



# **SERN KOU RESOURCES BERHAD**

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS  
FOR FOURTH QUARTER ENDED  
30 JUNE 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 30 JUNE 2021

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter (Restated)	Current Year To-date	Preceding Year Corresponding Period (Restated)
	30-Jun-21 RM'000	30-Jun-20 RM'000	30-Jun-21 RM'000	30-Jun-20 RM'000
Revenue	92,221	77,823	324,699	300,090
Cost of sales	(83,181)	(68,847)	(284,379)	(260,761)
Gross profit	9,040	8,976	40,320	39,329
Other income	827	417	2,342	2,111
Reversal of gain in fair value of investment property	(3,060)	-	-	-
Selling and distribution expenses	(809)	(585)	(3,780)	(2,900)
Administrative expenses	(3,426)	(3,690)	(9,342)	(11,559)
Other expenses	(121)	183	(1,582)	(215)
Finance costs	(704)	(957)	(3,223)	(4,199)
Profit before taxation	1,747	4,344	24,735	22,567
Taxation	(3,315)	(3,098)	(6,821)	(5,698)
(Loss)/Profit after taxation	(1,568)	1,246	17,914	16,869
Other comprehensive income				
Revaluation surplus of land and building	411	-	59,250	-
Deferred taxation relating to revaluation surplus of land and building	(99)	-	(12,956)	-
Total other comprehensive income for the financial period, net of tax	312	-	46,294	-
Total comprehensive (loss)/income for the financial period	(1,256)	1,246	64,208	16,869
<b>(Loss)/Profit after taxation for the financial year attributable to:</b>				
-Owners of the company	(1,548)	1,633	17,561	17,144
-Non-controlling interests	(20)	(387)	353	(275)
	(1,568)	1,246	17,914	16,869
<b>Total comprehensive (loss)/income attributable to:</b>				
-Owners of the company	(1,236)	1,633	63,855	17,144
-Non-controlling interests	(20)	(387)	353	(275)
	(1,256)	1,246	64,208	16,869
<b>(Loss)/Earnings per ordinary share attributable to owners of the company (sen)</b>				
-Basic	(0.20)	0.21	2.25	2.29
-Diluted	(0.15)	0.17	1.72	1.86

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.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2021

	As at End of Current Quarter	As at Preceding Financial Year End (Restated)
	30-Jun-21 (Unaudited)	30-Jun-20 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	90,369	43,366
Right-of-use assets	27,945	14,711
Investment property	20,530	20,430
	138,844	78,507
<b>Current assets</b>		
Inventories	23,873	18,267
Trade receivables	79,419	105,912
Other receivables, assets and prepayments	13,564	12,706
Current tax assets	769	385
Cash and bank balances	36,282	6,888
	153,907	144,158
<b>TOTAL ASSETS</b>	292,751	222,665
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	69,863	66,324
Reserve	46,294	-
Retained profits	70,699	53,138
Non-controlling interests	1,175	822
<b>TOTAL EQUITY</b>	188,031	120,284
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	13,278	14,516
Lease liabilities	3,187	2,623
Deferred tax liabilities	16,782	3,336
	33,247	20,475
<b>Current liabilities</b>		
Trade payables	11,637	14,287
Other payables and accruals	5,484	8,371
Borrowings	50,977	55,792
Lease liabilities	1,461	1,816
Current tax liabilities	1,914	1,640
	71,473	81,906
<b>TOTAL LIABILITIES</b>	104,720	102,381
<b>TOTAL EQUITY AND LIABILITIES</b>	292,751	222,665
Net assets per share (RM)	0.24	0.16

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 JUNE 2021

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

	I -- Non-Distributable -- I Share Capital RM'000	Revaluation Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>For the period ended 30 June 2021</b>						
Restated balance at 1.7.2020	66,324	-	53,138	119,462	822	120,284
Comprehensive income						-
Net profit for the financial period	-	-	17,561	17,561	353	17,914
Other comprehensive income						
Revaluation surplus, net of deferred tax	-	46,294	-	46,294	-	46,294
Total comprehensive income for the financial period	-	46,294	17,561	63,855	353	64,208
Exercise of warrants	3,539	-	-	3,539	-	3,539
<b>Balance at 30.6.2021</b>	<b>69,863</b>	<b>46,294</b>	<b>70,699</b>	<b>186,856</b>	<b>1,175</b>	<b>188,031</b>
	-	-	-	-	-	-
<b>For the period ended 30 June 2020</b>						
Balance at 1.7.2019, as previously reported	60,000	-	27,201	87,201	1,097	88,298
Changes in accounting policy *	-	-	8,823	8,823	-	8,823
Adoption of MFRS 16 Leases	-	-	(30)	(30)	-	(30)
<b>Balance at 1.7.2019, as restated</b>	<b>60,000</b>	<b>-</b>	<b>35,994</b>	<b>95,994</b>	<b>1,097</b>	<b>97,091</b>
Profit/(Loss) after taxation/total comprehensive income for the financial period	-	-	16,945	16,945	(275)	16,670
Changes in accounting policy *	-	-	199	199	-	199
Exercise of Warrants	6,324	-	-	6,324	-	6,324
<b>Balance at 30.6.2020, as restated</b>	<b>66,324</b>	<b>-</b>	<b>53,138</b>	<b>119,462</b>	<b>822</b>	<b>120,284</b>
	-	-	-	-	-	-

Note:

\* The Group has changed the valuation method of its investment property from cost to fair value model during the financial year ended 30 June 2021. 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 JUNE 2021

	Current Year To-date 30-Jun-21 RM'000	Preceding Year Corresponding Period (Restated) 30-Jun-20 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	24,735	22,567
Adjustments for:		
Depreciation	4,598	4,050
Gain on disposal of property, plant and equipment	(66)	(323)
Impairment loss on property, plant and equipment	1,648	-
Interest expenses	3,223	4,199
Interest income	(10)	(11)
(Reversal)/Addition of impairment loss on trade receivables	(361)	1,507
Net fair value gain on investment property	(76)	-
<b>Operating profit before changes in working capital</b>	<b>33,691</b>	<b>31,989</b>
Changes in working capital:		
Inventories	(5,606)	5,459
Trade and other receivables	25,996	(27,268)
Trade and other payables	(5,539)	(5,362)
<b>Cash generated from operations</b>	<b>48,542</b>	<b>4,818</b>
Tax paid	(6,465)	(5,393)
<b>Net cash generated from/(used in) operating activities</b>	<b>42,077</b>	<b>(575)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	10	11
Purchase of property, plant and equipment	(5,588)	(5,626)
Proceeds from disposal of property, plant and equipment	66	350
<b>Net cash used in investing activities</b>	<b>(5,512)</b>	<b>(5,265)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(3,223)	(4,199)
Proceeds from exercise of warrant	3,539	6,324
Net repayment of lease liabilities	(1,434)	(1,051)
Net drawdown of bankers' acceptances	704	6,033
Net repayment of term loans	(8,553)	(8,087)
<b>Net cash used in financing activities</b>	<b>(8,967)</b>	<b>(980)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>27,598</b>	<b>(6,820)</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>26,274</b>	<b>(1,324)</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	36,282	6,888
Bank overdrafts	(10,008)	(8,212)
	<b>26,274</b>	<b>(1,324)</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.