

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-14 RM'000	Preceding Year Corresponding Quarter 31-Dec-13 RM'000	Current Year To-date 31-Dec-14 RM'000	Preceding Year Corresponding Period 31-Dec-13 RM'000
Continuing operations				
Revenue	25,313	21,689	52,646	44,920
Cost of sales	(22,947)	(19,389)	(46,655)	(42,052)
Gross profit	2,366	2,300	5,991	2,868
Other income	533	355	661	861
Selling and distribution expenses	(217)	(608)	(1,182)	(1,305)
Administrative expenses	(1,896)	(1,427)	(3,475)	(2,884)
Other expenses	(165)	(142)	(320)	(285)
Finance Costs	(470)	(377)	(965)	(729)
Profit/ (Loss) before taxation	151	101	710	(1,474)
Income tax expense	(13)	(6)	(25)	(22)
Profit/ (Loss) after taxation	138	95	685	(1,496)
Other Comprehensive Income	-	-	-	-
Total Comprehensive income/ (expenses) for the financial period	138	95	685	(1,496)
Profit/ (Loss) after taxation attributable to:-				
-Owner of the Company	138	95	685	(1,496)
-Non-controlling interest	-	-	-	-
	138	95	685	(1,496)
Total Comprehensive Income/ (Expenses) Attributable to:-				
-Owner of the Company	138	95	685	(1,496)
-Non-controlling interest	-	-	-	-
	138	95	685	(1,496)
Profit/ (Loss) Per Share				
-Basic (Sen)	0.12	0.08	0.57	(1.25)
-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)

SECOND QUARTER ENDED 31 DECEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	As at End of Current Quarter 31-Dec-14 (Unaudited)	As at Preceding Financial Year End 30-Jun-14 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	32,584	32,973
Goodwill on consolidation	-	-
	<u>32,584</u>	<u>32,973</u>
Current assets		
Inventories	13,293	12,571
Trade receivables	27,520	27,186
Other receivables, deposits and prepayments	18,023	21,419
Derivative assets	-	-
Tax refundable	250	680
Short term deposits with licensed banks	-	-
Cash and bank balances	6,082	6,775
	<u>65,168</u>	<u>68,631</u>
Total assets	<u>97,752</u>	<u>101,604</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	2,283	1,598
Non-controlling interest	(1)	(1)
TOTAL EQUITY	<u>62,282</u>	<u>61,597</u>
Non-current liabilities		
Long-term borrowings	4,073	4,360
Deferred tax liabilities	631	631
	<u>4,704</u>	<u>4,991</u>
Current liabilities		
Trade payables	3,204	3,458
Other payables and accruals	3,224	2,573
Derivative liabilities	12	12
Short-term borrowings	24,326	28,973
	<u>30,766</u>	<u>35,016</u>
Total liabilities	<u>35,470</u>	<u>40,007</u>
TOTAL EQUITY AND LIABILITIES	<u>97,752</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.

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(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Share Capital	Retained (Losses)/Profits	Non- Controlling interest	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 December 2013				
Balance at 1.7.2014	60,000	1,598	(1)	61,597
Profit after taxation/total comprehensive expenses for the financial period	-	685	-	685
Balance at 31.12.2014	60,000	2,283	(1)	62,282
For the period ended 31 December 2013				
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)
Balance at 31.12.2013	60,000	16	-	60,016

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.

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SECOND QUARTER ENDED 31 DECEMBER 2014

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2014**

	Current Year To-date 31-Dec-14 RM'000	Preceding Year Corresponding Period 31-Dec-13 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit/ (Loss) before tax	710	(1,474)
Adjustments for:		
Depreciation of property, plant & equipment	1,251	1,536
Interest expense	837	614
Fair value profit	-	(13)
Gain on disposal of property, plant & machinery	(29)	(32)
Interest income	(7)	(8)
Operating profit before working capital changes	<u>2,762</u>	<u>623</u>
Changes in working capital:		
Inventories	(722)	(1,829)
Trade and other receivables	3,062	1,622
Trade and other payables	397	492
Cash generated from operations	<u>5,499</u>	<u>908</u>
Interest paid	(837)	(614)
Income tax received/ (paid)	405	(16)
Net cash from operating activities	<u>5,067</u>	<u>278</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	7	8
Proceeds from disposal of property, plant and equipment	29	42
Purchase of property, plant and equipment	(862)	(126)
Net cash used in investing activities	<u>(826)</u>	<u>(76)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown of hire purchase obligations	226	(290)
Net repayment of bankers' acceptances	(1,382)	(4,279)
Net drawdown/(repayment) of term loan	(3,616)	4,521
Net cash used in financing activities	<u>(4,772)</u>	<u>(48)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(531)</u>	<u>154</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>4,734</u>	<u>4,028</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>4,203</u></u>	<u><u>4,182</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	6,082	4,820
Short term deposits with licensed banks	-	-
Bank overdraft	(1,879)	(638)
	<u>4,203</u>	<u>4,182</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.