

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FORTH QUARTER ENDED 31 DECEMBER 2008

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

| | Individual Quarter | | Cumulative Quarter | |
|---------------------------------------|---|---|---|--|
| | Current Year Quarter 31-Dec-08 RM'000 | Preceding Year Corresponding Quarter 31-Dec-07 RM'000 | Current Year To-date 31-Dec-08 RM'000 | Preceding Year Corresponding Period 31-Dec-07 RM'000 |
| Revenue | 23,082 | 33,003 | 111,706 | 124,035 |
| Cost of sales | (21,245) | (30,702) | (100,617) | (111,030) |
| Gross profit | 1,837 | 2,301 | 11,089 | 13,005 |
| Other income | 284 | 85 | 602 | 214 |
| Administrative expenses | (1,544) | (2,111) | (5,212) | (5,203) |
| Selling and distribution expenses | (939) | (845) | (5,968) | (4,536) |
| Other expenses | (2,374) | (183) | (2,782) | (671) |
| Finance Costs | 14 | (123) | (921) | (1,232) |
| (Loss)/ Profit before taxation | (2,722) | (876) | (3,192) | 1,577 |
| Taxation | 555 | 1,103 | 383 | 610 |
| (Loss)/ Profit after taxation | (2,167) | 227 | (2,809) | 2,187 |
| Attributable to: | | | | |
| Equity holders of the parent | (2,167) | 227 | (2,809) | 2,187 |
| (Loss)/ Earnings per share (sen) | | | | |
| - Basic | (1.81) | 0.19 | (2.34) | 1.82 |
| - 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 DECEMBER 2008**

| | As at End of Current Quarter 31-Dec-08 (Unaudited) RM'000 | As at Preceding Financial Year End 31-Dec-07 (Audited) RM'000 |
|---|--|--|
| ASSETS | | |
| Non-current assets | | |
| Property, plant & equipment | 35,414 | 38,252 |
| Prepaid lease payments | 4,967 | 5,037 |
| Goodwill on consolidation | 451 | 2,451 |
| | ----- | ----- |
| | 40,832 | 45,740 |
| | ----- | ----- |
| Current assets | | |
| Inventories | 17,004 | 22,775 |
| Trade & other receivables | 24,793 | 25,570 |
| Amount owing by a related party | - | 4 |
| Tax refundable | 1,612 | 1,413 |
| Short term deposits with licensed banks | 391 | 1,987 |
| Cash and bank balances | 5,753 | 1,459 |
| | ----- | ----- |
| | 49,553 | 53,208 |
| | ----- | ----- |
| TOTAL ASSETS | 90,385 | 98,948 |
| | ===== | ===== |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 60,000 | 60,000 |
| Retained profits | 8,357 | 12,366 |
| | ----- | ----- |
| | 68,357 | 72,366 |
| | ----- | ----- |
| LIABILITIES | | |
| Non-current liabilities | | |
| Hire purchase payables | 29 | 694 |
| Term loan | 2,270 | 3,344 |
| Deferred taxation | 1,822 | 2,444 |
| | ----- | ----- |
| | 4,121 | 6,482 |
| | ----- | ----- |
| Current liabilities | | |
| Trade & other payables | 4,981 | 5,881 |
| Hire purchase payables | 959 | 1,745 |
| Short term borrowings | 11,963 | 10,190 |
| Bank overdraft | 4 | 2,284 |
| | ----- | ----- |
| | 17,907 | 20,100 |
| | ----- | ----- |
| Total liabilities | 22,028 | 26,582 |
| | ----- | ----- |
| TOTAL EQUITY AND LIABILITIES | 90,385 | 98,948 |
| | ===== | ===== |
| Net assets per share (RM) | 0.57 | 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.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FORTH QUARTER ENDED 31 DECEMBER 2008

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2008**

| | Share Capital | Retained Profits | Total |
|---|--------------------------|-----------------------------|---------------|
| | RM'000 | RM'000 | RM'000 |
| <i>For the period ended 31 December 2008</i> | | | |
| At 1 January 2008 | 60,000 | 12,366 | 72,366 |
| Dividend paid | | (1,200) | (1,200) |
| Net loss for the period | - | (2,809) | (2,809) |
| At 31 December 2008 | 60,000 | 8,357 | 68,357 |
| <i>For the period ended 31 December 2007</i> | | | |
| At 1 January 2007 | 60,000 | 11,679 | 71,679 |
| Dividend paid | - | (1,500) | (1,500) |
| Net profit for the period | - | 2,187 | 2,187 |
| At 31 December 2007 | 60,000 | 12,366 | 72,366 |

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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(Company No.519103-X)

FORTH QUARTER ENDED 31 DECEMBER 2008

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

| | Current Year To-date 31-Dec-08 RM'000 | Preceding Year Corresponding Period 31-Dec-07 RM'000 |
|--|--|---|
| CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES | | |
| (Loss)/ Profit before taxation | (3,192) | 1,577 |
| Adjustments for: | | |
| Amortisation of concession rights | 6,279 | 1,980 |
| Depreciation of property, plant & equipment | 4,122 | 4,082 |
| Bad debt written off | 241 | 25 |
| Impairment of goodwill | 2,000 | - |
| Interest expense | 825 | 1,098 |
| Lease rental | 70 | 70 |
| Property, plant & machinery written off | (22) | - |
| Net (gain)/ loss on disposal of property, plant & machinery | (162) | 68 |
| Interest income | (47) | (169) |
| Operating profit before working capital changes | 10,114 | 8,731 |
| Decrease in inventories | 5,771 | 1,991 |
| Decrease in trade & other receivables | 5,586 | 1,785 |
| Decrease in trade & other payables | (900) | (5,496) |
| Decrease/ (Increase) amount owing by a related party | 4 | (4) |
| Cash From/ (For) Operations | 20,575 | 7,007 |
| Interest paid | (825) | (1,098) |
| Income tax paid | (438) | (872) |
| Net Cash From/ (For) Operating Activities | 19,312 | 5,037 |
| CASH FLOWS FOR INVESTING ACTIVITIES | | |
| Acquisition of subsidiary | - | (4,173) |
| Payment for concession rights | (11,329) | (2,081) |
| Interest received | 47 | 169 |
| Proceeds from disposal of property, plant and equipment | 626 | 361 |
| Purchase of property, plant and equipment | (1,726) | (2,966) |
| Net Cash For Investing Activities | (12,382) | (8,690) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | (1,200) | (1,500) |
| Repayment of hire purchase obligations | (1,451) | (1,995) |
| Net drawdown of bankers' acceptances | 1,698 | 1,987 |
| Repayment of term loan | (999) | (714) |
| Net Cash From Financing Activities | (1,952) | (2,222) |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,978 | (5,875) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 1,162 | 7,037 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | 6,140 | 1,162 |
| CASH AND CASH EQUIVALENTS COMPRISE:- | | |
| Cash and bank balances | 5,753 | 3,780 |
| Short term deposits with licensed banks | 391 | - |
| Bank overdraft | (4) | (2,907) |
| | 6,140 | 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.