

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

| | Individual Quarter | | Cumulative Quarter | |
|--|---|---|---|--|
| | Current Quarter 30-Sep-14 RM'000 | Preceding Year Corresponding Quarter 30-Sep-13 RM'000 | Current Year To-date 30-Sep-14 RM'000 | Preceding Year Corresponding Period 30-Sep-13 RM'000 |
| Continuing operations | | | | |
| Revenue | 27,334 | 23,231 | 27,334 | 23,231 |
| Cost of sales | (23,709) | (22,662) | (23,709) | (22,662) |
| Gross profit | 3,625 | 569 | 3,625 | 569 |
| Other income | 128 | 505 | 128 | 505 |
| Selling and distribution expenses | (965) | (697) | (965) | (697) |
| Administrative expenses | (1,578) | (1,457) | (1,578) | (1,457) |
| Other expenses | (154) | (143) | (154) | (143) |
| Finance Costs | (496) | (352) | (496) | (352) |
| Profit/ (Loss) before taxation | 560 | (1,575) | 560 | (1,575) |
| Income tax income/ (expense) | (12) | (16) | (12) | (16) |
| Profit/ (Loss) after taxation | 548 | (1,591) | 548 | (1,591) |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive income/ (expenses) for the financial period | 548 | (1,591) | 548 | (1,591) |
| Profit/ (Loss) after taxation attributable to:- | | | | |
| -Owner of the Company | 548 | (1,591) | 548 | (1,591) |
| -Non-controlling interest | - | - | - | - |
| | 548 | (1,591) | 548 | (1,591) |
| Total Comprehensive Income/ (Expenses) Attributable to:- | | | | |
| -Owner of the Company | 548 | (1,591) | 548 | (1,591) |
| -Non-controlling interest | - | - | - | - |
| | 548 | (1,591) | 548 | (1,591) |
| Profit/ (Loss) Per Share | | | | |
| -Basic (Sen) | 0.46 | (1.33) | 0.46 | (1.33) |
| -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 2014 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

| | As at End of Current Quarter 30-Sep-14 (Unaudited) RM'000 | As at Preceding Financial Year End 30-Jun-14 (Audited) RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 32,538 | 32,973 |
| | <u>32,538</u> | <u>32,973</u> |
| Current assets | | |
| Inventories | 13,627 | 12,571 |
| Trade receivables | 27,346 | 27,186 |
| Other receivables, deposits and prepayments | 17,570 | 21,419 |
| Tax refundable | 360 | 680 |
| Short term deposits with licensed banks | - | - |
| Cash and bank balances | 7,154 | 6,775 |
| | <u>66,057</u> | <u>68,631</u> |
| Total assets | <u>98,595</u> | <u>101,604</u> |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 60,000 | 60,000 |
| Retained profits | 2,146 | 1,598 |
| Non-controlling interest | (1) | (1) |
| TOTAL EQUITY | <u>62,145</u> | <u>61,597</u> |
| Non-current liabilities | | |
| Long-term borrowings | 3,951 | 4,360 |
| Deferred tax liabilities | 631 | 631 |
| | <u>4,582</u> | <u>4,991</u> |
| Current liabilities | | |
| Trade payables | 1,982 | 3,458 |
| Other payables and accruals | 2,409 | 2,573 |
| Derivative liabilities | 12 | 12 |
| Short-term borrowings | 27,465 | 28,973 |
| | <u>31,868</u> | <u>35,016</u> |
| Total liabilities | <u>36,450</u> | <u>40,007</u> |
| TOTAL EQUITY AND LIABILITIES | <u>98,595</u> | <u>101,604</u> |
| Net assets per share (RM) | <u>0.52</u> | <u>0.51</u> |

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

| | Share Capital | Retained Profits/ (Losses) | Non- Controlling interest | Total |
|--|--------------------------|---------------------------------------|--|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| For the period ended 30 September 2014 | | | | |
| Balance at 1.7.2014 | 60,000 | 1,598 | (1) | 61,597 |
| Profit after taxation/total comprehensive income for the financial period | - | 548 | - | 548 |
| Balance at 30.9.2014 | 60,000 | 2,146 | (1) | 62,145 |
| For the period ended 30 September 2013 | | | | |
| Balance at 1.7.2013 | 60,000 | 1,512 | - | 61,512 |
| Loss after taxation/total comprehensive expenses for the financial period | - | (1,591) | - | (1,591) |
| Balance at 30.9.2013 | 60,000 | (79) | - | 59,921 |

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE QUARTER ENDED 30 SEPTEMBER 2014**

| | Current Year To-date 30-Sep-14 RM'000 | Preceding Year Corresponding Period 30-Sep-13 RM'000 |
|---|--|---|
| CASH FLOWS FOR OPERATING ACTIVITIES | | |
| Profit/(Loss) before tax | 560 | (1,575) |
| Adjustments for: | | |
| Depreciation of property, plant & equipment | 647 | 780 |
| Interest expense | 428 | 289 |
| Fair value profit | - | (38) |
| Gain on disposal of property, plant & equipment | (2) | (2) |
| Interest income | - | (6) |
| Operating profit/(LOSS) before working capital changes | <u>1,633</u> | <u>(552)</u> |
| Changes in working capital: | | |
| Inventories | (1,056) | (1,690) |
| Trade and other receivables | 3,689 | 1,176 |
| Trade and other payables | (1,640) | (272) |
| Cash generated from/(used in) from operations | <u>2,626</u> | <u>(1,338)</u> |
| Interest paid | (428) | (289) |
| Income tax refunded/ (paid) | 308 | (5) |
| Net cash generated from/(used in) operating activities | <u>2,506</u> | <u>(1,632)</u> |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Interest received | - | 6 |
| Proceeds from disposal of property, plant and equipment | 2 | 12 |
| Purchase of property, plant and equipment | (212) | (38) |
| Net cash used in investing activities | <u>(210)</u> | <u>(20)</u> |
| CASH FLOWS FOR FINANCING ACTIVITIES | | |
| Net repayment of hire purchase obligations | (55) | (148) |
| Net drawdown/(repayment) of bankers' acceptances | 1,096 | (1,671) |
| Net (repayment)/drawdown of term loan | (1,115) | 2,340 |
| Net cash (used in)/generated from financing activities | <u>(74)</u> | <u>521</u> |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | 2,222 | (1,131) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 4,734 | 4,028 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>6,956</u> | <u>2,897</u> |
| CASH AND CASH EQUIVALENTS COMPRISE:- | | |
| Cash and bank balances | 7,154 | 3,943 |
| Bank overdraft | (198) | (1,046) |
| | <u>6,956</u> | <u>2,897</u> |
| Less : Deposits pledged to licensed banks | - | (455) |
| | <u>6,956</u> | <u>2,442</u> |

The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for period ended 30 June 2014 and the accompanying explanatory notes attached to the interim financial statements.