

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2018**

	Individual Quarter		Cumulative Quarter	
		Preceding Year	Current	Preceding Year
	Current	Corresponding	Year	Corresponding
	Quarter	Quarter	To-date	Period
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	RM'000	RM'000	RM'000	RM'000
Revenue	49,955	39,188	107,764	76,103
Cost of sales	(41,607)	(31,975)	(93,946)	(64,104)
Gross profit	8,348	7,213	13,818	11,999
Other income	296	253	630	609
Selling and distribution expenses	(909)	(1,282)	(1,760)	(1,792)
Administrative expenses	(2,187)	(966)	(3,999)	(2,676)
Other expenses	(113)	(33)	(212)	(181)
Finance Costs	(1,018)	(727)	(2,076)	(1,407)
Profit before taxation	4,417	4,458	6,401	6,552
Income tax expense	(106)	(216)	(303)	(584)
Profit after taxation	4,311	4,242	6,098	5,968
Other comprehensive Income	-	-	-	-
Total comprehensive income for the financial period	4,311	4,242	6,098	5,968
Profit after taxation attributable to:-				
-Owner of the Company	4,197	4,250	5,981	5,969
-Non-controlling interest	114	(8)	117	(1)
	4,311	4,242	6,098	5,968
Total comprehensive income attributable to:-				
-Owner of the company	4,197	4,250	5,981	5,969
-Non-controlling interest	114	(8)	117	(1)
	4,311	4,242	6,098	5,968
Profit per share				
-Basic (Sen)	1.75	3.54	2.49	4.97
-Diluted	1.55	Not applicable	2.15	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 2018 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2018

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2018**

	As at End of Current Quarter 31-Dec-18 (Unaudited)	As at Preceding Financial Year End 30-Jun-18 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	60,857	59,965
Investment property	2,369	2,402
	63,226	62,367
Current assets		
Inventories	19,453	17,151
Trade receivables	60,851	36,805
Other receivables, deposits and prepayments	13,460	19,001
Tax refundable	356	263
Cash and bank balances	4,684	16,362
	98,804	89,582
Total assets	162,030	151,949
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	21,617	15,637
Minority interest	893	776
TOTAL EQUITY	82,510	76,413
Non-current liabilities		
Long-term borrowings	20,524	19,904
Deferred tax liabilities	1,223	1,223
	21,747	21,127
Current liabilities		
Trade payables	10,036	8,979
Other payables and accruals	3,436	4,522
Provision for taxation	1,617	1,561
Short-term borrowings	42,684	39,347
	57,773	54,409
Total liabilities	79,520	75,536
TOTAL EQUITY AND LIABILITIES	162,030	151,949
Net assets per share (RM)	0.34	0.32

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2018**

	Share Capital	Retained Profits	Non- Controlling interest	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 December 2018				
Balance at 1.7.2018	60,000	15,636	776	76,412
Profit after taxation/total comprehensive income for the financial period	-	5,981	117	6,098
Balance at 31.12.2018	60,000	21,617	893	82,510
For the period ended 31 December 2017				
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

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for period ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.

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SECOND QUARTER ENDED 31 DECEMBER 2018

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2018**

	Current Year To-date 31-Dec-18 RM'000	Preceding Year Corresponding Period 31-Dec-17 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,401	6,552
Adjustments for:		
Depreciation of property, plant & equipment	1,665	1,471
Gain on disposal of property, plant & machinery	-	(67)
Interest expense	1,830	865
Interest income	(2)	(20)
Operating profit before working capital changes	9,894	8,801
Changes in working capital:		
Inventories	(2,302)	(6,469)
Trade and other receivables	(18,506)	(5,658)
Trade and other payables	(88)	(8,516)
Cash used in operations	(11,002)	(11,842)
Income tax paid	(340)	(614)
Net cash used in operating activities	(11,342)	(12,456)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	2	20
Purchase of property, plant and equipment	(2,689)	(2,086)
Proceeds from disposal of property, plant and equipment	165	78
Net cash used in investing activities	(2,522)	(1,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(1,830)	(865)
Net drawdown / (repayment) of hire purchase obligations	747	(350)
Net drawdown / (repayment) of bankers' acceptances	4,161	(867)
Net drawdown of term loans	322	5,473
Net cash from financing activities	3,400	3,391
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,464)	(11,053)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	8,954	10,875
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	(1,510)	(178)
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	4,684	6,521
Bank overdrafts	(6,194)	(6,699)
	(1,510)	(178)

The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for year ended 30 June 2018 and the accompanying explanatory notes attached to the interim financial statements.