



SERN KOU RESOURCES BERHAD

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED
31 DECEMBER 2021**

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

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|--|----------------------------|--|
| | Current Quarter | Preceding Year Corresponding Quarter | Current Year To-date | Preceding Year Corresponding Period <i>Restated</i> |
| | 31-Dec-21 | 31-Dec-20 | 31-Dec-21 | 31-Dec-20 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 80,719 | 84,877 | 158,680 | 165,544 |
| Cost of sales | (72,278) | (74,280) | (144,453) | (145,085) |
| Gross profit | 8,441 | 10,597 | 14,227 | 20,459 |
| Other income | 582 | 448 | 1,008 | 1,010 |
| Selling and distribution expenses | (885) | (742) | (1,603) | (2,042) |
| Administrative expenses | (2,092) | (1,921) | (4,192) | (3,976) |
| Other expenses | (140) | (407) | (287) | (1,348) |
| Finance costs | (645) | (851) | (1,279) | (1,775) |
| Profit before taxation | 5,261 | 7,124 | 7,874 | 12,328 |
| Taxation | (1,245) | (1,039) | (2,390) | (2,084) |
| Profit after taxation | 4,016 | 6,085 | 5,484 | 10,244 |
| Other comprehensive income | | | | |
| Revaluation surplus of land and building | - | - | - | 58,839 |
| Deferred taxation relating to revaluation surplus of land and building | - | - | - | (12,857) |
| Total other comprehensive income for the financial period, net of tax | - | - | - | 45,982 |
| Total comprehensive income for the financial period | 4,016 | 6,085 | 5,484 | 56,226 |
| Profit after taxation for the financial year attributable to: | | | | |
| -Owners of the company | 3,613 | 5,974 | 4,998 | 10,063 |
| -Non-controlling interests | 403 | 111 | 486 | 181 |
| | 4,016 | 6,085 | 5,484 | 10,244 |
| Total comprehensive income attributable to: | | | | |
| -Owners of the company | 3,613 | 5,974 | 4,998 | 56,045 |
| -Non-controlling interests | 403 | 111 | 486 | 181 |
| | 4,016 | 6,085 | 5,484 | 56,226 |
| Earnings per ordinary share attributable to owners of the company (sen) | | | | |
| -Basic | 0.43 | 0.77 | 0.61 | 1.30 |
| -Diluted | 0.35 | 0.59 | 0.50 | 1.00 |

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 2021 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 2021

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2021**

| | As at End of Current Quarter 31-Dec-21 (Unaudited) RM'000 | As at Preceding Financial Year End 30-Jun-21 (Audited) RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 90,910 | 90,369 |
| Right-of-use assets | 27,171 | 27,945 |
| Investment property | 13,030 | 20,530 |
| | 131,111 | 138,844 |
| Current assets | | |
| Inventories | 28,579 | 23,873 |
| Trade receivables | 120,216 | 79,419 |
| Other receivables, assets and prepayments | 11,607 | 13,564 |
| Current tax assets | 800 | 769 |
| Fixed deposit with licensed bank | 281 | - |
| Cash and bank balances | 18,815 | 36,282 |
| | 180,298 | 153,907 |
| TOTAL ASSETS | 311,409 | 292,751 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 74,943 | 69,863 |
| Reserve | 46,294 | 46,294 |
| Retained profits | 75,697 | 70,699 |
| Non-controlling interests | 1,906 | 1,175 |
| TOTAL EQUITY | 198,840 | 188,031 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 13,534 | 13,278 |
| Lease liabilities | 3,582 | 3,187 |
| Deferred tax liabilities | 16,345 | 16,782 |
| | 33,461 | 33,247 |
| Current liabilities | | |
| Trade payables | 18,513 | 11,637 |
| Other payables and accruals | 3,962 | 5,484 |
| Borrowings | 53,243 | 50,977 |
| Lease liabilities | 1,610 | 1,461 |
| Current tax liabilities | 1,780 | 1,914 |
| | 79,108 | 71,473 |
| TOTAL LIABILITIES | 112,569 | 104,720 |
| TOTAL EQUITY AND LIABILITIES | 311,409 | 292,751 |
| Net assets per share (RM) | 0.24 | 0.24 |

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 30 June 2021 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 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 |
| For the period ended 31 December 2021 | | | | | | |
| Balance at 1.7.2021 | 69,863 | 46,294 | 70,699 | 186,856 | 1,175 | 188,031 |
| Profit after taxation/total comprehensive income for the financial period | - | - | 4,998 | 4,998 | 486 | 5,484 |
| Exercise of warrants | 5,080 | - | - | 5,080 | - | 5,080 |
| Acquisition of a subsidiary | - | - | - | - | 245 | 245 |
| Balance at 31.12.2021 | 74,943 | 46,294 | 75,697 | 196,934 | 1,906 | 198,840 |
| For the period ended 31 December 2020 | | | | | | |
| Balance at 1.7.2020, as restated | 66,324 | - | 53,138 | 119,462 | 822 | 120,284 |
| Comprehensive income | | | | | | |
| Net profit for the financial period, as restated | - | - | 10,063 | 10,063 | 181 | 10,244 |
| Other comprehensive income | | | | | | |
| Revaluation surplus, net of deferred tax, as restated | - | 45,982 | - | 45,982 | - | 45,982 |
| Total comprehensive income for the financial period | - | 45,982 | 10,063 | 56,045 | 181 | 56,226 |
| Exercise of warrants | 1,740 | - | - | 1,740 | - | 1,740 |
| Balance at 31.12.2020 | 68,064 | 45,982 | 63,201 | 177,247 | 1,003 | 178,250 |

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2021

| | Current Year To-date 31-Dec-21 RM'000 | Preceding Year Corresponding Period <i>Restated</i> 31-Dec-20 RM'000 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 7,874 | 12,328 |
| Adjustments for: | | |
| Depreciation | 2,721 | 2,268 |
| Gain on disposal of property, plant and equipment | (22) | (47) |
| Property, plant and equipment written off | - | 266 |
| Interest expenses | 1,279 | 1,775 |
| Interest income | (7) | (1) |
| Operating profit before changes in working capital | <u>11,845</u> | <u>16,589</u> |
| Changes in working capital: | | |
| Inventories | (4,706) | (4,787) |
| Trade and other receivables | (38,840) | 5,459 |
| Trade and other payables | 5,354 | (4,109) |
| Cash (used in)/generated from operations | <u>(26,347)</u> | <u>13,152</u> |
| Tax paid | (2,992) | (2,289) |
| Net cash (used in)/generated from operating activities | <u>(29,339)</u> | <u>10,863</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 7 | 1 |
| Purchase of property, plant and equipment | (2,082) | (346) |
| Consideration from non-controlling interest on subscription of new shares of a subsidiary | 245 | - |
| Proceeds from disposal of property, plant and equipment | 7,522 | 47 |
| Net cash generated from/(used in) investing activities | <u>5,692</u> | <u>(298)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (1,279) | (1,775) |
| Proceeds from exercise of warrant | 5,080 | 1,740 |
| Net drawdown/(repayment) of lease liabilities | 138 | (679) |
| Net drawdown/(repayment) of bankers' acceptances | 3,734 | (4,582) |
| Net drawdown/(repayment) of term loans | 2,729 | (5,370) |
| Placement of fixed deposit | (281) | - |
| Net cash generated from/(used in) financing activities | <u>10,121</u> | <u>(10,666)</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(13,526)</u> | <u>(101)</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | <u>26,274</u> | <u>(1,324)</u> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR | <u><u>12,748</u></u> | <u><u>(1,425)</u></u> |
| CASH AND CASH EQUIVALENTS COMPRISE:- | | |
| Fixed deposit with licensed bank | 281 | - |
| Cash and bank balances | 18,815 | 8,177 |
| Bank overdrafts | (6,067) | (9,602) |
| | <u>13,029</u> | <u>(1,425)</u> |
| Less : Fixed deposit pledged to licensed bank | (281) | - |
| | <u><u>12,748</u></u> | <u><u>(1,425)</u></u> |

The unaudited Condensed Statement of Cash Flows should be read in conjunction with the audited Financial Statements for year ended 30 June 2021 and the accompanying explanatory notes attached to the interim financial statements.