



SERN KOU RESOURCES BERHAD

200001016496 (519103-X)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 31 MARCH 2020

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SERN KOU RESOURCES BERHAD

Company No. 200001016496 (519103-X)

THIRD QUARTER ENDED 31 MARCH 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2020**

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
	RM'000	RM'000	RM'000	RM'000
Revenue	67,067	56,818	222,267	164,582
Cost of sales	(58,911)	(48,293)	(192,241)	(142,239)
Gross profit	8,156	8,525	30,026	22,343
Other income	518	109	1,684	739
Selling and distribution expenses	(658)	(431)	(2,398)	(2,191)
Administrative expenses	(2,477)	(2,564)	(7,046)	(6,563)
Other expenses	(249)	(115)	(964)	(327)
Finance costs	(1,012)	(1,050)	(3,228)	(3,126)
Profit before taxation	4,278	4,474	18,074	10,875
Taxation	(1,238)	(995)	(2,600)	(1,298)
Profit after taxation	3,040	3,479	15,474	9,577
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	3,040	3,479	15,474	9,577
Profit after taxation attributable to:-				
-Owners of the company	3,035	3,399	15,362	9,380
-Non-controlling interests	5	80	112	197
	3,040	3,479	15,474	9,577
Total comprehensive income attributable to:-				
-Owners of the company	3,035	3,399	15,362	9,380
-Non-controlling interests	5	80	112	197
	3,040	3,479	15,474	9,577
Earnings per ordinary share attributable to owners of the company				
-Basic (Sen)	1.26	1.42	6.20	3.91
-Diluted (Sen)	1.05	1.25	5.12	3.40

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)

THIRD QUARTER ENDED 31 MARCH 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	As at End of Current Quarter 31-Mar-20 (Unaudited)	As at Preceding Financial Year End 30-Jun-19 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	63,800	61,566
Investment property	2,285	2,336
Right of use assets	388	-
	66,473	63,902
Current assets		
Inventories	25,529	23,726
Trade receivables	96,985	68,936
Other receivables, deposits and prepayments	9,691	19,930
Tax refundable	388	931
Cash and bank balances	5,770	11,919
	138,363	125,442
TOTAL ASSETS	204,836	189,344
EQUITY AND LIABILITIES		
Equity		
Share capital	65,885	60,000
Retained profits	42,541	27,197
Non-controlling interests	1,209	1,097
TOTAL EQUITY	109,635	88,294
LIABILITIES		
Non-current liabilities		
Borrowings	16,497	18,391
Deferred tax liabilities	1,120	1,120
	17,617	19,511
Current liabilities		
Trade payables	12,688	19,308
Other payables and accruals	4,945	5,864
Lease liabilities	409	-
Provision for taxation	153	1,881
Borrowings	59,389	54,486
	77,584	81,539
TOTAL LIABILITIES	95,201	101,050
TOTAL EQUITY AND LIABILITIES	204,836	189,344
Net assets per share (RM)	0.43	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)

THIRD QUARTER ENDED 31 MARCH 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2020**

	Share Capital RM'000	Retained Profits RM'000	Non- Controlling interests RM'000	Total RM'000
For the period ended 31 March 2020				
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	-	15,362	112	15,474
Exercise of Warrants	5,885	-	-	5,885
Balance at 31.3.2020	65,885	42,541	1,209	109,635
For the period ended 31 March 2019				
Balance at 1.7.2018	60,000	15,636	776	76,412
Profit after taxation/total comprehensive income for the financial period	-	9,380	197	9,577
Disposal of a subsidiary	-	-	1	1
Balance at 31.3.2019	60,000	25,016	974	85,990

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)

THIRD QUARTER ENDED 31 MARCH 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 MARCH 2020**

	Current Year To-date 31-Mar-20 RM'000	Preceding Year Corresponding Period 31-Mar-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	18,074	10,875
Adjustments for:		
Depreciation of property, plant and equipment	2,724	2,500
Depreciation of investment property	51	18
Amortisation of right of use assets	405	-
Gain on derivative financial instruments	-	(59)
Gain on disposal of property, plant and equipment	(292)	(2)
Interest expenses on borrowings	3,197	2,847
Interest expenses on accretion of lease liabilities	31	-
Interest income	(11)	(4)
Operating profit before changes in working capital	24,179	16,175
Changes in working capital:		
Inventories	(1,803)	(10,959)
Trade and other receivables	(17,810)	(20,477)
Trade and other payables	(7,539)	4,675
Cash used in operations	(2,973)	(10,586)
Tax paid	(3,785)	(2,947)
Net cash used in operating activities	(6,758)	(13,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	11	4
Purchase of property, plant and equipment	(4,982)	(2,813)
Proceeds from disposal of property, plant and equipment	316	-
Net cashflows on disposal of a subsidiary	-	(1)
Net cash used in investing activities	(4,655)	(2,810)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(3,197)	(2,847)
Proceeds from exercise of warrant	5,885	-
Net (repayment)/drawdown of hire purchase obligation	(208)	67
Net drawdown of bankers' acceptances	3,617	11,841
Net repayment of term loans	(7,947)	(1,282)
Payment of lease liabilities	(433)	-
Net cash (used in)/generated from financing activities	(2,283)	7,779
NET DECREASE IN CASH AND CASH EQUIVALENTS	(13,696)	(8,564)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	5,496	8,954
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(8,200)	390
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	5,770	10,528
Bank overdrafts	(13,970)	(10,138)
	(8,200)	390

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.