

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

THIRD QUARTER ENDED 30 SEPTEMBER 2009

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Sep-09 RM'000	Preceding Year Corresponding Quarter 30-Sep-08 RM'000	Current Year To-date 30-Sep-09 RM'000	Preceding Year Corresponding Period 30-Sep-08 RM'000
Revenue	25,028	30,801	67,578	88,624
Cost of sales	(21,687)	(25,967)	(60,842)	(79,372)
Gross profit	3,341	4,834	6,736	9,252
Other income	76	96	764	317
Administrative expenses	(1,247)	(1,115)	(3,615)	(3,668)
Selling and distribution expenses	(1,288)	(1,522)	(3,911)	(5,029)
Other expenses	(108)	(127)	(426)	(407)
Finance Costs	(109)	(339)	(382)	(935)
Profit/ (Loss) before taxation	665	1,827	(834)	(470)
Taxation	(75)	(142)	(274)	(172)
Profit/ (Loss) after taxation	590	1,685	(1,108)	(642)
Attributable to:				
Equity holders of the parent	590	1,685	(1,108)	(642)
Profit/ (Loss) per share (sen)				
- Basic	0.49	1.40	(0.92)	(0.54)
- 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 2008 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET
 AS AT 30 SEPTEMBER 2009**

	As at End of Current Quarter 30-Sep-09 (Unaudited) RM'000	As at Preceding Financial Year End 30-Sep-08 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	32,757	36,222
Prepaid lease payments	4,574	4,986
Goodwill on consolidation	451	2,451
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	37,782	43,659
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Current assets		
Inventories	12,690	17,385
Trade & other receivables	18,774	26,475
Tax refundable	823	1,651
Short term deposits with licensed banks	7,770	391
Cash and bank balances	8,556	7,225
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	48,613	53,127
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TOTAL ASSETS	86,395	96,786
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EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	7,248	10,524
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	67,248	70,524
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LIABILITIES		
Non-current liabilities		
Hire purchase payables	242	147
Term loan	1,503	2,257
Deferred taxation	1,822	2,444
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	3,567	4,848
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Current liabilities		
Trade & other payables	4,975	5,526
Hire purchase payables	666	895
Short term borrowings	9,939	14,672
Bank overdraft	-	321
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	15,580	21,414
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Total liabilities	19,147	26,262
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TOTAL EQUITY AND LIABILITIES	86,395	96,786
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Net assets per share (RM)	0.56	0.59
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The unaudited Condensed Balance Sheet should be read in conjunction with the audited Financial Statements for year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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THIRD QUARTER ENDED 30 SEPTEMBER 2009

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
<i>For the period ended 30 September 2009</i>			
At 1 January 2009	60,000	8,356	68,356
Net loss for the period	-	(1,108)	(1,108)
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At 30 September 2009	60,000	7,248	67,248
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<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)
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At 30 September 2008	60,000	10,524	70,524
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The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.

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THIRD QUARTER ENDED 30 SEPTEMBER 2009

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE QUARTER ENDED 30 SEPTEMBER 2009**

	Current Year To-date 30-Sep-09 RM'000	Preceding Year Corresponding Period 30-Sep-08 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Loss before taxation	(834)	(470)
Adjustments for:		
Amortisation of concession rights	7,874	3,428
Depreciation of property, plant & equipment	2,871	3,216
Interest expense	354	731
Lease rental	50	51
Property, plant & machinery written off	13	-
Net gain on disposal of property, plant & machinery	(120)	(33)
Interest income	(53)	(38)
Operating profit before working capital changes	10,155	6,885
Decrease in inventories	4,314	5,390
Decrease in trade & other receivables	1,647	1,013
Decrease in trade & other payables	(6)	(355)
Cash From Operations	16,110	12,933
Interest paid	(354)	(731)
Income tax refunded/ (paid)	516	(410)
Net Cash From Operating Activities	16,272	11,792
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for concession rights	(3,503)	(5,342)
Interest received	53	38
Proceeds from disposal of property, plant and equipment	1,561	38
Purchase of property, plant and equipment	(1,326)	(1,191)
Net Cash For Investing Activities	(3,215)	(6,457)
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	-	(1,200)
Net repayment of hire purchase obligations	(80)	(1,397)
(Repayment)/ drawdown of bankers' acceptances	(1,927)	4,701
Repayment of term loan	(864)	(1,306)
Net Cash (For)/ From Financing Activities	(2,871)	798
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,186	6,133
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	6,140	1,162
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16,326	7,295
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	8,556	7,225
Short term deposits with licensed banks	7,770	391
Bank overdraft	-	(321)
	16,326	7,295

The unaudited Condensed Cash Flow Statement should be read in conjunction with the audited Financial Statements for year ended 31 December 2008 and the accompanying explanatory notes attached to the interim financial statements.