

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2013**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-13 RM'000	Preceding Year Corresponding Quarter 31-Dec-12 RM'000	Current Year To-date 31-Dec-13 RM'000	Preceding Year Corresponding Period 31-Dec-12 RM'000
<b>Continuing operations</b>				
Revenue	21,689	30,248	44,920	53,994
Cost of sales	(19,389)	(27,723)	(42,052)	(49,165)
<b>Gross profit</b>	<b>2,300</b>	<b>2,525</b>	<b>2,868</b>	<b>4,829</b>
Other income	355	344	861	536
Selling and distribution expenses	(608)	(589)	(1,305)	(1,575)
Administrative expenses	(1,427)	(1,988)	(2,884)	(3,647)
Other expenses	(142)	(248)	(285)	(497)
Finance Costs	(377)	(275)	(729)	(607)
<b>Profit/ (Loss) before taxation</b>	<b>101</b>	<b>(231)</b>	<b>(1,474)</b>	<b>(961)</b>
Income tax expense	(6)	4	(22)	69
<b>Profit/ (Loss) after taxation</b>	<b>95</b>	<b>(227)</b>	<b>(1,496)</b>	<b>(892)</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive income/ (expenses) for the financial period</b>	<b>95</b>	<b>(227)</b>	<b>(1,496)</b>	<b>(892)</b>
<b>Profit/ (Loss) after taxation attributable to:-</b>				
-Owner of the Company	95	(227)	(1,496)	(892)
-Non-controlling interest	-	-	-	-
	<b>95</b>	<b>(227)</b>	<b>(1,496)</b>	<b>(892)</b>
<b>Total Comprehensive Income/ (Expenses) Attributable to:-</b>				
-Owner of the Company	95	(227)	(1,496)	(892)
-Non-controlling interest	-	-	-	-
	<b>95</b>	<b>(227)</b>	<b>(1,496)</b>	<b>(892)</b>
<b>Profit/ (Loss) Per Share</b>				
-Basic (Sen)	0.08	(0.19)	(1.25)	(0.74)
-Diluted	Not applicable	Not applicable	Not applicable	Not applicable

*The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for period ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2013**

	<b>As at End of Current Quarter 31-Dec-13 (Unaudited)</b>	<b>As at Preceding Financial Year End 30-Jun-13 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	34,087	35,507
Goodwill on consolidation	-	-
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	34,087	35,507
<b>Current assets</b>		
Inventories	13,627	11,798
Trade receivables	24,313	22,700
Other receivables, deposits and prepayments	16,969	20,204
Derivative assets	-	-
Tax refundable	1,118	1,124
Short term deposits with licensed banks	-	455
Cash and bank balances	4,820	5,301
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	60,847	61,582
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<b>Total assets</b>	94,934	97,089
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Retained (losses)/ profits	16	1,512
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<b>TOTAL EQUITY</b>	60,016	61,512
<b>Non-current liabilities</b>		
Long-term borrowings	4,111	5,109
Deferred tax liabilities	1,594	1,594
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	5,705	6,703
<b>Current liabilities</b>		
Trade payables	3,171	2,398
Other payables and accruals	2,000	2,281
Derivative liabilities	-	13
Short-term borrowings	23,404	22,454
Bank overdrafts	638	1,728
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	29,213	28,874
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<b>Total liabilities</b>	34,918	35,577
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<b>TOTAL EQUITY AND LIABILITIES</b>	94,934	97,089
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Net assets per share (RM)	0.50	0.51

*The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for period ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 31 DECEMBER 2013**

	<b>Share Capital</b>	<b>Retained (Losses)/Profits</b>	<b>Total</b>
	RM'000	RM'000	RM'000
<b>For the period ended 31 December 2013</b>			
Balance at 1.7.2013	60,000	1,512	61,512
Loss after taxation/total comprehensive expenses for the financial period	-	(1,496)	(1,496)
<b>Balance at 31.12.2013</b>	<b>60,000</b>	<b>16</b>	<b>60,016</b>
<b>For the period ended 31 December 2012</b>			
Balance at 1.7.2012	60,000	5,429	65,429
Loss after taxation/total comprehensive expenses for the financial period		(892)	(892)
<b>Balance at 31.12.2012</b>	<b>60,000</b>	<b>4,537</b>	<b>64,537</b>

*The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for period ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.*

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(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2013

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 DECEMBER 2013**

	<b>Current Year To-date 31-Dec-13 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-12 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	(1,474)	(961)
Adjustments for:		
Depreciation of property, plant & equipment	1,536	1,551
Interest expense	614	493
Fair value profit	(13)	-
Gain on disposal of property, plant & machinery	(32)	(14)
Interest income	(8)	(4)
<b>Operating profit before working capital changes</b>	623	1,065
Changes in working capital:		
Inventories	(1,829)	(2,070)
Trade and other receivables	1,622	5,165
Trade and other payables	492	1,006
<b>Cash generated from operations</b>	908	5,166
Interest paid	(614)	(493)
Income tax paid	(16)	(441)
<b>Net cash from operating activities</b>	278	4,232
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	8	4
Proceeds from disposal of property, plant and equipment	42	14
Purchase of property, plant and equipment	(126)	(726)
<b>Net cash used in investing activities</b>	(76)	(708)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/ drawdown of hire purchase obligations	(290)	262
Net repayment of bankers' acceptances	(4,279)	(6,100)
Net drawdown/(repayment) of term loan	4,521	(124)
<b>Net cash used in financing activities</b>	(48)	(5,962)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	154	(2,438)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	4,028	4,557
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	4,182	2,119
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	4,820	4,089
Short term deposits with licensed banks	-	441
Bank overdraft	(638)	(2,411)
	4,182	2,119

*The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for period ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.*