

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 September 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-Sep-17 RM'000	Preceding Year Corresponding Quarter 30-Sep-16 RM'000	Current Year To-date 30-Sep-17 RM'000	Preceding Year Corresponding Period 30-Sep-16 RM'000
Revenue	36,915	30,479	36,915	30,479
Cost of sales	(32,129)	(27,448)	(32,129)	(27,448)
Gross profit	4,786	3,031	4,786	3,031
Other income	356	328	356	328
Selling and distribution expenses	(510)	(747)	(510)	(747)
Administrative expenses	(1,710)	(1,820)	(1,710)	(1,820)
Other expenses	(148)	(171)	(148)	(171)
Finance Costs	(680)	(453)	(680)	(453)
Profit before taxation	2,094	168	2,094	168
Income tax expense	(368)	(37)	(368)	(37)
Profit after taxation	1,726	131	1,726	131
Other Comprehensive Income	-	-	-	-
Total Comprehensive income for the financial period	1,726	131	1,726	131
Profit after taxation attributable to:-				
-Owner of the Company	1,719	131	1,719	131
-Non-controlling interest	7	-	7	-
	1,726	131	1,726	131
Total Comprehensive Income Attributable to:-				
-Owner of the Company	1,719	131	1,719	131
-Non-controlling interest	7	-	7	-
	1,726	131	1,726	131
Profit Per Share				
-Basic (Sen)	1.44	0.11	1.44	0.11
-Diluted	Not applicable	Not applicable	Not applicable	Not applicable

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 SEPTEMBER 2017**

	As at End of Current Quarter 30-Sep-17 (Unaudited)	As at Preceding Financial Year End 30-Jun-17 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	59,678	58,884
Current assets		
Inventories	11,029	8,028
Trade receivables	32,863	30,772
Other receivables, deposits and prepayments	22,865	17,077
Tax refundable	376	376
Cash and bank balances	3,426	16,128
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	70,559	72,381
Total assets	<hr/> 130,237	<hr/> 131,265
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	8,271	6,552
Minority interest	748	741
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TOTAL EQUITY	69,019	67,293
Non-current liabilities		
Long-term borrowings	12,308	12,427
Deferred tax liabilities	770	770
	<hr/>	<hr/>
	13,078	13,197
Current liabilities		
Trade payables	5,192	4,671
Other payables and accruals	15,727	17,518
Provision for taxation	70	54
Short-term borrowings	27,151	28,532
	<hr/>	<hr/>
	48,140	50,775
Total liabilities	<hr/> 61,218	<hr/> 63,972
TOTAL EQUITY AND LIABILITIES	<hr/> 130,237	<hr/> 131,265
Net assets per share (RM)	<hr/> 0.58	<hr/> 0.56

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED 30 September 2017**

	Share Capital	Retained Profits	Non- Controlling interest	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 30 September 2017				
Balance at 1.7.2017	60,000	6,552	741	67,293
Subscription of shares of a subsidiary	-	-		-
Profit after taxation/total comprehensive income for the financial period	-	1,719	7	1,726
Balance at 30.9.2017	60,000	8,271	748	69,019
For the period ended 30 September 2016				
Balance at 1.7.2016	60,000	5,088	(1)	65,087
Profit after taxation/total comprehensive income for the financial period	-	131	-	131
Balance at 30.9.2016	60,000	5,219	(1)	65,218

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for period ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.

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FIRST QUARTER ENDED 30 SEPTEMBER 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 SEPTEMBER 2017**

	Current Year To-date 30-Sep-17 RM'000	Preceding Year Corresponding Period 30-Sep-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,094	168
Adjustments for:		
Depreciation of property, plant & equipment	737	529
Fair value loss	-	53
Gain on disposal of property, plant & machinery	(69)	-
Interest expense	680	403
Interest income	(20)	-
Operating profit before working capital changes	<u>3,422</u>	<u>1,153</u>
Changes in working capital:		
Inventories	(3,001)	(903)
Trade and other receivables	(7,879)	(9,773)
Trade and other payables	(1,714)	2,639
Cash used in operations	<u>(9,172)</u>	<u>(6,884)</u>
Income tax paid	(352)	(256)
Net cash used in operating activities	<u>(9,524)</u>	<u>(7,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20	-
Purchase of property, plant and equipment	(1,096)	(474)
Proceeds from disposal of property, plant and equipment	78	-
Net cash used in investing activities	<u>(998)</u>	<u>(474)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(680)	(403)
Net repayment of hire purchase obligations	(378)	-
Net drawdown of bankers' acceptances	3,724	759
Net (repayment)/drawdown of term loans	(1,600)	2,924
Net cash from financing activities	<u>1,066</u>	<u>3,280</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(9,456)</u>	<u>(4,334)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>10,875</u>	<u>8,327</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u><u>1,419</u></u>	<u><u>3,993</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	3,426	4,911
Bank overdrafts	(2,007)	(918)
	<u><u>1,419</u></u>	<u><u>3,993</u></u>

The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for year ended 30 June 2017 and the accompanying explanatory notes attached to the interim financial statements.