

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FOURTH QUARTER ENDED 31 DECEMBER 2007

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER ENDED 31 DECEMBER 2007**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year Quarter 31-Dec-07 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Dec-06 RM'000</b>	<b>Current Year To-date 31-Dec-07 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-06 RM'000</b>
Revenue	33,003	32,461	124,023	135,927
Cost of sales	(30,702)	(26,745)	(111,018)	(118,730)
<b>Gross profit</b>	<b>2,301</b>	<b>5,716</b>	<b>13,005</b>	<b>17,197</b>
Other income	85	63	214	255
Administrative expenses	(1,605)	(1,478)	(4,697)	(5,027)
Selling and distribution expenses	(1,237)	(730)	(4,928)	(3,608)
Other expenses	(138)	(150)	(626)	(492)
Finance Costs	(237)	(273)	(1,346)	(713)
<b>(Loss)/Profit before taxation</b>	<b>(831)</b>	<b>3,148</b>	<b>1,622</b>	<b>7,612</b>
Taxation	931	(968)	437	(1,858)
<b>Profit after taxation</b>	<b>100</b>	<b>2,180</b>	<b>2,059</b>	<b>5,754</b>
Attributable to:				
<b>Equity holders of the parent</b>	<b>100</b>	<b>2,180</b>	<b>2,059</b>	<b>5,754</b>
Earnings per share (sen)				
- Basic	0.08	1.82	1.72	4.80
- Diluted	N/A	N/A	N/A	N/A

*The unaudited Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FOURTH QUARTER ENDED 31 DECEMBER 2007

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2007**

	<b>As at End of Current Quarter 31-Dec-07 (Unaudited) RM'000</b>	<b>As at Preceding Financial Year End 31-Dec-06 (Audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & machinery	38,639	34,666
Prepaid lease payments	5,037	5,107
Goodwill on Acquisition	2,064	-
	-----	-----
	45,740	39,773
	-----	-----
<b>Current assets</b>		
Inventories	22,775	24,767
Trade & other receivables	25,708	23,554
Tax refundable	1,367	866
Fixed deposits with licensed banks	1,986	-
Short term deposits with licensed banks	-	6,756
Cash and bank balances	1,459	2,661
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	53,295	58,604
	-----	-----
<b>TOTAL ASSETS</b>	<b>99,035</b>	<b>98,377</b>
	=====	=====
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Retained profits	12,238	11,679
	-----	-----
	72,238	71,679
	-----	-----
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Hire purchase payables	694	1,209
Term loan	3,344	3,765
Deferred taxation	2,570	2,443
	-----	-----
	6,608	7,417
	-----	-----
<b>Current liabilities</b>		
Trade & other payables	5,970	6,527
Provision for taxation	-	830
Hire purchase payables	1,745	1,758
Short term borrowings	10,190	7,786
Bank overdraft	2,284	2,380
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	20,189	19,281
	-----	-----
<b>Total liabilities</b>	<b>26,797</b>	<b>26,698</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>99,035</b>	<b>98,377</b>
	=====	=====
Net assets per share (RM)	0.60	0.60
	=====	=====

The unaudited Condensed Balance Sheet should be read in conjunction with the audited Financial Statements for year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FOURTH QUARTER ENDED 31 DECEMBER 2007

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 DECEMBER 2007**

	<b>Share Capital</b>	<b>Retained Profits</b>	<b>Dividend</b>	<b>Negative Goodwill</b>	<b>Total</b>
	RM'000	RM'000	RM'000	RM'000	RM'000
<b><i>For the period ended 31 December 2007</i></b>					
At 1 January 2007	60,000	11,679	-	-	71,679
Dividend paid	-	(1,500)	-	-	(1,500)
Net profit for the period	-	2,059	-	-	2,059
<b>At 31 December 2007</b>	<b>60,000</b>	<b>12,238</b>	<b>-</b>	<b>-</b>	<b>72,238</b>
<b><i>For the period ended 31 December 2006</i></b>					
At 1 January 2006	60,000	3,414	3,000	4,011	70,425
Effect of adopting FRS 3	-	4,011	-	(4,011)	-
Dividend paid	-	-	(4,500)	-	(4,500)
Dividend proposed	-	(1,500)	1,500	-	-
Net profit for the period	-	5,754	-	-	5,754
<b>At 31 December 2006</b>	<b>60,000</b>	<b>11,679</b>	<b>-</b>	<b>-</b>	<b>71,679</b>

*The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FOURTH QUARTER ENDED 31 DECEMBER 2007

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE QUARTER ENDED 31 DECEMBER 2007**

	<b>Current Year To-date 31-Dec-07 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-06 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	1,622	7,612
Adjustments for:		
Allowance for doubtful debts	-	25
Amortisation of concession rights	5,368	2,979
Depreciation of property, plant & machinery	4,216	3,449
Interest expense	1,048	479
Amortisation of prepaid lease payments	70	70
Net Loss/ (gain) on disposal of property, plant & machinery	67	(23)
Interest income	(135)	(168)
<b>Operating profit before working capital changes</b>	12,256	14,423
Decrease/ (Increase) in inventories	2,583	(11,441)
(Increase)/ Decrease in trade & other receivables	(4,668)	1,269
(Decrease)/ Increase in trade & other payables	(5,407)	2,151
<b>Cash From Operations</b>	4,764	6,402
Interest paid	(1,048)	(479)
Income tax paid	(594)	(894)
<b>Net Cash From Operating Activities</b>	3,122	5,029
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Acquisition of subsidiary	(4,174)	-
Interest received	135	168
Proceeds from disposal of property, plant and equipment	356	25
Purchase of property, plant and equipment	(4,321)	(8,354)
<b>Net Cash For Investing Activities</b>	(8,004)	(8,161)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	(1,500)	(4,500)
Repayment of hire purchase obligations	(768)	(1,635)
Net drawdown of bankers' acceptances	1,987	2,943
(Repayment)/ Increase of term loan	(713)	4,427
<b>Net Cash (For)/ From Financing Activities</b>	(994)	1,235
<b>NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS</b>	(5,876)	(1,897)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	7,037	8,934
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	1,161	7,037
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	1,459	2,661
Short term deposits with licensed banks	1,986	6,756
Bank overdraft	(2,284)	(2,380)
	1,161	7,037

*The unaudited Condensed Cash Flow Statement should be read in conjunction with the audited Financial Statements for year ended 31 December 2006 and the accompanying explanatory notes attached to the interim financial statements.*