



SERN KOU RESOURCES BERHAD

(519103-X)

UNAUDITED INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 30 JUNE 2019

Contents	Page
Unaudited Condensed Consolidated Statement Of Comprehensive Income	1
Unaudited Condensed Consolidated Statement Of Financial Position	2
Unaudited Condensed Consolidated Statement Of Changes In Equity	3
Unaudited Condensed Consolidated Statement Of Cash Flow	4
Notes To The Unaudited Interim Financial Statements	5 - 12

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 30 JUNE 2019**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30-Jun-19	30-Jun-18	To-date	Period
	RM'000	RM'000	RM'000	RM'000
Revenue	72,541	48,493	237,123	172,995
Cost of sales	(63,088)	(43,828)	(205,327)	(147,640)
Gross profit	9,453	4,665	31,796	25,355
Other income	555	662	1,294	1,564
Selling and distribution expenses	(442)	229	(2,633)	(2,519)
Administrative expenses	(2,442)	(2,799)	(9,005)	(8,782)
Other expenses	(501)	(543)	(828)	(814)
Finance Costs	(1,034)	(751)	(4,160)	(2,980)
Profit before taxation	5,589	1,463	16,464	11,824
Income tax expense	(3,286)	(1,435)	(4,584)	(2,705)
Profit after taxation	2,303	28	11,880	9,119
Other comprehensive income	-	-	-	-
Total comprehensive income for the financial period	2,303	28	11,880	9,119
Profit/ (Loss) after taxation attributable to:-				
-Owner of the Company	2,181	(144)	11,561	9,084
-Non-controlling interest	122	172	319	35
	2,303	28	11,880	9,119
Total comprehensive income/(loss) attributable to:-				
-Owner of the Company	2,181	(144)	11,561	9,084
-Non-controlling interest	122	172	319	35
	2,303	28	11,880	9,119
Earnings/(Loss) per ordinary share				
-Basic (Sen)	0.91	(0.06)	4.82	3.78
-Diluted (Sen)	0.82	(0.05)	4.23	3.50

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
AS AT 30 JUNE 2019**

	As at End of Current Quarter 30-Jun-19 (Unaudited)	As at Preceeding Financial Year End 30-Jun-18 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	61,566	59,965
Investment property	2,335	2,402
	<u>63,901</u>	<u>62,367</u>
Current assets		
Inventories	23,726	17,151
Trade receivables	68,614	36,805
Other receivables, deposits and prepayments	19,006	19,000
Tax refundable	1,154	263
Cash and bank balances	11,919	16,362
	<u>124,419</u>	<u>89,581</u>
Total assets	<u>188,320</u>	<u>151,948</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	27,197	15,636
Minority interest	1,096	776
TOTAL EQUITY	<u>88,293</u>	<u>76,412</u>
Non-current liabilities		
Long-term borrowings	30,106	19,904
Deferred tax liabilities	1,120	1,223
	<u>31,226</u>	<u>21,127</u>
Current liabilities		
Trade payables	19,428	8,979
Other payables and accruals	4,424	4,522
Derivative liabilities	-	59
Provision for taxation	2,104	1,561
Short-term borrowings	42,845	39,288
	<u>68,801</u>	<u>54,409</u>
Total liabilities	<u>100,027</u>	<u>75,536</u>
TOTAL EQUITY AND LIABILITIES	<u>188,320</u>	<u>151,948</u>
Net assets per share (RM)	<u>0.37</u>	<u>0.32</u>

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 30 JUNE 2019**

	Share Capital RM'000	Retained Profits RM'000	Non- Cotrolling interest RM'000	Total RM'000
For the year ended 30 June 2019				
Balance at 1.7.2018	60,000	15,636	776	76,412
Profit after taxation/total comprehensive income for the financial period	-	11,561	319	11,880
Disposal of a subsidiary	-	-	1	1
Balance at 30.6.2019	60,000	27,197	1,096	88,293
For the year ended 30 June 2018				
Balance at 1.7.2017	60,000	6,552	741	67,293
Profit after taxation/total comprehensive income for the financial period	-	9,084	35	9,119
Balance at 30.6.2018	60,000	15,636	776	76,412

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 30 JUNE 2019**

	Current Year To-date 30-Jun-19 RM'000	Preceding Year Corresponding Period 30-Jun-18 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	16,464	11,824
Adjustments for:		
Depreciation of property, plant & equipment	3,308	2,855
Depreciation of investment property	67	67
Fair value adjustment on derivative financial instruments	(59)	59
Gain on disposal of property, plant & machinery	(101)	(118)
Gain on disposal of a subsidiary	(2)	-
Inventories written down	-	50
Property, plant & equipment written off	108	-
Provision for Expected Credit Loss	229	-
Interest expense	4,160	2,972
Interest income	(4)	(22)
Unrealised gain on foreign exchange	-	(66)
Profit before taxation	24,170	17,621
Changes in working capital:		
Inventories	(6,575)	(9,172)
Trade and other receivables	(32,044)	(7,895)
Trade and other payables	10,355	(8,704)
Cash used in operations	(4,094)	(8,150)
Income tax paid	(5,035)	(1,039)
Income tax refunded	-	407
Net cash used in operating activities	(9,129)	(8,782)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4	22
Purchase of property, plant and equipment	(5,017)	(4,646)
Proceeds from disposal of a subsidiary	(1)	-
Proceeds from disposal of property, plant and equipment	101	203
Net cash used in investing activities	(4,913)	(4,421)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(4,160)	(2,972)
Net payment of hire purchase obligation	(578)	(1,908)
Net drawdown of bankers' acceptances	11,422	2,922
Net drawdown of term loans	3,900	13,220
Net cash from financing activities	10,584	11,262
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,458)	(1,941)
Effect of exchange rate changes on cash and cash equivalents	-	20
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	8,954	10,875
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	5,496	8,954
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	11,919	16,362
Bank overdrafts	(6,423)	(7,408)
	5,496	8,954

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.