

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 31 MARCH 2008

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 MARCH 2008**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-08 RM'000	Preceding Year Corresponding Quarter 31-Mar-07 RM'000	Current Year To-date 31-Mar-08 RM'000	Preceding Year Corresponding Period 31-Mar-07 RM'000
Revenue	27,284	27,600	27,284	27,600
Cost of sales	(25,910)	(24,190)	(25,910)	(24,190)
Gross profit	1,374	3,410	1,374	3,410
Other income	126	7	126	7
Administrative expenses	(1,207)	(1,273)	(1,207)	(1,273)
Selling and distribution expenses	(2,069)	(1,270)	(2,069)	(1,270)
Other expenses	(149)	(131)	(149)	(131)
Finance Costs	(277)	(340)	(277)	(340)
(Loss)/ Profit before taxation	(2,202)	403	(2,202)	403
Taxation	-	(109)	-	(109)
(Loss)/ Profit after taxation	(2,202)	294	(2,202)	294
Attributable to:				
Equity holders of the parent	(2,202)	294	(2,202)	294
(Loss)/ Earnings per share (sen)				
- Basic	(1.84)	0.25	(1.84)	0.25
- 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 2007 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
 AS AT 31 MARCH 2008**

	As at End of Current Quarter 31-Mar-08 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-07 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	37,767	38,252
Prepaid lease payments	5,019	5,037
Goodwill on consolidation	2,451	2,451
	-----	-----
	45,237	45,740
	-----	-----
Current assets		
Inventories	20,913	22,775
Trade & other receivables	20,464	25,570
Amount owing by a related party	-	4
Tax refundable	1,875	1,413
Short term deposits with licensed banks	1,591	1,987
Cash and bank balances	3,238	1,459
	-----	-----
	48,081	53,208
	-----	-----
TOTAL ASSETS	93,318	98,948
	=====	=====
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	10,164	12,366
	-----	-----
	70,164	72,366
	-----	-----
LIABILITIES		
Non-current liabilities		
Hire purchase payables	509	694
Term loan	3,112	3,344
Deferred taxation	2,444	2,444
	-----	-----
	6,065	6,482
	-----	-----
Current liabilities		
Trade & other payables	6,908	5,881
Hire purchase payables	1,464	1,745
Short term borrowings	7,230	10,190
Bank overdraft	1,487	2,284
	-----	-----
	17,089	20,100
	-----	-----
Total liabilities	23,154	26,582
	-----	-----
TOTAL EQUITY AND LIABILITIES	93,318	98,948
	=====	=====
Net assets per share (RM)	0.58	0.60
	=====	=====

The unaudited Condensed Balance Sheet should be read in conjunction with the audited Financial Statements for year ended 31 December 2007 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 2008**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
<i>For the period ended 31 March 2008</i>			
At 1 January 2008	60,000	12,366	72,366
Net loss for the period	-	(2,202)	(2,202)
At 31 March 2008	60,000	10,164	70,164
<i>For the period ended 31 March 2007</i>			
At 1 January 2007	60,000	11,679	71,679
Net profit for the period	-	294	294
At 31 March 2007	60,000	11,973	71,973

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
 FOR THE QUARTER ENDED 31 MARCH 2008**

	Current Year To-date 31-Mar-08 RM'000	Preceding Year Corresponding Period 31-Mar-07 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
(Loss)/ Profit before taxation	(2,202)	403
Adjustments for:		
Amortisation of concession rights	561	-
Depreciation of property, plant & equipment	1,097	982
Interest expense	160	266
Lease rental	18	17
Interest income	(27)	(85)
Operating (loss)/ profit before working capital changes	(393)	1,583
Decrease/ (Increase) in inventories	1,862	(2,694)
Decrease in trade & other receivables	5,371	851
Increase/ (Decrease) in trade & other payables	1,027	(2,997)
Cash From/ (For) Operations	7,867	(3,257)
Interest paid	(160)	(266)
Income tax paid	(462)	(169)
Net Cash From/ (For) Operating Activities	7,245	(3,692)
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for concession rights	(822)	-
Interest received	27	85
Purchase of property, plant and equipment	(612)	(615)
Net Cash For Investing Activities	(1,407)	(530)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Repayment of hire purchase obligations	(466)	(265)
Net (repayment)/ drawdown of bankers' acceptances	(2,938)	4,492
Repayment of term loan	(254)	-
Net Cash (For)/ From Financing Activities	(3,658)	4,227
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,180	5
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,162	7,037
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,342	7,042
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	3,238	1,804
Short term deposits with licensed banks	1,591	6,909
Bank overdraft	(1,487)	(1,671)
	3,342	7,042

The unaudited Condensed Cash Flow Statement should be read in conjunction with the audited Financial Statements for year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.