

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

THIRD QUARTER ENDED 30 SEPTEMBER 2008

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-08 RM'000	Preceding Year Corresponding Quarter 30-Sep-07 RM'000	Current Year To-date 30-Sep-08 RM'000	Preceding Year Corresponding Period 30-Sep-07 RM'000
Revenue	30,801	33,753	88,624	91,020
Cost of sales	(25,967)	(29,471)	(79,372)	(80,316)
Gross profit	4,834	4,282	9,252	10,704
Other income	96	13	317	129
Administrative expenses	(1,115)	(486)	(3,668)	(3,092)
Selling and distribution expenses	(1,522)	(1,981)	(5,029)	(3,691)
Other expenses	(127)	(274)	(407)	(488)
Finance Costs	(339)	(429)	(935)	(1,109)
(Loss)/ Profit before taxation	1,827	1,125	(470)	2,453
Taxation	(142)	(212)	(172)	(494)
(Loss)/ Profit after taxation	1,685	913	(642)	1,959
Attributable to:				
Equity holders of the parent	1,685	913	(642)	1,959
(Loss)/ Earnings per share (sen)				
- Basic	1.40	0.76	(0.54)	1.63
- 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.

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(Company No.519103-X)

THIRD QUARTER ENDED 30 SEPTEMBER 2008

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2008**

	As at End of Current Quarter 30-Sep-08 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-07 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	36,222	38,252
Prepaid lease payments	4,986	5,037
Goodwill on consolidation	2,451	2,451
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	43,659	45,740
	-----	-----
Current assets		
Inventories	17,385	22,775
Trade & other receivables	26,475	25,570
Amount owing by a related party	-	4
Tax refundable	1,651	1,413
Short term deposits with licensed banks	391	1,987
Cash and bank balances	7,225	1,459
	-----	-----
	53,127	53,208
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TOTAL ASSETS	96,786	98,948
	=====	=====
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	10,524	12,366
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	70,524	72,366
	-----	-----
LIABILITIES		
Non-current liabilities		
Hire purchase payables	147	694
Term loan	2,257	3,344
Deferred taxation	2,444	2,444
	-----	-----
	4,848	6,482
	-----	-----
Current liabilities		
Trade & other payables	5,526	5,881
Hire purchase payables	895	1,745
Short term borrowings	14,672	10,190
Bank overdraft	321	2,284
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	21,414	20,100
	-----	-----
Total liabilities	26,262	26,582
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TOTAL EQUITY AND LIABILITIES	96,786	98,948
	=====	=====
Net assets per share (RM)	0.59	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.

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THIRD QUARTER ENDED 30 SEPTEMBER 2008

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
<i>For the period ended 30 September 2008</i>			
At 1 January 2008	60,000	12,366	72,366
Dividend paid		(1,200)	(1,200)
Net loss for the period	-	(642)	(642)
At 30 September 2008	60,000	10,524	70,524
<i>For the period ended 30 September 2007</i>			
At 1 January 2007	60,000	11,679	71,679
Dividend paid	-	(1,500)	(1,500)
Net profit for the period	-	1,959	1,959
At 30 September 2007	60,000	12,138	72,138

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.

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THIRD QUARTER ENDED 30 SEPTEMBER 2008

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2008**

	Current Year To-date 30-Sep-08 RM'000	Preceding Year Corresponding Period 30-Sep-07 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
(Loss)/ Profit before taxation	(470)	2,453
Adjustments for:		
Amortisation of concession rights	3,428	-
Depreciation of property, plant & equipment	3,216	2,992
Interest expense	731	961
Lease rental	51	51
Net (gain)/ loss on disposal of property, plant & machinery	(33)	71
Interest income	(38)	(124)
Operating profit before working capital changes	6,885	6,404
Decrease/ (Increase) in inventories	5,390	(7,924)
Decrease/ (Increase) in trade & other receivables	1,013	(111)
Decrease in trade & other payables	(355)	(4,962)
Cash From/ (For) Operations	12,933	(6,593)
Interest paid	(731)	(961)
Income tax paid	(410)	(858)
Net Cash From/ (For) Operating Activities	11,792	(8,412)
CASH FLOWS FOR INVESTING ACTIVITIES		
Acquisition of subsidiary	-	(4,174)
Payment for concession rights	(5,342)	-
Interest received	38	124
Proceeds from disposal of property, plant and equipment	38	281
Purchase of property, plant and equipment	(1,191)	(2,667)
Net Cash For Investing Activities	(6,457)	(6,436)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(1,200)	(1,500)
Repayment of hire purchase obligations	(1,397)	(1,142)
Net drawdown of bankers' acceptances	4,701	11,778
Repayment of term loan	(1,306)	(452)
Net Cash From Financing Activities	798	8,684
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	6,133	(6,164)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	1,162	7,037
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,295	873
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	7,225	3,780
Short term deposits with licensed banks	391	-
Bank overdraft	(321)	(2,907)
	7,295	873

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.