



SERN KOU RESOURCES BERHAD

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR SECOND QUARTER ENDED
31 DECEMBER 2022**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE QUARTER ENDED 31 DECEMBER 2022

	Individual Quarter		Cumulative Quarter	
	Preceding Year		Current	Preceding Year
	Current	Corresponding	Year	Corresponding
	Quarter	Quarter	To-date	Period
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Revenue	83,193	80,719	195,227	158,680
Other cost of sales	(78,679)	(72,278)	(183,960)	(144,453)
Loss of inventories destroyed in fire	(3,515)	-	(3,515)	-
Cost of sales	(82,194)	(72,278)	(187,475)	(144,453)
Gross profit	999	8,441	7,752	14,227
Other income	282	582	997	1,008
Selling and distribution expenses	(695)	(885)	(1,694)	(1,603)
Administrative expenses	(2,580)	(2,206)	(5,102)	(4,419)
Impairment loss on property, plant and equipment due to fire	(2,330)	-	(2,330)	-
Other expenses	(120)	(26)	(128)	(60)
Finance costs	(847)	(645)	(1,585)	(1,279)
(Loss)/Profit before taxation	(5,291)	5,261	(2,090)	7,874
Taxation	(1,159)	(1,245)	(2,318)	(2,390)
(Loss)/Profit after taxation	(6,450)	4,016	(4,408)	5,484
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive (loss)/income for the financial period	(6,450)	4,016	(4,408)	5,484
(Loss)/Profit after taxation for the financial year				
attributable to:				
-Owners of the company	(6,604)	3,613	(4,568)	4,998
-Non-controlling interests	154	403	160	486
	(6,450)	4,016	(4,408)	5,484
Total comprehensive (loss)/income attributable to:				
-Owners of the company	(6,604)	3,613	(4,568)	4,998
-Non-controlling interests	154	403	160	486
	(6,450)	4,016	(4,408)	5,484
(Loss)/Earnings per ordinary share attributable to owners of the company (sen)				
-Basic	(0.72)	0.43	(0.52)	0.61
-Diluted	(0.65)	0.35	(0.46)	0.50

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 2022 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 2022

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2022**

	As at End of Current Quarter 31-Dec-22 (Unaudited) RM'000	As at Preceding Financial Year End 30-Jun-22 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	80,749	88,608
Right-of-use assets	26,749	28,375
Investment property	13,030	13,030
	120,528	130,013
Current assets		
Inventories	20,601	30,619
Trade receivables	119,428	94,894
Other receivables, assets and prepayments	11,263	7,662
Current tax assets	1,304	1,318
Fixed deposit with licensed bank	850	564
Cash and bank balances	39,455	56,379
	192,901	191,436
TOTAL ASSETS	313,429	321,449
EQUITY AND LIABILITIES		
Equity		
Share capital	89,567	76,709
Reserve	42,588	46,294
Retained profits	75,344	79,912
Non-controlling interests	4,152	2,032
TOTAL EQUITY	211,651	204,947
LIABILITIES		
Non-current liabilities		
Borrowings	11,573	12,490
Lease liabilities	3,794	4,522
Deferred tax liabilities	15,518	16,688
	30,885	33,700
Current liabilities		
Trade payables	8,439	16,624
Other payables and accruals	3,253	7,993
Borrowings	56,709	55,501
Lease liabilities	1,761	1,842
Current tax liabilities	731	842
	70,893	82,802
TOTAL LIABILITIES	101,778	116,502
TOTAL EQUITY AND LIABILITIES	313,429	321,449
Net assets per share (RM)	0.22	0.24

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 30 June 2022 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 2022

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 2022						
Balance at 1-Jul-22	76,709	46,294	79,912	202,915	2,032	204,947
(Loss)/Profit after taxation/total (loss)/comprehensive income for the financial period	-	-	(4,568)	(4,568)	160	(4,408)
Exercise of warrants	12,858	-	-	12,858	-	12,858
Impairment loss due to fire	-	(3,706)	-	(3,706)	-	(3,706)
Acquisition of a subsidiary	-	-	-	-	1,960	1,960
Balance at 31-Dec-22	89,567	42,588	75,344	207,499	4,152	211,651
For the period ended 31 December 2021						
Balance at 1-Jul-21	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 30-Dec-21	74,943	46,294	75,697	196,934	1,906	198,840

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED 31 DECEMBER 2022**

	Current Year To-date 31-Dec-22 RM'000	Preceding Year Corresponding Period 31-Dec-21 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(2,090)	7,874
Adjustments for:		
Depreciation	2,792	2,721
Property, plant and equipment		
- gain on disposal	(270)	(22)
- written off	1	-
- impairment losses due to fire	2,330	-
Inventories written off due to fire	3,515	-
Interest expenses	1,585	1,279
Interest income	(26)	(7)
Operating profit before changes in working capital	7,837	11,845
Changes in working capital:		
Inventories	6,503	(4,706)
Trade and other receivables	(28,135)	(38,840)
Trade and other payables	(12,925)	5,354
Cash used in operations	(26,720)	(26,347)
Tax paid	(2,415)	(2,992)
Net cash used in operating activities	(29,135)	(29,339)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	26	7
Purchase of property, plant and equipment	(514)	(2,082)
Consideration from non-controlling interest on subscription of new shares of a subsidiary	1,960	245
Proceeds from disposal of property, plant and equipment	270	7,522
Net cash generated from investing activities	1,742	5,692
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,585)	(1,279)
Proceeds from exercise of warrant	12,858	5,080
Net (repayment)/drawdown of lease liabilities	(809)	138
Net (repayment)/drawdown of bankers' acceptances	(4,423)	3,734
Net (repayment)/drawdown of term loans	(2,547)	2,729
Placement of fixed deposit	(286)	(281)
Net cash generated from financing activities	3,208	10,121
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,185)	(13,526)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	54,348	26,274
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	30,163	12,748
CASH AND CASH EQUIVALENTS COMPRISE:-		
Fixed deposit with licensed bank	850	281
Cash and bank balances	39,455	18,815
Bank overdrafts	(9,292)	(6,067)
	31,013	13,029
Less : Fixed deposit pledged to licensed bank	(850)	(281)
	30,163	12,748

The unaudited Condensed Statement of Cash Flows should be read in conjunction with the audited Financial Statements for year ended 30 June 2022 and the accompanying explanatory notes attached to the interim financial statements.