

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FOURTH QUARTER ENDED 31 DECEMBER 2010

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 DECEMBER 2010**

(Audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Dec-10 RM'000	Preceding Year Corresponding Quarter 31-Dec-09 RM'000	Current Year To-date 31-Dec-10 RM'000	Preceding Year Corresponding Period 31-Dec-09 RM'000
Continuing operations				
Revenue	27,669	25,846	114,945	93,424
Cost of sales	(25,379)	(22,425)	(101,834)	(83,267)
Gross profit	2,290	3,421	13,111	10,157
Other income	311	-	935	628
Distribution costs	(641)	(546)	(4,175)	(4,321)
Administrative expenses	(1,525)	(1,446)	(4,966)	(5,061)
Other expenses	(1,196)	(786)	(1,613)	(1,212)
Operating profit/ (loss)	(761)	643	3,292	191
Finance Costs	(19)	(260)	(925)	(642)
Profit/ (Loss) before taxation	(780)	383	2,367	(451)
Income tax expense	15	401	(532)	127
Profit/ (Loss) after taxation for the period	(765)	784	1,835	(324)
Other Comprehensive income for the period, net of tax	-	-	-	-
Total Comprehensive income/ (loss) for the period, net of tax	(765)	784	1,835	(324)
Total comprehensive income/ (loss) attributable to:				
-owners of the Company	(765)	784	1,835	(324)
Earning/ (loss) per share for profit attributable to the owners of the company				
Basic earning/ (loss) per share (sen)	(0.64)	0.65	1.53	(0.27)

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 31 DECEMBER 2010

	As at End of Current Quarter 31-Dec-10 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-09 (Audited) (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	37,089	36,509
Goodwill on consolidation	451	451
Total non-current assets	37,540	36,960
Current assets		
Inventories	8,392	11,403
Concession rights	11,982	3,286
Derivative financial assets	128	-
Trade receivables	22,708	14,079
Other receivables, deposits and prepayments	7,673	10,060
Current Tax assets	602	892
Short term deposits with licensed banks	418	14,220
Cash and bank balances	4,676	3,536
Total current assets	56,579	57,476
Total assets	94,119	94,436
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Capital reserve	-	-
Retained profits	9,867	8,032
Total Equity	69,867	68,032
LIABILITIES		
Non-current liabilities		
Loans and borrowings	1,357	1,381
Deferred tax liabilities	1,551	1,490
Total non-current liabilities	2,908	2,871
Current liabilities		
Loans and borrowings	15,133	17,469
Trade payables	2,463	2,796
Other payables and accruals	2,581	3,268
Bank overdraft	1,167	-
Total current liabilities	21,344	23,533
Total liabilities	24,252	26,404
TOTAL EQUITY AND LIABILITIES	94,119	94,436
Net assets per share (RM)	0.58	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.

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FOURTH QUARTER ENDED 31 DECEMBER 2010

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2010**

	Share Capital	Capital Reserve	Retained Profits	Total
	RM'000	RM'000	RM'000	RM'000
For the period ended 31 December 2010				
Balance at 1 Jan 2010				
- as previously reported	60,000	-	8,032	68,032
Total comprehensive income for the period	-	-	1,835	1,835
Balance at 31 Dec 2010	60,000	-	9,867	69,867
For the period ended 30 September 2009				
Balance at 1 Jan 2009	60,000	60,000	8,356	128,356
Total comprehensive loss for the period	-	-	(324)	(324)
Balance at 31 Dec 2009	60,000	60,000	8,032	128,032

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.

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FOURTH QUARTER ENDED 31 DECEMBER 2010

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 DECEMBER 2010**

	Current Year To-date 31/12/2010 RM'000	Preceding Year Corresponding Period 31/12/2009 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit/ (Loss) before tax	2,367	(451)
Adjustments for:		
Amortisation of concession rights	8,219	9,222
Gain on foreign exchange - unrealised	128	-
Depreciation of property, plant & equipment	3,274	3,733
Impairment loss on trade receivables	-	239
Provision of impairment loss on trade receivables	256	-
Interest expense	664	511
Property, plant & machinery written off	-	14
Gain on disposal of property, plant & machinery	(133)	(144)
Interest income	(43)	(114)
Operating profit before working capital changes	14,732	13,010
Decrease in inventories	3,011	5,601
Increase in trade & other receivables	(6,754)	(5,328)
(Decrease)/ Increase in trade & other payables	(1,009)	1,082
Cash From Operations	9,980	14,365
Interest paid	(664)	(511)
Income tax (paid)/ refund	(181)	516
Net Cash From Operating Activities	9,135	14,370
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Payment for concession rights	(16,915)	(6,765)
Interest received	43	114
Proceeds from disposal of property, plant and equipment	708	1,633
Purchase of property, plant and equipment	(4,429)	(532)
Net Cash For Investing Activities	(20,593)	(5,550)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Net drawdown in/ (repayment of) hire purchase obligations	309	(1,078)
Net (Repayment of)/ drawdown in bankers' acceptances	(2,549)	5,034
Repayment of term loan	(120)	(1,159)
Net Cash (For)/ From Financing Activities	(2,360)	2,797
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(13,818)	11,617
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	17,756	6,140
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	3,938	17,757
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	4,676	3,537
Short term deposits with licensed banks	418	14,220
Bank overdraft	(1,167)	-
	3,927	17,757

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.