

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 30 JUNE 2010**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-10 RM'000	Preceding Year Corresponding Quarter 30-Jun-09 RM'000	Current Year To-date 30-Jun-10 RM'000	Preceding Year Corresponding Period 30-Jun-09 RM'000
Continuing operations				
Revenue	28,420	25,635	59,658	42,550
Cost of sales	(24,511)	(23,702)	(52,287)	(39,154)
Gross profit	3,909	1,933	7,371	3,396
Other income	118	209	563	688
Distribution costs	(1,104)	(848)	(2,372)	(2,369)
Administrative expenses	(1,161)	(1,472)	(2,294)	(2,412)
Other expenses	(102)	(128)	(172)	(484)
Operating profit	1,660	(306)	3,096	(1,181)
Finance Costs	(300)	(364)	(574)	(318)
Profit/ (Loss) before taxation	1,360	(670)	2,522	(1,499)
Income tax expense	5	(108)	(249)	(199)
Profit/ (Loss) after taxation for the period	1,365	(778)	2,273	(1,698)
Other Comprehensive income for the period, net of tax	-	-	-	-
Total Comprehensive income/ (loss) for the period, net of tax	1,365	(778)	2,273	(1,698)
Total comprehensive income/ (loss) attributable to:				
-owners of the Company	1,365	(778)	2,273	(1,698)
Earning/ (loss) per share for profit attributable to the owners of the company				
Basic earning/ (loss) per share (sen)	1.14	(0.65)	1.89	(1.42)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2010**

	As at End of Current Quarter 30-Jun-10 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-09 (Audited) (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	35,715	36,509
Goodwill on consolidation	451	451
Total non-current assets	36,166	36,960
Current assets		
Inventories	14,095	11,403
Concession rights	916	3,286
Derivative financial assets	119	-
Trade receivables	21,583	14,079
Other receivables, deposits and prepayments	14,106	10,060
Current Tax assets	709	892
Short term deposits with licensed banks	2,637	14,220
Cash and bank balances	6,979	3,536
Total current assets	61,144	57,476
Total assets	97,310	94,436
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	10,305	8,032
Total Equity	70,305	68,032
LIABILITIES		
Non-current liabilities		
Loans and borrowings	1,183	1,381
Deferred tax liabilities	1,600	1,490
Total non-current liabilities	2,783	2,871
Current liabilities		
Loans and borrowings	18,040	17,469
Trade payables	4,151	2,796
Other payables and accruals	2,008	3,268
Bank overdraft	23	-
Total current liabilities	24,222	23,533
Total liabilities	27,005	26,404
TOTAL EQUITY AND LIABILITIES	97,310	94,436
Net assets per share (RM)	0.59	0.57

The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

SECOND QUARTER ENDED 30 JUNE 2010

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2010**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
For the period ended 30 June 2010			
Balance at 1 January 2010	60,000	8,032	68,032
Total comprehensive income for the period	-	2,273	2,273
Balance at 30 June 2010	60,000	10,305	70,305
For the period ended 30 June 2009			
Balance at 1 January 2009	60,000	8,356	68,356
Total comprehensive loss for the period	-	(1,698)	(1,698)
Balance at 30 June 2009	60,000	6,658	66,658

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE QUARTER ENDED 30 JUNE 2010**

	Current Year To-date 30-Jun-10 RM'000	Preceding Year Corresponding Period 30-Jun-09 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit/ (Loss) before tax	2,522	(1,499)
Adjustments for:		
Amortisation of concession rights	6,014	6,244
Depreciation of property, plant & equipment	1,622	1,962
Interest expense	314	293
Loss/(Gain) on disposal of property, plant & machinery	(127)	(111)
Gain on forward currency contracts	119	-
Interest income	(38)	(29)
Operating profit before working capital changes	<u>10,426</u>	<u>6,860</u>
(Increase)/ Decrease in inventories	(2,692)	834
(Increase)/ Decrease in trade & other receivables	(11,788)	1,852
Increase/ (Decrease) in trade & other payables	95	(135)
Cash (For)/From Operations	<u>(3,959)</u>	<u>9,411</u>
Interest paid	(314)	(293)
Income tax refund	44	536
Net Cash (For)/ From Operating Activities	<u>(4,229)</u>	<u>9,654</u>
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Payment for concession rights	(3,644)	(3,503)
Interest received	38	29
Proceeds from disposal of property, plant and equipment	1,197	1,523
Purchase of property, plant and equipment	(1,898)	(1,213)
Net Cash (For)/ From Investing Activities	<u>(4,307)</u>	<u>(3,164)</u>
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Net drawdown in/ (repayment of) hire purchase obligations	348	229
Net drawdown in/ (Repayment of) bankers' acceptances	636	(3,084)
Repayment of term loan	(611)	(569)
Net Cash From/ (For) Financing Activities	<u>373</u>	<u>(3,424)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(8,163)</u>	<u>3,066</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>17,756</u>	<u>6,140</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>9,593</u></u>	<u><u>9,206</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	6,979	8,803
Short term deposits with licensed banks	2,637	405
Bank overdraft	(23)	-
	<u><u>9,593</u></u>	<u><u>9,208</u></u>

The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for year ended 31 December 2009 and the accompanying explanatory notes attached to the interim financial statements.