



SERN KOU RESOURCES BERHAD

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED
31 DECEMBER 2020**

SERN KOU RESOURCES BERHAD

Registration No. 200001016496 (519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2020

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2020**

	Individual Quarter		Cumulative Quarter	
		Preceding Year	Current	Preceding Year
	Current	Corresponding	Year	Corresponding
	Quarter	Quarter	To-date	Period
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
	RM'000	RM'000	RM'000	RM'000
Revenue	84,877	76,296	165,544	155,200
Cost of sales	(74,280)	(65,097)	(145,085)	(133,330)
Gross profit	10,597	11,199	20,459	21,870
Other income	448	623	4,070	1,166
Selling and distribution expenses	(742)	(1,012)	(2,042)	(1,740)
Administrative expenses	(1,921)	(2,389)	(3,976)	(4,569)
Other expenses	(407)	(415)	(1,348)	(715)
Finance costs	(851)	(1,129)	(1,775)	(2,216)
Profit before taxation	7,124	6,877	15,388	13,796
Taxation	(1,039)	(603)	(2,084)	(1,362)
Profit after taxation	6,085	6,274	13,304	12,434
Other comprehensive income				
Revaluation surplus of land and building	-	-	63,401	-
Deferred taxation relating to revaluation surplus of land and building	-	-	(13,700)	-
Total other comprehensive income for the financial period, net of tax	-	-	49,701	-
Total comprehensive income for the financial period	6,085	6,274	63,005	12,434
Profit after taxation for the financial year				
attributable to:				
-Owners of the company	5,974	6,173	13,123	12,327
-Non-controlling interests	111	101	181	107
	6,085	6,274	13,304	12,434
Total comprehensive income attributable to:				
-Owners of the company	5,974	6,173	62,824	12,327
-Non-controlling interests	111	101	181	107
	6,085	6,274	63,005	12,434
Earnings per ordinary share attributable to owners of the company (sen)				
-Basic	2.30	2.49	5.08	5.05
-Diluted	1.76	2.00	3.88	4.13

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)

SECOND QUARTER ENDED 31 DECEMBER 2020

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

	As at End of Current Quarter 31-Dec-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	98,275	50,289
Right-of-use assets	27,963	14,711
Investment property	7,400	3,390
	133,638	68,390
Current assets		
Inventories	23,054	18,267
Trade receivables	98,701	105,912
Other receivables, deposits and prepayments	14,458	12,706
Current tax assets	385	385
Cash and bank balances	8,177	6,888
	144,775	144,158
TOTAL ASSETS	278,413	212,548
EQUITY AND LIABILITIES		
Equity		
Share capital	68,064	66,324
Reserve	49,701	-
Retained profits	58,089	44,966
Non-controlling interests	1,003	822
TOTAL EQUITY	176,857	112,112
LIABILITIES		
Non-current liabilities		
Borrowings	14,369	14,516
Lease liabilities	1,639	2,623
Deferred tax liabilities	16,056	1,389
	32,064	18,528
Current liabilities		
Trade payables	13,925	14,287
Other payables and accruals	4,626	8,373
Borrowings	47,377	55,792
Lease liabilities	2,129	1,816
Current tax liabilities	1,435	1,640
	69,492	81,908
TOTAL LIABILITIES	101,556	100,436
TOTAL EQUITY AND LIABILITIES	278,413	212,548
Net assets per share (RM)	0.68	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 31 DECEMBER 2020

I ----- Attributable to Owners of The Company ----- I

	I -- Non-Distributable -- I	Distributable		Non-	Total
	Share	Revaluation	Retained	Controlling	Equity
	Capital	Reserve	Profits	Interests	
	RM'000	RM'000	RM'000	RM'000	RM'000
For the period ended 31 December 2020					
Balance at 1.7.2020	66,324	-	44,114	822	111,260
Changes in accounting policy *	-	-	852	-	852
Restated balance at 1.7.2020	66,324	-	44,966	822	112,112
Comprehensive income					-
Net profit for the financial period	-	-	13,123	181	13,304
Other comprehensive income					
Revaluation surplus, net of deferred tax	-	49,701	-	-	49,701
Total comprehensive income for the financial period	-	49,701	13,123	181	63,005
Exercise of warrants	1,740	-	-	-	1,740
Balance at 31.12.2020	68,064	49,701	58,089	1,003	176,857
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

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 31 DECEMBER 2020

	Current Year To-date 31-Dec-20 RM'000	Preceding Year Corresponding Period 31-Dec-19 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,388	13,796
Adjustments for:		
Depreciation	2,268	2,089
Gain on disposal of property, plant and equipment	(47)	(232)
Property, plant and equipment written off	266	-
Interest expenses	1,775	2,216
Interest income	(1)	(8)
Net fair value gain on investment property	(3,060)	-
Operating profit before changes in working capital	<u>16,589</u>	<u>17,861</u>
Changes in working capital:		
Inventories	(4,787)	1,803
Trade and other receivables	5,459	(12,875)
Trade and other payables	(4,109)	(3,288)
Cash generated from operations	<u>13,152</u>	<u>3,501</u>
Tax paid	(2,289)	(1,271)
Net cash generated from operating activities	<u>10,863</u>	<u>2,230</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1	8
Purchase of property, plant and equipment	(346)	(2,993)
Proceeds from disposal of property, plant and equipment	47	256
Net cash used in investing activities	<u>(298)</u>	<u>(2,729)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,775)	(2,194)
Proceeds from exercise of warrant	1,740	5,814
Net repayment of lease liabilities	(679)	(385)
Net repayment of bankers' acceptances	(4,582)	(902)
Net repayment of term loans	(5,370)	(3,205)
Net cash used in financing activities	<u>(10,666)</u>	<u>(872)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(101)</u>	<u>(1,371)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>(1,324)</u>	<u>5,496</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>(1,425)</u></u>	<u><u>4,125</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	8,177	12,898
Bank overdrafts	(9,602)	(8,773)
	<u><u>(1,425)</u></u>	<u><u>4,125</u></u>

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.