



# **SERN KOU RESOURCES BERHAD**

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR THIRD QUARTER ENDED  
31 MARCH 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2021

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	31-Mar-21	31-Mar-20	To-date	Period
	RM'000	RM'000	RM'000	RM'000
Revenue	66,934	67,067	232,478	222,267
Cost of sales	(56,113)	(58,911)	(201,198)	(192,241)
Gross profit	10,821	8,156	31,280	30,026
Other income	505	518	4,575	1,684
Selling and distribution expenses	(929)	(658)	(2,971)	(2,398)
Administrative expenses	(1,940)	(2,477)	(5,916)	(7,046)
Other expenses	(113)	(249)	(1,461)	(964)
Finance costs	(744)	(1,012)	(2,519)	(3,228)
Profit before taxation	7,600	4,278	22,988	18,074
Taxation	(1,422)	(1,238)	(3,506)	(2,600)
Profit after taxation	6,178	3,040	19,482	15,474
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	6,178	3,040	69,183	15,474
<b>Profit after taxation for the financial year attributable to:</b>				
-Owners of the company	5,986	3,035	19,109	15,362
-Non-controlling interests	192	5	373	112
	6,178	3,040	19,482	15,474
<b>Total comprehensive income attributable to:</b>				
-Owners of the company	5,986	3,035	68,810	15,362
-Non-controlling interests	192	5	373	112
	6,178	3,040	69,183	15,474
<b>Earnings per ordinary share attributable to owners of the company (sen)</b>				
-Basic	2.29	1.26	7.36	6.20
-Diluted	1.76	1.05	5.63	5.12

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)

THIRD QUARTER ENDED 31 MARCH 2021

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MARCH 2021**

	As at End of Current Quarter 31-Mar-21 (Unaudited) RM'000	As at Preceding Financial Year End 30-Jun-20 (Audited) <i>Restated</i> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	100,070	50,289
Right-of-use assets	26,941	14,711
Investment property	7,400	3,390
	134,411	68,390
<b>Current assets</b>		
Inventories	28,320	18,267
Trade receivables	101,789	105,912
Other receivables, deposits and prepayments	12,549	12,706
Current tax assets	385	385
Cash and bank balances	10,860	6,888
	153,903	144,158
<b>TOTAL ASSETS</b>	288,314	212,548
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	69,043	66,324
Reserve	49,701	-
Retained profits	64,075	44,966
Non-controlling interests	1,195	822
<b>TOTAL EQUITY</b>	184,014	112,112
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	13,715	14,516
Lease liabilities	2,624	2,623
Deferred tax liabilities	16,056	1,389
	32,395	18,528
<b>Current liabilities</b>		
Trade payables	16,984	14,287
Other payables and accruals	3,547	8,373
Borrowings	49,744	55,792
Lease liabilities	983	1,816
Current tax liabilities	647	1,640
	71,905	81,908
<b>TOTAL LIABILITIES</b>	104,300	100,436
<b>TOTAL EQUITY AND LIABILITIES</b>	288,314	212,548
Net assets per share (RM)	0.70	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 MARCH 2021

	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
<b>For the period ended 31 March 2021</b>						
Balance at 1.7.2020	66,324	-	44,114	110,438	822	111,260
Changes in accounting policy *	-	-	852	852	-	852
<b>Restated balance at 1.7.2020</b>	<b>66,324</b>	<b>-</b>	<b>44,966</b>	<b>111,290</b>	<b>822</b>	<b>112,112</b>
Comprehensive income						-
Net profit for the financial period	-	-	19,109	19,109	373	19,482
Other comprehensive income						
Revaluation surplus, net of deferred tax	-	49,701	-	49,701	-	49,701
Total comprehensive income for the financial period	-	49,701	19,109	68,810	373	69,183
Exercise of warrants	2,719	-	-	2,719	-	2,719
<b>Balance at 31.3.2021</b>	<b>69,043</b>	<b>49,701</b>	<b>64,075</b>	<b>182,819</b>	<b>1,195</b>	<b>184,014</b>
<b>For the period ended 31 March 2020</b>						
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)
<b>Balance at 1.7.2019, as restated</b>	<b>60,000</b>	<b>-</b>	<b>27,179</b>	<b>87,179</b>	<b>1,097</b>	<b>88,276</b>
Profit after taxation/total comprehensive income for the financial period	-	-	15,362	15,362	112	15,474
Exercise of Warrants	5,885	-	-	5,885	-	5,885
<b>Balance at 31.3.2020</b>	<b>65,885</b>	<b>-</b>	<b>42,541</b>	<b>108,426</b>	<b>1,209</b>	<b>109,635</b>

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 MARCH 2021

	Current Year To-date 31-Mar-21 RM'000	Preceding Year Corresponding Period 31-Mar-20 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,988	18,074
Adjustments for:		
Depreciation	3,482	3,180
Gain on disposal of property, plant and equipment	(52)	(292)
Property, plant and equipment written off	268	-
Interest expenses	2,519	3,228
Interest income	(2)	(11)
Net fair value gain on investment property	(3,060)	-
<b>Operating profit before changes in working capital</b>	<b>26,143</b>	<b>24,179</b>
Changes in working capital:		
Inventories	(10,053)	(1,803)
Trade and other receivables	4,280	(17,810)
Trade and other payables	(2,129)	(7,539)
<b>Cash generated from/(used in) operations</b>	<b>18,241</b>	<b>(2,973)</b>
Tax paid	(4,499)	(3,785)
<b>Net cash generated from/(used in) operating activities</b>	<b>13,742</b>	<b>(6,758)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	2	11
Purchase of property, plant and equipment	(2,225)	(4,982)
Proceeds from disposal of property, plant and equipment	52	316
<b>Net cash used in investing activities</b>	<b>(2,171)</b>	<b>(4,655)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(2,519)	(3,197)
Proceeds from exercise of warrant	2,719	5,885
Net repayment of lease liabilities	(950)	(641)
Net (repayment)/drawdown of bankers' acceptances	(5,102)	3,617
Net repayment of term loans	(7,828)	(7,947)
<b>Net cash used in financing activities</b>	<b>(13,680)</b>	<b>(2,283)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,109)</b>	<b>(13,696)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>(1,324)</b>	<b>5,496</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>(3,433)</b>	<b>(8,200)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	10,860	5,770
Bank overdrafts	(14,293)	(13,970)
	<b>(3,433)</b>	<b>(8,200)</b>

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.