

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE QUARTER ENDED 31 MARCH 2019**

|  | Individual Quarter |                | Cumulative Quarter |                |
|--|--------------------|----------------|--------------------|----------------|
|  |                    | Preceding Year | Current            | Preceding Year |
|  | Current            | Corresponding  | Year               | Corresponding  |
|  | Quarter            | Quarter        | To-date            | Period         |
|  | 31-Mar-19          | 31-Mar-18      | 31-Mar-19          | 31-Mar-18      |
|  | RM'000             | RM'000         | RM'000             | RM'000         |
| Revenue  | 56,818             | 48,399         | 164,582            | 124,502        |
| Cost of sales  | (48,293)           | (41,234)       | (142,239)          | (105,338)      |
| <b>Gross profit</b>  | <b>8,525</b>       | <b>7,165</b>   | <b>22,343</b>      | <b>19,164</b>  |
| Other income   | 109                | 293            | 739                | 902            |
| Selling and distribution expenses                          | (431)              | (956)          | (2,191)            | (2,748)        |
| Administrative expenses                                    | (2,564)            | (1,781)        | (6,563)            | (4,457)        |
| Other expenses   | (115)              | (90)           | (327)              | (271)          |
| Finance Costs  | (1,050)            | (822)          | (3,126)            | (2,229)        |
| <b>Profit before taxation</b>                              | <b>4,474</b>       | <b>3,809</b>   | <b>10,875</b>      | <b>10,361</b>  |
| Income tax expense   | (995)              | (686)          | (1,298)            | (1,270)        |
| <b>Profit after taxation</b>                               | <b>3,479</b>       | <b>3,123</b>   | <b>9,577</b>       | <b>9,091</b>   |
| Other Comprehensive Income                                 | -                  | -              | -                  | -              |
| <b>Total Comprehensive income for the financial period</b> | <b>3,479</b>       | <b>3,123</b>   | <b>9,577</b>       | <b>9,091</b>   |
| <b>Profit after taxation attributable to:-</b>             |                    |                |                    |                |
| -Owner of the Company                                      | 3,399              | 3,119          | 9,380              | 9,228          |
| -Non-controlling interest                                  | 80                 | 4              | 197                | (137)          |
|  | <b>3,479</b>       | <b>3,123</b>   | <b>9,577</b>       | <b>9,091</b>   |
| <b>Total Comprehensive Income Attributable to:-</b>        |                    |                |                    |                |
| -Owner of the Company                                      | 3,399              | 3,119          | 9,380              | 9,228          |
| -Non-controlling interest                                  | 80                 | 4              | 197                | (137)          |
|  | <b>3,479</b>       | <b>3,123</b>   | <b>9,577</b>       | <b>9,091</b>   |
| <b>Earnings Per Share</b>                                  |                    |                |                    |                |
| -Basic (Sen)   | 1.42               | 1.30           | 3.91               | 3.85           |
| -Diluted (Sen)   | 1.25               | 1.16           | 3.40               | 3.63           |

*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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
FOR THE QUARTER ENDED 31 MARCH 2019**

|   | <b>As at End of<br/>Current Quarter<br/>31-Mar-19<br/>(Unaudited)</b> | <b>As at Preceding<br/>Financial Year End<br/>30-Jun-18<br/>(Audited)</b> |
|---|---|---|
|   | <b>RM'000</b>   | <b>RM'000</b>   |
| <b>ASSETS</b>                               |   |   |
| <b>Non-current assets</b>                   |   |   |
| Property, plant & equipment                 | 60,310  | 59,965  |
| Investment property                         | 2,352   | 2,402   |
|   | <hr/>   | <hr/>   |
|   | 62,662  | 62,367  |
| <b>Current assets</b>                       |   |   |
| Inventories                                 | 28,110  | 17,151  |
| Trade receivables                           | 63,417  | 36,805  |
| Other receivables, deposits and prepayments | 12,865  | 19,000  |
| Tax refundable                              | 724   | 263   |
| Cash and bank balances                      | 10,528  | 16,362  |
|   | <hr/>   | <hr/>   |
|   | 115,644   | 89,581  |
| <b>Total assets</b>                         | <hr/>   | <hr/>   |
|   | 178,306   | 151,948   |
| <b>EQUITY AND LIABILITIES</b>               |   |   |
| <b>Equity</b>                               |   |   |
| Share capital                               | 60,000  | 60,000  |
| Retained profits                            | 25,016  | 15,636  |
| Minority interest                           | 974   | 776   |
| <b>TOTAL EQUITY</b>                         | <hr/>   | <hr/>   |
|   | 85,990  | 76,412  |
| <b>Non-current liabilities</b>              |   |   |
| Long-term borrowings                        | 18,240  | 19,904  |
| Deferred tax liabilities                    | 1,223   | 1,223   |
|   | <hr/>   | <hr/>   |
|   | 19,463  | 21,127  |
| <b>Current liabilities</b>                  |   |   |
| Trade payables                              | 15,023  | 8,979   |
| Other payables and accruals                 | 3,149   | 4,522   |
| Derivative liabilities                      | -   | 59  |
| Provision for taxation                      | 373   | 1,561   |
| Short-term borrowings                       | 54,308  | 39,288  |
|   | <hr/>   | <hr/>   |
|   | 72,853  | 54,409  |
| <b>Total liabilities</b>                    | <hr/>   | <hr/>   |
|   | 92,316  | 75,536  |
| <b>TOTAL EQUITY AND LIABILITIES</b>         | <hr/>   | <hr/>   |
|   | 178,306   | 151,948   |
| <br>Net assets per share (RM)               | <br>0.36  | <br>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.*

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
 FOR THE QUARTER ENDED 31 MARCH 2019**

|   | <b>Share<br/>Capital</b> | <b>Retained<br/>Profits</b> | <b>Non-<br/>Controlling<br/>interest</b> | <b>Total</b>  |
|---|--------------------------|-----------------------------|--|---------------|
|   | RM'000                   | RM'000                      | RM'000                                   | RM'000        |
| <b>For the period ended 31 March 2019</b>                                 |                          |                             |  |               |
| Balance at 1.7.2018   | 60,000                   | 15,636                      | 776                                      | 76,412        |
| Profit after taxation/total comprehensive income for the financial period | -                        | 9,380                       | 197                                      | 9,577         |
| Disposal of a subsidiary  | -                        | -                           | 1  | 1             |
| <b>Balance at 31.3.2019</b>   | <b>60,000</b>            | <b>25,016</b>               | <b>974</b>                               | <b>85,990</b> |
| <b>For the period ended 31 March 2018</b>                                 |                          |                             |  |               |
| Balance at 1.7.2017   | 60,000                   | 6,552                       | 741                                      | 67,293        |
| Profit after taxation/total comprehensive income for the financial period | -                        | 9,228                       | 3  | 9,231         |
| <b>Balance at 31.3.2018</b>   | <b>60,000</b>            | <b>15,780</b>               | <b>744</b>                               | <b>76,524</b> |

*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.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

THIRD QUARTER ENDED 31 MARCH 2019

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 MARCH 2019**

|   | <b>Current<br/>Year<br/>To-date<br/>31-Mar-19<br/>RM'000</b> | <b>Preceding Year<br/>Corresponding<br/>Period<br/>31-Mar-18<br/>RM'000</b> |
|---|--|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |  |   |
| <b>Profit before tax</b>  | 10,875   | 10,361  |
| Adjustments for:  |  |   |
| Depreciation of property, plant & equipment                     | 2,518  | 2,219   |
| Gain on disposal of property, plant & machinery                 | -  | (100)   |
| Gain on derivative financial instruments                        | (59)   | -   |
| Gain on disposal of a subsidiary                                | (2)  | -   |
| Interest expense  | 2,847  | 2,018   |
| Interest income   | (4)  | (23)  |
| <b>Operating profit before working capital changes</b>          | 16,175   | 14,475  |
| Changes in working capital:                                     |  |   |
| Inventories   | (10,959)   | (9,594)   |
| Trade and other receivables                                     | (20,477)   | (13,407)  |
| Trade and other payables  | 4,675  | (9,195)   |
| <b>Cash used in operations</b>                                  | (10,586)   | (17,721)  |
| Income tax paid   | (2,947)  | (852)   |
| <b>Net cash used in operating activities</b>                    | (13,533)   | (18,573)  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |  |   |
| Interest received   | 4  | 23  |
| Purchase of property, plant and equipment                       | (2,813)  | (4,679)   |
| Proceeds from disposal of property, plant and equipment         | -  | 111   |
| Net cashflows on disposal of a subsidiary                       | (1)  | -   |
| <b>Net cash used in investing activities</b>                    | (2,810)  | (4,545)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |  |   |
| Interest paid   | (2,847)  | (2,018)   |
| Drawdown of hire purchase obligations                           | 67   | 239   |
| Drawdown of bankers' acceptances                                | 11,841   | 3,030   |
| (Repayment)/Drawdown of term loans                              | (1,282)  | 9,016   |
| <b>Net cash from financing activities</b>                       | 7,779  | 10,267  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                | (8,564)  | (12,851)  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b> | 8,954  | 10,875  |
| <b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>       | 390  | (1,976)   |
| <b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>                     |  |   |
| Cash and bank balances  | 10,528   | 4,118   |
| Bank overdrafts   | (10,138)   | (6,094)   |
|   | 390  | (1,976)   |

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.