

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 December 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-17 RM'000	Preceding Year Corresponding Quarter 31-Dec-16 RM'000	Current Year To-date 31-Dec-17 RM'000	Preceding Year Corresponding Period 31-Dec-16 RM'000
Revenue	39,188	33,681	76,103	64,160
Cost of sales	(31,975)	(30,087)	(64,104)	(57,535)
Gross profit	7,213	3,594	11,999	6,625
Other income	253	725	609	1,053
Selling and distribution expenses	(1,282)	(788)	(1,792)	(1,535)
Administrative expenses	(966)	(1,752)	(2,676)	(3,572)
Other expenses	(33)	(337)	(181)	(508)
Finance Costs	(727)	(535)	(1,407)	(988)
Profit before taxation	4,458	907	6,552	1,075
Income tax expense	(216)	(288)	(584)	(325)
Profit after taxation	4,242	619	5,968	750
Other Comprehensive Income	-	-	-	-
Total Comprehensive income for the financial period	4,242	619	5,968	750
Profit after taxation attributable to:-				
-Owner of the Company	4,250	619	5,969	814
-Non-controlling interest	(8)	-	(1)	(64)
	4,242	619	5,968	750
Total Comprehensive Income Attributable to:-				
-Owner of the Company	4,250	619	5,969	750
-Non-controlling interest	(8)	-	(1)	-
	4,242	619	5,968	750
Profit Per Share				
-Basic (Sen)	3.54	0.52	4.97	0.63
-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 31 DECEMBER 2017**

	As at End of Current Quarter 31-Dec-17 (Unaudited)	As at Preceding Financial Year End 30-Jun-17 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	59,488	58,884
Current assets		
Inventories	14,497	8,028
Trade receivables	38,530	30,772
Other receivables, deposits and prepayments	14,977	17,077
Tax refundable	487	376
Cash and bank balances	6,521	16,128
	<hr/>	<hr/>
	75,012	72,381
Total assets	<hr/> 134,500	<hr/> 131,265
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	12,521	6,552
Minority interest	740	741
TOTAL EQUITY	<hr/> 73,261	<hr/> 67,293
Non-current liabilities		
Long-term borrowings	20,014	12,427
Deferred tax liabilities	770	770
	<hr/>	<hr/>
	20,784	13,197
Current liabilities		
Trade payables	8,613	4,671
Other payables and accruals	5,060	17,518
Provision for taxation	135	54
Short-term borrowings	26,647	28,532
	<hr/>	<hr/>
	40,455	50,775
Total liabilities	<hr/> 61,239	<hr/> 63,972
TOTAL EQUITY AND LIABILITIES	<hr/> 134,500	<hr/> 131,265
Net assets per share (RM)	<hr/> 0.61	<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.

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SECOND QUARTER ENDED 31 DECEMBER 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 December 2017**

	Share Capital	Retained Profits	Non- Controlling interest	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 December 2016				
Balance at 1.7.2017	60,000	6,552	741	67,293
Profit after taxation/total comprehensive income for the financial period	-	5,969	(1)	5,968
Balance at 31.12.2017	60,000	12,521	740	73,261
For the period ended 31 December 2016				
Balance at 1.7.2016	60,000	5,088	(1)	65,087
Profit after taxation/total comprehensive income for the financial period	-	814	(64)	750
Balance at 31.12.2016	60,000	5,902	(65)	65,837

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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(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2017

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2017**

	Current Year To-date 31-Dec-17 RM'000	Preceding Year Corresponding Period 31-Dec-16 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,552	1,075
Adjustments for:		
Depreciation of property, plant & equipment	1,471	1,032
Fair value loss	-	281
Gain on disposal of property, plant & machinery	(67)	-
Interest expense	865	866
Interest income	(20)	(2)
Operating profit before working capital changes	<u>8,801</u>	<u>3,252</u>
Changes in working capital:		
Inventories	(6,469)	(574)
Trade and other receivables	(5,658)	(7,373)
Trade and other payables	(8,516)	4,891
Cash (used in)/generated from operations	<u>(11,842)</u>	<u>196</u>
Income tax paid	(614)	(426)
Net cash used in operating activities	<u>(12,456)</u>	<u>(230)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20	2
Purchase of property, plant and equipment	(2,086)	(8,022)
Proceeds from disposal of property, plant and equipment	78	-
Net cash used in investing activities	<u>(1,988)</u>	<u>(8,020)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(865)	(866)
Net repayment of hire purchase obligations	(350)	(82)
Net (repayment)/ drawdown of bankers' acceptances	(867)	993
Net drawdown of term loans	5,473	3,201
Net cash from financing activities	<u>3,391</u>	<u>3,246</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(11,053)</u>	<u>(5,004)</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>(178)</u></u>	<u><u>3,323</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	6,521	4,221
Bank overdrafts	(6,699)	(898)
	<u><u>(178)</u></u>	<u><u>3,323</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.