

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FORTH QUARTER ENDED 31 DECEMBER 2009

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER ENDED 31 DECEMBER 2009**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Dec-09 RM'000	Preceding Year Corresponding Quarter 31-Dec-08 RM'000	Current Year To-date 31-Dec-09 RM'000	Preceding Year Corresponding Period 31-Dec-08 RM'000
Revenue	25,845	23,082	93,424	111,706
Cost of sales	(22,425)	(21,245)	(83,267)	(100,617)
Gross profit	3,420	1,837	10,157	11,089
Other income	117	284	628	602
Selling and distribution expenses	(1,440)	(939)	(4,321)	(5,968)
Administrative expenses	(410)	(1,544)	(5,056)	(5,212)
Other expenses	(1,083)	(2,374)	(1,212)	(2,782)
Finance Costs	(215)	14	(642)	(921)
Profit/ (Loss) before taxation	389	(2,722)	(446)	(3,192)
Taxation	48	555	(226)	383
Profit/ (Loss) after taxation	437	(2,167)	(672)	(2,809)
Attributable to:				
Equity holders of the parent	437	(2,167)	(672)	(2,809)
Profit/ (Loss) per share (sen)				
- Basic	0.36	(1.81)	(0.56)	(2.34)
- 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 31 DECEMBER 2009**

	As at End of Current Quarter 31-Dec-09 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-08 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	31,951	35,414
Prepaid lease payments	4,558	4,967
Goodwill on consolidation	451	451
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	36,960	40,832
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Current assets		
Inventories	11,403	17,004
Trade & other receivables	27,424	24,793
Tax refundable	871	1,612
Short term deposits with licensed banks	14,220	391
Cash and bank balances	3,537	5,753
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	57,455	49,553
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TOTAL ASSETS	94,415	90,385
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EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	7,685	8,357
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	67,685	68,357
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LIABILITIES		
Non-current liabilities		
Hire purchase payables	156	29
Term loan	1,225	2,270
Deferred taxation	1,822	1,822
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	3,203	4,121
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Current liabilities		
Trade & other payables	6,058	4,981
Hire purchase payables	586	959
Short term borrowings	16,883	11,963
Bank overdraft	-	4
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	23,527	17,907
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Total liabilities	26,730	22,028
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TOTAL EQUITY AND LIABILITIES	94,415	90,385
	=====	=====
Net assets per share (RM)	0.56	0.57
	=====	=====

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.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FORTH QUARTER ENDED 31 DECEMBER 2009

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2009**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
<i>For the period ended 31 December 2009</i>			
At 1 January 2009	60,000	8,357	68,357
Net loss for the period	-	(672)	(672)
At 31 Dcember 2009	60,000	7,685	67,685
<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 Dcember 2008	60,000	8,357	68,357

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.

**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
 FOR THE QUARTER ENDED 31 DECEMBER 2009**

	Current Year To-date 31-Dec-09 RM'000	Preceding Year Corresponding Period 31-Dec-08 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Loss before taxation	(446)	(3,192)
Adjustments for:		
Amortisation of concession rights	9,221	6,279
Depreciation of property, plant & equipment	3,681	4,122
Bad debt written off	174	241
Impairment of goodwill	-	2,000
Interest expense	511	825
Lease rental	67	70
Property, plant & machinery written off	13	(22)
Net (gain)/ loss on disposal of property, plant & machinery	(144)	(162)
Interest income	(114)	(47)
Operating profit before working capital changes	<u>12,963</u>	<u>10,114</u>
Increase in inventories	5,601	5,771
(Decrease)/Increase in trade & other receivables	(5,261)	5,586
Increase/(Decrease) in trade & other payables	1,077	(900)
Decrease amount owing by a related party	-	4
Cash From Operations	<u>14,380</u>	<u>20,575</u>
Interest paid	(511)	(825)
Income tax refunded/ (paid)	515	(438)
Net Cash From Operating Activities	<u>14,384</u>	<u>19,312</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Payment for concession rights	(6,765)	(11,329)
Interest received	114	47
Proceeds from disposal of property, plant and equipment	1,633	626
Purchase of property, plant and equipment	(1,378)	(1,726)
Net Cash For Investing Activities	<u>(6,396)</u>	<u>(12,382)</u>
CASH FLOWS FOR FINANCING ACTIVITIES		
Dividend paid	-	(1,200)
Net repayment of hire purchase obligations	(246)	(1,451)
(Repayment)/ drawdown of bankers' acceptances	5,034	1,698
Repayment of term loan	(1,159)	(999)
Net Cash From/(For) Financing Activities	<u>3,629</u>	<u>(1,952)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	11,617	4,978
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>6,140</u>	<u>1,162</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>17,757</u></u>	<u><u>6,140</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	3,537	5,753
Short term deposits with licensed banks	14,220	391
Bank overdraft	-	(4)
	<u>17,757</u>	<u>6,140</u>

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.