



SERN KOU RESOURCES BERHAD

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FIRST QUARTER ENDED
30 SEPTEMBER 2020**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-Sep-20 RM'000	Preceding Year Corresponding Quarter 30-Sep-19 RM'000	Current Year To-date 30-Sep-20 RM'000	Preceding Year Corresponding Period 30-Sep-19 RM'000
Revenue	80,667	78,904	80,667	78,904
Cost of sales	(70,805)	(68,233)	(70,805)	(68,233)
Gross profit	9,862	10,671	9,862	10,671
Other income	3,622	543	3,622	543
Selling and distribution expenses	(1,300)	(728)	(1,300)	(728)
Administrative expenses	(2,055)	(2,180)	(2,055)	(2,180)
Other expenses	(941)	(300)	(941)	(300)
Finance costs	(924)	(1,087)	(924)	(1,087)
Profit before taxation	8,264	6,919	8,264	6,919
Taxation	(1,045)	(759)	(1,045)	(759)
Profit after taxation	7,219	6,160	7,219	6,160
Other comprehensive income				
Revaluation surplus of land and building	63,401	-	63,401	-
Deferred taxation relating to revaluation surplus of land and building	(13,700)	-	(13,700)	-
Total other comprehensive income for the financial period, net of tax	49,701	-	49,701	-
Total comprehensive income for the financial period	56,920	6,160	56,920	6,160
Profit after taxation for the financial year				
attributable to:				
-Owners of the company	7,149	6,154	7,149	6,154
-Non-controlling interests	70	6	70	6
	7,219	6,160	7,219	6,160
Total comprehensive income attributable to:				
-Owners of the company	56,850	6,154	56,850	6,154
-Non-controlling interests	70	6	70	6
	56,920	6,160	56,920	6,160
Earnings per ordinary share attributable to owners of the company (sen)				
-Basic	2.78	2.56	2.78	2.56
-Diluted	2.12	2.16	2.12	2.16

The unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited Financial Statements for year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

Registration No. 200001016496 (519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2020

	As at End of Current Quarter 30-Sep-20 (Unaudited) RM'000	As at Preceding Financial Year End 30-Jun-20 (Audited) <i>Restated</i> RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	99,240	50,289
Right-of-use assets	28,127	14,711
Investment property	7,400	3,390
	134,767	68,390
Current assets		
Inventories	18,300	18,267
Trade receivables	89,766	105,912
Other receivables, deposits and prepayments	6,351	12,706
Current tax assets	380	385
Cash and bank balances	28,017	6,888
	142,814	144,158
TOTAL ASSETS	277,581	212,548
EQUITY AND LIABILITIES		
Equity		
Share capital	67,718	66,324
Reserve	49,701	-
Retained profits	52,115	44,966
Non-controlling interests	892	822
TOTAL EQUITY	170,426	112,112
LIABILITIES		
Non-current liabilities		
Borrowings	14,430	14,516
Lease liabilities	2,326	2,623
Deferred tax liabilities	16,056	1,389
	32,812	18,528
Current liabilities		
Trade payables	16,887	14,287
Other payables and accruals	5,527	8,373
Borrowings	48,723	55,792
Lease liabilities	1,771	1,816
Current tax liabilities	1,435	1,640
	74,343	81,908
TOTAL LIABILITIES	107,155	100,436
TOTAL EQUITY AND LIABILITIES	277,581	212,548
Net assets per share (RM)	0.65	0.44

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	I ----- Attributable to Owners of The Company ----- I					
	I -- Non-Distributable -- I		Distributable	Total	Non-Controlling Interests	Total Equity
	Share Capital	Revaluation Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
For the period ended 30 September 2020						
Balance at 1.7.2020	66,324	-	44,114	110,438	822	111,260
Changes in accounting policy *	-	-	852	852	-	852
Restated balance at 1.7.2020	66,324	-	44,966	111,290	822	112,112
Comprehensive income	-					
Net profit for the financial period	-	-	7,149	7,149	70	7,219
Other comprehensive income	-					
Revaluation surplus, net of deferred tax	-	49,701	-	49,701	-	49,701
Total comprehensive income for the financial period	-	49,701	7,149	56,850	70	56,920
Exercise of warrants	1,394	-	-	1,394	-	1,394
Balance at 30.9.2020	67,718	49,701	52,115	169,534	892	170,426
For the period ended 30 September 2019						
Balance at 1.7.2019, as previously reported	60,000	-	27,197	87,197	1,097	88,294
Adoption of MFRS 16 Leases	-	-	(18)	(18)	-	(18)
Balance at 1.7.2019, as restated	60,000	-	27,179	87,179	1,097	88,276
Profit after taxation/total comprehensive income for the financial period	-	-	6,154	6,154	6	6,160
Balance at 30.9.2019	60,000	-	33,333	93,333	1,103	94,436

Note:

* The Group has changed the valuation method of its investment property from cost to fair value model during the financial quarter ended 30 September 2020. The change in valuation method constitutes a change in accounting policy and is applied retrospectively.

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 30 SEPTEMBER 2020**

	Current Year To-date 30-Sep-20 RM'000	Preceding Year Corresponding Period 30-Sep-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	8,264	6,919
Adjustments for:		
Depreciation	1,082	1,029
Gain on disposal of property, plant and equipment	(32)	(70)
Property, plant and equipment written off	266	-
Interest expenses	924	1,087
Interest income	-	(2)
Net fair value gain on investment property	(3,060)	-
Operating profit before changes in working capital	7,444	8,963
Changes in working capital:		
Inventories	(33)	2,744
Trade and other receivables	22,501	(12,916)
Trade and other payables	(246)	(874)
Cash generated from/(used in) operations	29,666	(2,083)
Tax paid	(1,245)	(1,215)
Net cash generated from/(used in) operating activities	28,421	(3,298)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	2
Purchase of property, plant and equipment	(290)	(1,293)
Proceeds from disposal of property, plant and equipment	32	70
Net cash used in investing activities	(258)	(1,221)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(924)	(1,087)
Proceeds from exercise of warrant	1,394	-
Net (repayment)/drawdown of lease liabilities	(349)	31
Net drawdown of bankers' acceptances	1,215	697
Net repayment of term loans	(158)	(714)
Net cash generated from/(used in) financing activities	1,178	(1,073)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	29,341	(5,592)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	(1,324)	5,496
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	28,017	(96)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	28,017	5,206
Bank overdrafts	-	(5,302)
	28,017	(96)

The unaudited Condensed Statement of Cash Flows should be read in conjunction with the audited Financial Statements for year ended 30 June 2020 and the accompanying explanatory notes attached to the interim financial statements.