

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-15 RM'000	Preceding Year Corresponding Quarter 31-Dec-14 RM'000	Current Year To-date 31-Dec-15 RM'000	Preceding Year Corresponding Period 31-Dec-14 RM'000
<b>Continuing operations</b>				
Revenue	24,263	25,313	48,372	52,646
Cost of sales	(20,579)	(22,947)	(41,210)	(46,655)
<b>Gross profit</b>	<b>3,684</b>	<b>2,366</b>	<b>7,162</b>	<b>5,991</b>
Other income	280	533	1,689	661
Selling and distribution expenses	(509)	(217)	(1,057)	(1,182)
Administrative expenses	(1,344)	(1,896)	(2,796)	(3,475)
Other expenses	(138)	(165)	(662)	(320)
Finance Costs	(449)	(470)	(871)	(965)
<b>Profit before taxation</b>	<b>1,524</b>	<b>151</b>	<b>3,465</b>	<b>710</b>
Income tax expense	(318)	(13)	(732)	(25)
<b>Profit after taxation</b>	<b>1,206</b>	<b>138</b>	<b>2,733</b>	<b>685</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive income for the financial period</b>	<b>1,206</b>	<b>138</b>	<b>2,733</b>	<b>685</b>
<b>Profit after taxation attributable to:-</b>				
-Owner of the Company	1,206	138	2,733	685
-Non-controlling interest	-	-	-	-
	<b>1,206</b>	<b>138</b>	<b>2,733</b>	<b>685</b>
<b>Total Comprehensive Income Attributable to:-</b>				
-Owner of the Company	1,206	138	2,733	685
-Non-controlling interest	-	-	-	-
	<b>1,206</b>	<b>138</b>	<b>2,733</b>	<b>685</b>
<b>Profit Per Share</b>				
-Basic (Sen)	1.01	0.12	2.28	0.57
-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 2015 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

	<b>As at End of Current Quarter 31-Dec-15 (Unaudited)</b>	<b>As at Preceding Financial Year End 30-Jun-15 (Audited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	30,422	31,551
	<u>30,422</u>	<u>31,551</u>
<b>Current assets</b>		
Inventories	14,041	12,723
Trade receivables	32,815	35,062
Other receivables, deposits and prepayments	16,204	15,931
Tax refundable	-	85
Cash and bank balances	5,263	5,344
	<u>68,323</u>	<u>69,145</u>
<b>Total assets</b>	<u>98,745</u>	<u>100,696</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Retained profits	6,485	3,752
<b>TOTAL EQUITY</b>	<u>66,485</u>	<u>63,752</u>
<b>Non-current liabilities</b>		
Long-term borrowings	3,492	3,896
Deferred tax liabilities	922	922
	<u>4,414</u>	<u>4,818</u>
<b>Current liabilities</b>		
Trade payables	2,238	1,903
Other payables and accruals	2,914	2,829
Current tax liabilities	665	99
Short-term borrowings	22,029	27,295
	<u>27,846</u>	<u>32,126</u>
<b>Total liabilities</b>	<u>32,260</u>	<u>36,944</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>98,745</u>	<u>100,696</u>
Net assets per share (RM)	<u>0.55</u>	<u>0.53</u>

*The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for period ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.*

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SECOND QUARTER ENDED 31 DECEMBER 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

	<b>Share Capital</b>	<b>Retained (Losses)/Profits</b>	<b>Non- Controlling interest</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000
<b>For the period ended 31 December 2015</b>				
Balance at 1.7.2015	60,000	3,752	-	63,752
Profit after taxation/total comprehensive income for the financial period	-	2,733	-	2,733
<b>Balance at 31.12.2015</b>	<b>60,000</b>	<b>6,485</b>	<b>-</b>	<b>66,485</b>
<b>For the period ended 31 December 2014</b>				
Balance at 1.7.2014	60,000	1,598	(1)	61,597
Profit after taxation/total comprehensive income for the financial period	-	685	-	685
<b>Balance at 31.12.2014</b>	<b>60,000</b>	<b>2,283</b>	<b>(1)</b>	<b>62,282</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 2015 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2015

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 DECEMBER 2015**

	<b>Current Year To-date 31-Dec-15 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-14 RM'000</b>
<b>CASH FLOWS FOR OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	3,465	710
Adjustments for:		
Depreciation of property, plant & equipment	1,159	1,251
Interest expense	762	837
Fair value profit	-	-
Gain on disposal of property, plant & machinery	(7)	(29)
Interest income	(5)	(7)
<b>Operating profit before working capital changes</b>	<u>5,374</u>	<u>2,762</u>
Changes in working capital:		
Inventories	(1,318)	(722)
Trade and other receivables	1,974	3,062
Trade and other payables	420	397
<b>Cash generated from operations</b>	<u>6,450</u>	<u>5,499</u>
Interest paid	(762)	(837)
Income tax (paid)/received	(81)	405
<b>Net cash from operating activities</b>	<u>5,607</u>	<u>5,067</u>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	5	7
Proceeds from disposal of property, plant and equipment	9	29
Purchase of property, plant and equipment	(32)	(862)
<b>Net cash used in investing activities</b>	<u>(18)</u>	<u>(826)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/ drawdown of hire purchase obligations	(154)	226
Net repayment of bankers' acceptances	(247)	(1,382)
Net repayment of term loan	(2,976)	(3,616)
<b>Net cash used in financing activities</b>	<u>(3,377)</u>	<u>(4,772)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>2,212</u>	<u>(531)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>2,047</u>	<u>4,734</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>4,259</u></u>	<u><u>4,203</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	5,263	6,082
Bank overdraft	(1,004)	(1,879)
	<u>4,259</u>	<u>4,203</u>

*The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for period ended 30 June 2015 and the accompanying explanatory notes attached to the interim financial statements.*