



SERN KOU RESOURCES BERHAD

200001016496 (519103-X)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2019

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SERN KOU RESOURCES BERHAD

Company No. 200001016496 (519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	RM'000	RM'000	RM'000	RM'000
Revenue	76,296	49,955	155,200	107,764
Cost of sales	(65,097)	(41,607)	(133,330)	(93,946)
Gross profit	11,199	8,348	21,870	13,818
Other income	623	296	1,166	630
Selling and distribution expenses	(1,012)	(909)	(1,740)	(1,760)
Administrative expenses	(2,389)	(2,187)	(4,569)	(3,999)
Other expenses	(415)	(113)	(715)	(212)
Finance costs	(1,129)	(1,018)	(2,216)	(2,076)
Profit before taxation	6,877	4,417	13,796	6,401
Taxation	(603)	(106)	(1,362)	(303)
Profit after taxation	6,274	4,311	12,434	6,098
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	6,274	4,311	12,434	6,098
Profit after taxation attributable to:-				
-Owners of the company	6,173	4,197	12,327	5,981
-Non-controlling interests	101	114	107	117
	6,274	4,311	12,434	6,098
Total comprehensive income attributable to:-				
-Owners of the company	6,173	4,197	12,327	5,981
-Non-controlling interests	101	114	107	117
	6,274	4,311	12,434	6,098
Earnings per ordinary share attributable to owners of the company				
-Basic (Sen)	2.49	1.75	5.05	2.49
-Diluted (Sen)	2.00	1.55	4.13	2.15

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

Company No. 200001016496 (519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	As at End of Current Quarter 31-Dec-19 (Unaudited)	As at Preceding Financial Year End 30-Jun-19 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	62,752	61,566
Investment property	2,302	2,336
Right of use assets	521	-
	<u>65,575</u>	<u>63,902</u>
Current assets		
Inventories	21,923	23,726
Trade receivables	87,019	68,936
Other receivables, deposits and prepayments	14,722	19,930
Tax refundable	668	931
Cash and bank balances	12,898	11,919
	<u>137,230</u>	<u>125,442</u>
TOTAL ASSETS	<u>202,805</u>	<u>189,344</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	65,814	60,000
Retained profits	39,506	27,197
Non-controlling interests	1,204	1,097
TOTAL EQUITY	<u>106,524</u>	<u>88,294</u>
LIABILITIES		
Non-current liabilities		
Borrowings	17,079	18,391
Deferred tax liabilities	1,120	1,120
	<u>18,199</u>	<u>19,511</u>
Current liabilities		
Trade payables	16,456	19,308
Other payables and accruals	5,428	5,864
Lease liabilities	543	-
Provision for taxation	1,709	1,881
Borrowings	53,946	54,486
	<u>78,082</u>	<u>81,539</u>
TOTAL LIABILITIES	<u>96,281</u>	<u>101,050</u>
TOTAL EQUITY AND LIABILITIES	<u>202,805</u>	<u>189,344</u>
Net assets per share (RM)	0.42	0.37

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Company No. 200001016496 (519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	Share Capital	Retained Profits	Non- Controlling interests	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 December 2019				
Balance at 1.7.2019, as previously reported	60,000	27,197	1,097	88,294
Adoption of MFRS 16 Leases	-	(18)	-	(18)
Balance at 1.7.2019, as restated	60,000	27,179	1,097	88,276
Profit after taxation/total comprehensive income for the financial period	-	12,327	107	12,434
Exercise of Warrants	5,814	-	-	5,814
Balance at 31.12.2019	65,814	39,506	1,204	106,524
For the period ended 31 December 2018				
Balance at 1.7.2018	60,000	15,636	776	76,412
Profit after taxation/total comprehensive income for the financial period	-	5,981	117	6,098
Balance at 31.12.2018	60,000	21,617	893	82,510

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

Company No. 200001016496 (519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2019**

	Current Year To-date 31-Dec-19 RM'000	Preceding Year Corresponding Period 31-Dec-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	13,796	6,401
Adjustments for:		
Depreciation of property, plant and equipment	1,783	1,648
Depreciation of investment property	34	17
Amortisation of right of use assets	272	-
Gain on disposal of property, plant and equipment	(232)	-
Interest expenses on borrowings	2,194	1,830
Interest expenses on accretion of lease liabilities	22	-
Interest income	(8)	(2)
Operating profit before changes in working capital	17,861	9,894
Changes in working capital:		
Inventories	1,803	(2,302)
Trade and other receivables	(12,875)	(18,506)
Trade and other payables	(3,288)	(88)
Cash generated from/(used in) operations	3,501	(11,002)
Tax paid	(1,271)	(340)
Net cash generated from/(used in) operating activities	2,230	(11,342)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	8	2
Purchase of property, plant and equipment	(2,993)	(2,689)
Proceeds from disposal of property, plant and equipment	256	165
Net cash used in investing activities	(2,729)	(2,522)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(2,194)	(1,830)
Proceeds from exercise of warrant	5,814	-
Net (repayment)/drawdown of hire purchase obligation	(95)	747
Net (repayment)/drawdown of bankers' acceptances	(902)	4,161
Net (repayment)/drawdown of term loans	(3,205)	322
Payment of lease liabilities	(290)	-
Net cash (used in)/generated from financing activities	(872)	3,400
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,371)	(10,464)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	5,496	8,954
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4,125	(1,510)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	12,898	4,684
Bank overdrafts	(8,773)	(6,194)
	4,125	(1,510)

The unaudited Condensed Statement of Cash Flows should be read in conjunction with the audited Financial Statements for year ended 30 June 2019 and the accompanying explanatory notes attached to the interim financial statements.