	884,362	1,071,921	1,084,133	-
More than 2 years and less than 5 years	93,111	826,047	1,139,617	-
	2,104,873	2,861,780	3,255,125	1,139,608

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THE FINANCIAL STATEMENTS**

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25. Lease liabilities (cont'd.)

The followings are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Depreciation on right-of-use assets (Note 13)	1,210,118	1,144,862	1,085,042	1,054,239
Interest expense on lease liabilities (Note 6)	126,805	96,140	31,100	117,058
Expense relating to short-term leases	36,971	154,194	-	-
Expense relating to leases of low-value assets	77,982	105,813	26,688	30,320
Total amount recognised in profit or loss	1,451,876	1,501,009	1,142,830	1,201,617

Total cash outflows for leases comprising of payments of lease liabilities, short-term lease and low value leases for Group and Company amounted to RM1,232,280 (2021: RM1,430,105) and RM1,197,396 (2021: RM1,201,028) respectively.

**NOTES TO
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31 January 2022

26. Deferred tax

Recognised deferred tax (assets)/liabilities

	Assets		Liabilities		Net	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Group						
Accelerated capital allowances	-	-	8,719,756	8,390,868	8,719,756	8,390,868
Development expenditure capitalised	-	-	273,243	338,421	273,243	338,421
Provisions, lease liabilities, accruals and other payables	(2,446,510)	(2,637,959)	-	-	(2,446,510)	(2,637,959)
Unused tax losses	(53,424)	(6,445)	-	-	(53,424)	(6,445)
Unabsorbed capital allowances	(2,149,944)	(748,960)	-	-	(2,149,944)	(748,960)
Unutilised reinvestment and investment tax allowance	(1,580,487)	(1,540,424)	-	-	(1,580,487)	(1,540,424)
Tax (assets)/liabilities	(6,230,365)	(4,933,788)	8,992,999	8,729,289	2,762,634	3,795,501
Offsetting	6,166,958	4,819,010	(6,166,958)	(4,819,010)	-	-
Net tax (assets)/liabilities	(63,407)	(114,778)	2,826,041	3,910,279	2,762,634	3,795,501
Company						
Accelerated capital allowances	-	-	843,090	841,184	843,090	841,184
Provisions, lease liabilities, accruals and other payables	(843,090)	(841,184)	-	-	(843,090)	(841,184)
Tax (assets)/liabilities	(843,090)	(841,184)	843,090	841,184	-	-
Offsetting	843,090	841,184	(843,090)	(841,184)	-	-
Net tax (assets)/liabilities	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

26. Deferred tax (cont'd.)

Unrecognised deferred tax assets

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unused tax losses	21,389,742	23,663,637	10,428,138	12,419,775
Unabsorbed capital allowances	125,159	29,085	-	-
Unabsorbed reinvestment and investment tax allowances	-	106,889	-	-
Other temporary differences	1,271,567	1,686,794	431,313	1,141,043
	22,786,468	25,486,405	10,859,451	13,560,818

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits.

The carrying forward of unused tax losses is restricted to a maximum of ten consecutive years of assessments.

Recognised deferred tax (assets)/liabilities

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	As at 1.2.2021 RM	Charged/ (credited) to profit or loss RM	Credited to OCI RM	As at 31.1.2022 RM
Deferred tax liabilities				
Accelerated capital allowances	8,390,868	328,888	-	8,719,756
Development expenditure capitalised	338,421	(65,178)	-	273,243
	8,729,289	263,710	-	8,992,999
Deferred tax assets				
Provisions, lease liabilities, accruals and other payables	(2,637,959)	45,433	146,016	(2,446,510)
Unused tax losses	(6,445)	(46,979)	-	(53,424)
Unabsorbed capital allowances	(748,960)	(1,400,984)	-	(2,149,944)
Unutilised reinvestment and investment tax allowances	(1,540,424)	(40,063)	-	(1,580,487)
	(4,933,788)	(1,442,593)	146,016	(6,230,365)

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

26. Deferred tax (cont'd.)

Group (cont'd.)

Group	As at 1.2.2020 RM	Charged/ (credited) to profit or loss RM	Credited to OCI RM	As at 31.1.2021 RM
Deferred tax liabilities				
Accelerated capital allowances	8,529,988	(139,120)	-	8,390,868
Development expenditure capitalised	379,246	(40,825)	-	338,421
	8,909,234	(179,945)	-	8,729,289
Deferred tax assets				
Provisions, lease liabilities, accruals and other payables	(2,761,489)	153,324	(29,794)	(2,637,959)
Unused tax losses	(257,952)	251,507	-	(6,445)
Unabsorbed capital allowances	(1,171,542)	422,582	-	(748,960)
Unutilised reinvestment and investment tax allowances	(1,807,715)	267,291	-	(1,540,424)
	(5,998,698)	1,094,704	(29,794)	(4,933,788)

Company	As at 1.2.2021 RM	Charged/ (credited) to profit or loss RM	Credited to OCI RM	As at 31.1.2022 RM
Deferred tax liabilities				
Accelerated capital allowances	841,184	1,906	-	843,090
Deferred tax assets				
Provisions, lease liabilities, accruals, other payables and unabsorbed capital allowances	(841,184)	(46,621)	44,715	(843,090)

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

26. Deferred tax (cont'd.)

Company	As at 1.2.2020 RM	Charged/ (credited) to profit or loss RM	As at 31.1.2021 RM
Deferred tax liabilities			
Accelerated capital allowances	839,237	1,947	841,184
Deferred tax assets			
Provisions, lease liabilities, accruals, other payables and unabsorbed capital allowances	(839,237)	(1,947)	(841,184)

27. Trade and other payables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables - third parties	15,941,982	12,850,623	-	-
Other payables				
Accruals and other payables	9,387,550	10,252,058	1,710,834	2,456,659
Amount due to subsidiaries	-	-	998,969	1,019,422
Amount due to related parties	32,855	830	32,855	830
	9,420,405	10,252,888	2,742,658	3,476,911
Contract liabilities	1,358,694	3,874,712	-	-
Total trade and other payables	26,721,081	26,978,223	2,742,658	3,476,911
Add: Loans and borrowings (Note 23)	34,100,792	34,604,233	4,768,884	2,204,491
Less: Contract liabilities	(1,358,694)	(3,874,712)	-	-
Total financial liabilities carried at amortised cost	59,463,179	57,707,744	7,511,542	5,681,402

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

27. Trade and other payables (cont'd.)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group range from 30 to 60 (2021: 30 to 60) days.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term range from 30 to 60 (2021: 30 to 60) days.

(c) Amounts due to subsidiaries and related parties

The amounts due to subsidiaries and related parties are unsecured, non-interest bearing and are repayable upon demand.

28. Provisions

The Group recognised a provision for warranty associated with warranty given for certain products to its customers. The Group has made assumptions in relation to provision for future warranty claims based on historical experience of warranty claims made by its customers.

	Group	
	2022 RM	2021 RM
At 1 February	166,840	121,938
Provision utilised	(166,840)	(121,938)
Current year provision (Note 7)	221,559	166,840
At 31 January	221,559	166,840
Current	119,481	96,067
Non-current	102,078	70,773
	221,559	166,840

29. Share capital

	No. of shares		Group/Company Amount	
	2022 Unit	2021 Unit	2022 RM	2021 RM
Issued and fully paid				
At 1 February/31 January	72,775,737	72,775,737	74,975,863	74,975,863

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

30. Capital commitment

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Capital expenditures				
Property, plant and equipment:				
Approved and contracted for	12,928,933	2,775,771	-	-
Approved but not contracted for	8,420,851	1,787,429	-	-

31. Related party disclosures

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Subsidiaries				
Interest income	-	-	(58,568)	-
Management fees	-	-	(13,901,045)	(15,714,619)
Dividend income	-	-	-	(1,950,000)
Rental income	-	-	(1,440,106)	(1,426,583)
Related party				
Sapura Holdings Sdn. Bhd.				
Communication expenses	6,785	11,657	6,785	11,657
	6,785	11,657	6,785	11,657

Information regarding outstanding balance arising from related party transactions as at 31 January 2022 are disclosed in Notes 18 and 27.

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed between parties.

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

31. Related party disclosures (cont'd.)

(b) Compensation of key management personnel

The remuneration of members of key management during the year including executive directors of the Company and directors of subsidiary companies under the Group was as follows:

	Group and Company	
	2022 RM	2021 RM
Wages and salaries	6,900,140	6,521,270
Contributions to defined contribution plan	653,954	618,036
Benefits-in-kind	84,375	86,506
	7,638,469	7,225,812

32. Financial instruments

(a) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing its interest rate risk (both fair value and cash flow), foreign currency risk, liquidity risk, credit risk and market risk (equity price risk). It is, and has been throughout the year under review, the Group's and the Company's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are not exposed to interest rate risk as it does not have interest-bearing financial instruments which are subject to floating interest rates.

(c) Foreign exchange risk

The Group is exposed to various currencies, mainly United States Dollar ("USD"), Japanese Yen ("JPY"), Indonesian Rupiah ("IDR"), Thai Baht ("THB") and Chinese Yuan ("CNY"). Foreign currencies denominated assets and liabilities together with expected cashflows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currency of the Company and all its subsidiaries are kept to an acceptable level.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

32. Financial instruments (cont'd.)

(c) Foreign exchange risk (cont'd.)

The net unhedged financial liabilities of the Group that are not denominated in the Group's functional currency are as follows:

	2022 RM	2021 RM
Trade and other payables		
USD	5,317,217	5,193,912
JPY	1,313,249	1,568,421
IDR	38,733	961,552
THB	682,448	1,090,900
CNY	243,574	100,995

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's (loss)/profit net of tax to a reasonably possible change in the USD, JPY, IDR, THB and CNY exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Group	
	Effect on (loss)/profit net of tax	
	2022 RM	2021 RM
USD/RM - strengthened 10% (2021: 10%)	(404,108)	(394,737)
JPY/RM - strengthened 10% (2021: 10%)	(99,807)	(119,200)
IDR/RM - strengthened 10% (2021: 10%)	(2,944)	(73,078)
THB/RM - strengthened 10% (2021: 10%)	(51,866)	(82,908)
CNY/RM - strengthened 10% (2021: 10%)	(18,513)	(7,676)

(d) Liquidity risk

The Group and the Company actively manage their debt maturity profiles, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash or cash convertible investments to meet their working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to their overall debt position. As far as possible, the Group and the Company raise committed funding from financial institutions and prudently balance its portfolios with some short term funding so as to achieve overall cost effectiveness.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

32. Financial instruments (cont'd.)

(d) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2022			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	25,362,387	-	-	25,362,387
Loans and borrowings	11,655,197	14,430,396	16,458,699	42,544,292
Lease liabilities	1,207,060	1,006,800	-	2,213,860
Total undiscounted financial liabilities	38,224,644	15,437,196	16,458,699	70,120,539
Company				
Financial liabilities:				
Trade and other payables	2,742,658	-	-	2,742,658
Loans and borrowings	1,205,395	323,802	-	1,529,197
Lease liabilities	1,170,708	2,341,416	-	3,512,124
Total undiscounted financial liabilities	5,118,761	2,665,218	-	7,783,979
	2021			
	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Group				
Financial liabilities:				
Trade and other payables	23,103,511	-	-	23,103,511
Loans and borrowings	11,198,121	13,333,110	17,493,302	42,024,532
Lease liabilities	1,085,050	1,987,900	-	3,072,950
Total undiscounted financial liabilities	35,386,682	15,321,010	17,493,302	68,200,993

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

32. Financial instruments (cont'd.)

(d) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	2021			Total RM
	On demand or within one year RM	One to five years RM	More than five years RM	
Company				
Financial liabilities:				
Trade and other payables	3,476,911	-	-	3,476,911
Loans and borrowings	426,275	696,882	-	1,123,157
Lease liabilities	1,170,708	-	-	1,170,708
Total undiscounted financial liabilities	5,073,894	696,882	-	5,770,776

(e) Credit risk

Credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors as at 31 January 2022, other than as disclosed in Note 18.

(f) Market risk

Market risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from investment in unit funds. Investment in unit funds comprises of combination of money market instruments and institutional bonds which have lower risk as compared to equity and commodity investment. These instruments are classified as held for trading financial assets. The Group does not have any exposure to commodity price risk.

At the reporting date, the exposure to investments in unit funds at fair value was RM8,999,257 (2021: RM17,949,152). An increase or decrease of 10% on market index of investments in unit funds could have an impact of approximately RM899,926 (2021: RM1,794,915) on the profit or loss of the Group.

(g) Fair values

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and current portion of loans and borrowings are reasonable approximate of their fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

32. Financial instruments (cont'd.)

(g) Fair values (cont'd.)

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable input).

Fair values below are categorised within the Level 3 fair value hierarchy which is described as inputs for the asset or liability that are based on unobservable market data (unobservable input).

	Group		Company	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Financial liabilities				
At 31 January 2022:				
Term loans (non-current)	21,326,770	21,782,982	-	-
At 31 January 2021:				
Term loans (non-current)	21,433,746	21,060,231	-	-

The investments in unit funds of the Group amounting RM8,999,257 (2021: RM17,949,152) are measured as Level 2 hierarchy based on reference to fair value provided by the bank at the close of business on the reporting date.

The Group and the Company do not have any financial assets or financial liabilities measured at Level 1 hierarchy.

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 January 2022 and 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an acceptable limit. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less non-distributable share premium.

NOTES TO THE FINANCIAL STATEMENTS

31 January 2022

33. Capital management (cont'd.)

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Loans and borrowings	34,100,792	34,604,233	4,768,884	2,204,491
Trade and other payables	26,721,081	26,978,223	2,742,658	3,476,911
Less: Cash and bank balances	(11,169,684)	(16,960,346)	(1,764,260)	(1,565,562)
Net debt	49,652,189	44,622,110	5,747,282	4,115,840
Equity attributable to the owners of the parent, representing total capital	99,854,184	105,321,707	75,371,482	75,406,382
Capital and net debt	149,506,373	149,943,817	81,118,764	79,522,222
Gearing ratio	33%	30%	7%	5%

34. Segment information

(a) Business segments:

The Group is organised into three major business segments:

- (i) Manufacturing - the manufacture and supply of products for the automotive, electronics and electrical industries.
- (ii) Investment holding - the holding of investments and provision of management services to subsidiaries; and
- (iii) Others - trading of autoparts in retail and after sales market, providing computer aided design and manufacture of sub-systems and systems for applications in production and testing and other dormant companies.

(b) Geographical segments:

The Group's operations are carried out solely in Malaysia.

(c) Allocation basis

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(d) Information on major customers

Included in the manufacturing segment are two major customers contributing RM92,170,285 (2021: RM114,016,436) and RM23,327,543 (2021: RM1,987,945) each respectively to the revenue of the Group in the current financial year.

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

34. Segment information (cont'd.)

Business segments

31 January 2022	Manufacturing RM	Investment Holding RM	Others RM	Eliminations RM	Notes	Consolidated RM
Revenue						
External	152,717,675	-	1,147,198	-		153,864,873
Inter-segment	1,201,659	13,901,045	667,372	(15,770,076)	A	-
Total revenue	153,919,334	13,901,045	1,814,570	(15,770,076)		153,864,873
Results						
Segment results, representing profit/(loss) from operations	(4,252,464)	2,248,513	(372,254)	(137,100)		(2,513,305)
Finance costs						(2,242,134)
Taxation						942,431
Profit net of tax						(3,813,008)
Assets						
Consolidated segment assets	164,169,246	86,366,601	7,316,228	(83,734,560)		174,117,515
Liabilities						
Consolidated segment liabilities	146,988,705	10,995,119	25,782,544	(110,958,300)		72,808,068
Other information						
Capital expenditure	11,604,502	492,217	708,640	-	B	12,805,359
Depreciation	12,290,061	1,638,453	374,544	(2,641,093)		11,661,965
Amortisation	553,171	-	-	-		553,171
Non-cash expenses other than depreciation, amortisation	1,697,968	2,825,146	120,532	(254,290)	C	4,389,356

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

34. Segment information (cont'd.)

31 January 2021	Manufacturing RM	Investment Holding RM	Others RM	Eliminations RM	Notes	Consolidated RM
Revenue						
External	154,592,948	-	1,276,674	-		155,869,622
Inter-segment	1,137,182	17,664,619	234,162	(19,035,963)	A	-
Total revenue	155,730,130	17,664,619	1,510,836	(19,035,963)		155,869,622
Results						
Segment results, representing profit/(loss) from operations	3,848,864	1,281,948	149,183	(1,580,447)		3,699,548
Finance costs						(1,416,629)
Taxation						(1,551,547)
Profit net of tax						731,372
Assets						
Consolidated segment assets	171,781,163	84,600,071	5,469,641	(80,053,109)		181,797,766
Liabilities						
Consolidated segment liabilities	112,464,489	9,192,306	60,386,894	(107,058,226)		74,985,463
Other information					B	
Capital expenditure	7,953,505	35,029	299,496	-		8,288,030
Depreciation	13,507,082	1,810,973	281,075	(2,632,335)		12,966,795
Amortisation	555,942	-	-	-		555,942
Non-cash expenses other than depreciation, amortisation	1,415,722	1,030,059	76,080	(781,133)	C	1,740,728

**NOTES TO
THE FINANCIAL STATEMENTS**

31 January 2022

34. Segment information (cont'd.)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues are eliminated on consolidation.

B Capital expenditure consist of:

	2022 RM	2021 RM
Property, plant and equipment	11,567,560	7,892,266
Development expenditure	747,163	395,764
Investment property	490,636	-
	12,805,359	8,288,030

C Other material non-cash expenses/(income) consists of the following items as presented in the respective notes to the financial statements:

	Note	2022 RM	2021 RM
Unrealised foreign exchange loss/(gain)	7	2,058	(19,483)
Development expenditure written off	7	-	46,442
Net reversal of slow moving inventories	7	(78,424)	(1,065,069)
Provision for/(reversal of) impairment loss on trade receivables	7	878,965	(1,104,178)
Writeback of impairment loss on trade receivables	7	-	(735,113)
Provision for impairment loss on other receivables	7	-	25,012
Increase in provisions	7	221,559	166,840
Property, plant and equipment written off	7	976,844	1,128,422
Inventory written off	7	1,576,227	2,469,706
Provision for short-term accumulating compensated absences	8	15,928	61,943
Gain on lease modification	5	-	(1,606)
Increase in defined benefit plan	7	796,198	767,812
		4,389,355	1,740,728

ANALYSIS OF SHAREHOLDINGS

As at 6 May 2022

Total Number of Issued Shares : 72,775,737 ordinary shares
 Class of Shares : Ordinary Shares
 Voting Rights : One vote per ordinary share
 No. of Shareholders : 3,729

DISTRIBUTION OF ORDINARY SHARES

Size of Holdings	No. of Holders	% Over Total Shareholders	No. of Shares	% Over Total Shares
Less than 100	429	11.50	5,975	0.01
100 to 1,000	588	15.77	270,824	0.37
1,001 to 10,000	2,342	62.80	7,210,988	9.91
10,001 to 100,000	334	8.96	8,874,861	12.19
100,001 to less than 5% of issued shares	32	0.86	12,902,150	17.73
5% and above of issued shares	4	0.11	43,510,939	59.79
Total	3,729	100	72,775,737	100

DIRECTORS' AND CHIEF EXECUTIVE OFFICER SHAREHOLDINGS

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir	-	-	20,377,300*	28.00
Dato' Shahrizan bin Shamsuddin	663,175	0.91	-	-
Datuk Kisai bin Rahmat	-	-	-	-
Puan Sri Datin Seri Mariam Parineh	-	-	20,377,300*	28.00
Datuk Wira Jalilah binti Baba	-	-	-	-
Datuk Syed Izuan bin Syed Kamarulbahrin	-	-	-	-
Md. Shah bin Hussin	-	-	-	-
Wan Ahamad Sabri bin Wan Daud	-	-	-	-

Chief Executive Officer	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Helmi bin Sheikh Mahmood	61,917	0.09	-	-

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
SAK Asset Ventures Sdn. Bhd.	20,377,300	28.00	-	-
Maybank Nominees (Tempatan) Sdn. Bhd.				
Maybank Trustees Berhad for the AMEIS Trust	13,794,839	18.96	-	-
Puncak Exotika Sdn. Bhd.	5,100,000	7.01	-	-
Koh Kok Hooi	4,577,600	6.29	-	-
Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir	-	-	20,377,300*	28.00
Puan Sri Datin Seri Mariam Parineh	-	-	20,377,300*	28.00

*Deemed Interested by virtue of his/her direct and indirect interest in SAK Asset Ventures Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS

THIRTY (30) LARGEST SHAREHOLDERS

Based on Record of Depositors as at 6 May 2022

No.	Name of Shareholders	No. of Shares Held	%
1	SAK ASSET VENTURES SDN.BHD.	20,377,300	28.00
2	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR THE AMEIS TRUST	13,794,839	18.96
3	PUNCAK EXOTIKA SDN. BHD.	5,100,000	7.01
4	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KOK HOON	4,238,800	5.82
5	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	2,777,900	3.82
6	TAN SRI DATO' SERI SHAHRIL BIN SHAMSUDDIN	1,426,875	1.96
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG KOOI PHING (6000914)	1,350,800	1.86
8	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SU MING YAW	697,100	0.96
9	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR DATO' SHAHRIMAN BIN SHAMSUDDIN (PB)	663,175	0.91
10	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIA SIEW FUNG	604,700	0.83
11	LEE SIEW HOON	508,000	0.70
12	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. CHUA ENG HO WA'A @ CHUA ENG WAH	364,800	0.50
13	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN TIAN SANG @ TAN TIAN SONG (E-PPG)	339,100	0.47
14	KOH KOK HOON	338,800	0.47
15	YEOH PHEK LENG	294,000	0.40
16	TAN YEE SENG	280,000	0.38
17	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PHUA LEE PING	265,500	0.36
18	LIM KIEN HUA	259,200	0.36
19	TAN YEE KONG	245,000	0.34
20	GOH SOOK KEE	243,000	0.33
21	NG AH GEOK	222,000	0.30
22	YEW PENG CHAI	193,100	0.27
23	LIM KIAN HUAT	163,400	0.22
24	LIM KEE	160,000	0.22
25	LAM PUN YING	150,000	0.21
26	WONG LAY HEONG	150,000	0.21
27	LEE KIM SENG	145,000	0.20
28	TAN KAI LI	139,000	0.19
29	ANANDA KRISHNA A/L SITHAMBERAM PILLAY	133,500	0.18
30	LAM SO HA @ LIM CHONG SWEE	126,500	0.17
	TOTAL	55,751,389	76.61

P A R T I C U L A R S O F P R O P E R T I E S

Location	Description / Existing Use	Land Area	Tenure / Year of Expiring	Approximate Age of Building (years)	Net Book Value as at 31.01.2022 RM'000 / Date of Last Revaluation
HS (M) 9725, PT No. 11556 Mukim Kajang, Daerah Hulu Langat Selangor Darul Ehsan Postal address: No. 11, Jalan P/1, Seksyen 13 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Selangor Darul Ehsan	Industrial land / factory cum office	12,141 m ²	99-year lease expiring 29.09.2086	31	5,141 31.01.2022
HS (D) 52700 & 52701 PT No. 40849 & 40850 Bandar Baru Bangi, Daerah Hulu Langat Selangor Darul Ehsan Postal address: Lot 2 & 4, Jalan P/11, Seksyen 10 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Selangor Darul Ehsan	Industrial land / factory cum office	6,552 m ² & 7,241 m ²	99-year lease expiring 19.08.2098	27	4,897 31.01.2022
PN 106755, Lot 48474 Seksyen 9, Bandar Baru Bangi Daerah Hulu Langat Selangor Darul Ehsan Postal address: Lot 5, Persiaran Usahawan Taman IKS, Seksyen 9 43650 Bandar Baru Bangi Selangor Darul Ehsan	Vacant industrial land	20,460.5 m ²	99-year lease expiring 18.07.2103	Nil	4,981 31.01.2022
PN 106756, Lot 48475 Seksyen 9, Bandar Baru Bangi Daerah Hulu Langat Selangor Darul Ehsan Postal address: Lot 7, Persiaran Usahawan Taman IKS, Seksyen 9 43650 Bandar Baru Bangi Selangor Darul Ehsan	Vacant industrial land	20,502.6 m ²	99-year lease expiring 18.07.2103	Nil	4,883 31.01.2022

PARTICULARS OF PROPERTIES

Location	Description / Existing Use	Land Area	Tenure / Year of Expiring	Approximate Age of Building (years)	Net Book Value as at 31.01.2022 RM'000 / Date of Last Revaluation
HS (D) 60852, PT No. 6733 Mukim Gurun, Daerah Kuala Muda Kedah Darul Aman Postal address: Lot 58, Kawasan Perindustrian Berat Gurun, 08300 Gurun Kedah Darul Aman	Industrial land / factory cum office	49,824 m ²	99-year lease expiring 06.02.2104	17	3,522 31.01.2022
HS (M) 549, PT No. 98 Mukim Bukit Katil Daerah Melaka Tengah, Melaka Postal address: Lot 98, Jalan Usaha 7 Kawasan Perindustrian Ayer Keroh 75450 Melaka	Vacant industrial land	2.163 ha.	99-year lease expiring 22.10.2073	Nil	2,311 31.01.2022
HS (D) 52726 & 52727 PT No. 40875 & 40876 Bandar Baru Bangi, Daerah Hulu Langat Selangor Darul Ehsan Postal address: Lot 1 & 3, Jalan P/14, Seksyen 10 Kawasan Perindustrian Bangi 43650 Bandar Baru Bangi Selangor Darul Ehsan	Industrial land / factory cum office	2,326 m ² & 1,833 m ²	99-year lease expiring 19.08.2098	26	1,821 31.01.2022
HS (D) 207937, PT 6409 Bandar Sri Sendayan District of Seremban Negeri Sembilan	Vacant industrial land	35,332 m ²	Freehold	Nil	16,692 31.01.2022

PROXY FORM



Sapura Industrial Berhad
Registration No: 197401000510 (17547-W)

Total number of Proxy(ies) appointed		
Proportion of shareholdings to be represented by each proxy	Proxy 1 %	Proxy 2 %
Total number of shares held		
CDS Account No.		

I/We _____ NRIC No. _____
(FULL NAME IN CAPITAL LETTERS)

of _____
(FULL ADDRESS)

being a member of SAPURA INDUSTRIAL BERHAD, do hereby appoint _____

_____ NRIC No. _____
(FULL NAME IN CAPITAL LETTERS)

of _____
(FULL ADDRESS)

or failing him/her _____ NRIC No. _____
(FULL NAME IN CAPITAL LETTERS)

of _____
(FULL ADDRESS)

or failing him/her, the CHAIRMAN OF THE MEETING, as my/our proxy to vote for me/us and on my/our behalf at the 46th Annual General Meeting to be conducted virtually through live streaming from the broadcast venue at Tricor Business Centre, Gemilang Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia ("Broadcast Venue") on Wednesday, 22 June 2022 at 11.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your vote to be cast. If no specific direction as to voting is given, the Proxy will vote or abstain from voting at his/her discretion.

Resolutions		For	Against
Ordinary Resolution 1	Re-election of Tan Sri Dato' Seri Ir. Shamsuddin bin Abdul Kadir		
Ordinary Resolution 2	Re-election of Encik Md. Shah bin Hussin		
Ordinary Resolution 3	Re-election of Puan Sri Datin Seri Mariam Parineh		
Ordinary Resolution 4	Re-election of Datuk Syed Izuan bin Syed Kamarulbahrin		
Ordinary Resolution 5	Reappointment of Messrs. Ernst & Young PLT as Auditors of the Company		
Ordinary Resolution 6	Payment of Directors' fees to the Non-Executive Directors		
Ordinary Resolution 7	Payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors		
Ordinary Resolution 8	Authority for Directors to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act, 2016		
Ordinary Resolution 9	Retention of Datuk Kisai bin Rahmat as Independent Non-Executive Director		
Ordinary Resolution 10	Retention of Encik Wan Ahamad Sabri bin Wan Daud as Independent Non-Executive Director		

Signature/Common Seal of Shareholder

Dated this _____ day of _____ 2022

NOTES:

1. Important Notice

As part of the safety measures and initiatives to curb the spread of COVID-19, the 46th AGM will be conducted virtually through live streaming from the Broadcast Venue. Shareholders are to participate and vote remotely at the 46th AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tih.online>. Please follow the procedures in the Administrative Guide on 46th Annual General Meeting and take note of Note (2) below in order to participate remotely via RPV. The Administrative Guide can also be found at the Company's website at www.sapuraindustrial.com.my.

Shareholders/Proxies **WILL NOT BE ALLOWED** to attend the 46th AGM in person at the Broadcast Venue on the day of the meeting.

2. Proxy Forms

A member whose name appears in the Record of Depositors of the Company as at 15 June 2022 shall be entitled to attend, speak and vote at this Meeting.

A member of the Company who is entitled to participate and vote at this Meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation as to the qualification of the proxy.

Where a member is an authorised nominee (as defined under the Securities Industry (Central Depositories) Act 1991), it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

Where a member appoints two (2) proxies to participate and vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.

The instrument appointing a proxy shall be in writing and in the case of an individual shall be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporate member, shall be either under its Common Seal or signed by its attorney or an officer of the corporation duly authorised.

The instrument appointing a proxy must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or at the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, deposit the proxy form electronically via TIH online at <https://tih.online>, not less than forty eight (48) hours before the time set for holding the Meeting or any adjournment thereof.

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Sapura Industrial Berhad

Registration No.: 197401000510 (17547-W)

Proxy Form

Stamp

Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Malaysia

www.sapuraindustrial.com.my

SAPURA INDUSTRIAL BERHAD

Registration No: 197401000510 (17547-W)

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