



SERN KOU RESOURCES BERHAD

REGISTRATION NO. : 200001016496 (519103-X)

**UNAUDITED INTERIM FINANCIAL STATEMENTS
FOR FOURTH QUARTER ENDED
30 JUNE 2023**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2023

| | <u>Note</u> | Individual Quarter | | Cumulative Quarter | |
|--|-------------|---|---|---|--|
| | | Current Quarter 30-Jun-23 RM'000 | Preceding Year Corresponding Quarter 30-Jun-22 RM'000 | Current Year To-date 30-Jun-23 RM'000 | Preceding Year Corresponding Period 30-Jun-22 RM'000 |
| Revenue | | 97,572 | 95,815 | 380,632 | 338,267 |
| Cost of sales | | (95,623) | (89,358) | (361,541) | (308,555) |
| Gross profit | | 1,949 | 6,457 | 19,091 | 29,712 |
| Other income | | 379 | 734 | 2,075 | 2,183 |
| Insurance compensation received | A5 | 7,790 | - | 8,260 | - |
| Loss on inventory and property, plant and equipment due to fire incident | A5 | (147) | - | (6,039) | - |
| Selling and distribution expenses | | (1,012) | (1,028) | (3,397) | (3,615) |
| Administrative expenses | | (3,388) | (2,343) | (11,568) | (8,906) |
| Other expenses | | (808) | (59) | (971) | (613) |
| Finance costs | | (1,089) | (750) | (3,670) | (2,798) |
| Profit before taxation | | 3,674 | 3,011 | 3,781 | 15,963 |
| Taxation | | 895 | (1,717) | (2,527) | (6,138) |
| Profit after taxation | | 4,569 | 1,294 | 1,254 | 9,825 |
| Other comprehensive loss | | | | | |
| Revaluation surplus of land and building | | | | | |
| - Addition | | 3,995 | - | 3,995 | - |
| - Impairment loss due to fire incident | A5 | (5,134) | - | (5,134) | - |
| - Impairment loss due to demolition of factory buiding | | (743) | - | (743) | - |
| Deferred taxation relating to revaluation surplus of land and building | | 451 | - | 451 | - |
| Total other comprehensive loss for the financial period, net of tax | | (1,431) | - | (1,431) | - |
| Total comprehensive income/(loss) for the financial period | | 3,138 | 1,294 | (177) | 9,825 |
| Profit/(Loss) after taxation for the financial year | | | | | |
| attributable to: | | | | | |
| -Owners of the company | | 4,702 | 1,313 | 1,304 | 9,213 |
| -Non-controlling interests | | (133) | (19) | (50) | 612 |
| | | 4,569 | 1,294 | 1,254 | 9,825 |
| Total comprehensive income/(loss) attributable to: | | | | | |
| -Owners of the company | | 3,271 | 1,313 | (127) | 9,213 |
| -Non-controlling interests | | (133) | (19) | (50) | 612 |
| | | 3,138 | 1,294 | (177) | 9,825 |
| Earnings per ordinary share attributable to owners of the company (sen) | | | | | |
| -Basic | | 0.44 | 0.16 | 0.12 | 1.12 |
| -Diluted | | 0.44 | 0.13 | 0.12 | 0.91 |

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)

FOURTH QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 30 JUNE 2023**

| | As at End of Current Quarter 30-Jun-23 (Unaudited) RM'000 | As at Preceding Financial Year End 30-Jun-22 (Audited) RM'000 |
|---|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 82,021 | 88,608 |
| Right-of-use assets | 27,523 | 28,375 |
| Investment property | 13,030 | 13,030 |
| | 122,574 | 130,013 |
| Current assets | | |
| Inventories | 28,805 | 30,619 |
| Trade receivables | 99,129 | 94,894 |
| Other receivables, assets and prepayments | 13,360 | 7,662 |
| Current tax assets | 2,290 | 1,318 |
| Fixed deposit with licensed bank | 1,142 | 564 |
| Cash and bank balances | 79,094 | 56,379 |
| | 223,820 | 191,436 |
| TOTAL ASSETS | 346,394 | 321,449 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 106,783 | 76,709 |
| Reserve | 44,863 | 46,294 |
| Retained profits | 81,216 | 79,912 |
| Non-controlling interests | 3,942 | 2,032 |
| TOTAL EQUITY | 236,804 | 204,947 |
| LIABILITIES | | |
| Non-current liabilities | | |
| Borrowings | 10,711 | 12,490 |
| Lease liabilities | 3,389 | 4,522 |
| Deferred tax liabilities | 15,763 | 16,688 |
| | 29,863 | 33,700 |
| Current liabilities | | |
| Trade payables | 10,199 | 16,624 |
| Other payables and accruals | 4,844 | 7,993 |
| Borrowings | 62,951 | 55,501 |
| Lease liabilities | 1,733 | 1,842 |
| Current tax liabilities | - | 842 |
| | 79,727 | 82,802 |
| TOTAL LIABILITIES | 109,590 | 116,502 |
| TOTAL EQUITY AND LIABILITIES | 346,394 | 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 30 JUNE 2023

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 30 June 2023 | | | | | | |
| Balance at 1-Jul-22 | 76,709 | 46,294 | 79,912 | 202,915 | 2,032 | 204,947 |
| Comprehensive income | | | | | | |
| Net profit/(loss) for the financial period | - | - | 1,304 | 1,304 | (50) | 1,254 |
| Other comprehensive loss | | | | | | |
| Impairment loss on revaluation surplus | - | (1,431) | - | (1,431) | - | (1,431) |
| Total comprehensive (loss)/income for the financial period | - | (1,431) | 1,304 | (127) | (50) | (177) |
| Exercise of warrants | 30,074 | - | - | 30,074 | - | 30,074 |
| Acquisition of a subsidiary | - | - | - | - | 1,960 | 1,960 |
| Balance at 30-Jun-23 | 106,783 | 44,863 | 81,216 | 232,862 | 3,942 | 236,804 |
| | - | - | - | - | - | - |
| For the period ended 30 June 2022 | | | | | | |
| 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 | - | - | 9,213 | 9,213 | 612 | 9,825 |
| Exercise of warrants | 6,846 | - | - | 6,846 | - | 6,846 |
| Acquisition of a subsidiary | - | - | - | - | 245 | 245 |
| Balance at 30-Jun-2022 | 76,709 | 46,294 | 79,912 | 202,915 | 2,032 | 204,947 |

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 30 JUNE 2023

| | Current Year To-date 30-Jun-23 RM'000 | Preceding Year Corresponding Period 30-Jun-22 RM'000 |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 3,781 | 15,963 |
| Adjustments for: | | |
| Depreciation | 5,534 | 5,512 |
| Property, plant and equipment | | |
| - gain on disposal | (643) | (44) |
| - written off | 1,098 | 2 |
| - impairment losses due to fire | 2,524 | - |
| Trade receivables | | |
| - written off | 187 | - |
| - Impairment loss | 311 | 100 |
| Inventories | | |
| - written off due to fire | 3,515 | - |
| - slow moving | - | 400 |
| Interest expenses | 3,670 | 2,798 |
| Interest income | (186) | (44) |
| Operating profit before changes in working capital | <u>19,791</u> | <u>24,687</u> |
| Changes in working capital: | | |
| Inventories | (1,701) | (7,145) |
| Trade and other receivables | (10,431) | (9,622) |
| Trade and other payables | (9,574) | 7,445 |
| Cash (used in)/generated from operations | <u>(1,915)</u> | <u>15,365</u> |
| Tax paid | (4,814) | (7,853) |
| Net cash (used in)/generated from operating activities | <u>(6,729)</u> | <u>7,512</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 186 | 44 |
| Purchase of property, plant and equipment | (4,555) | (3,560) |
| Consideration from non-controlling interest on subscription of new shares of a subsidiary | 1,960 | 245 |
| Proceeds from disposal of property, plant and equipment | 1,607 | 7,547 |
| Net cash (used in)/generated from investing activities | <u>(802)</u> | <u>4,276</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (3,670) | (2,798) |
| Proceeds from exercise of warrant | 30,074 | 6,846 |
| Net (repayment)/drawdown of lease liabilities | (1,251) | 1,089 |
| Net drawdown of bankers' acceptances | 9,281 | 10,573 |
| Net (repayment)/drawdown of term loans | (3,458) | 1,140 |
| Placement of fixed deposit | (578) | (564) |
| Net cash generated from financing activities | <u>30,398</u> | <u>16,286</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | <u>22,867</u> | <u>28,074</u> |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | <u>54,348</u> | <u>26,274</u> |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR | <u><u>77,215</u></u> | <u><u>54,348</u></u> |
| CASH AND CASH EQUIVALENTS COMPRISE:- | | |
| Fixed deposit with licensed bank | 1,142 | 564 |
| Cash and bank balances | 79,094 | 56,379 |
| Bank overdrafts | (1,879) | (2,031) |
| | <u>78,357</u> | <u>54,912</u> |
| Less : Fixed deposit pledged to licensed bank | (1,142) | (564) |
| | <u><u>77,215</u></u> | <u><u>54,348</u></u> |

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.