

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED 31 MARCH 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31-Mar-11 RM'000	Preceding Year Corresponding Quarter 31-Mar-10 RM'000	Current Year To-date 31-Mar-11 RM'000	Preceding Year Corresponding Period 31-Mar-10 RM'000
Continuing operations				
Revenue	21,495	31,238	21,495	31,238
Cost of sales	(19,446)	(27,776)	(19,446)	(27,776)
Gross profit	2,049	3,462	2,049	3,462
Other income	279	444	279	444
Distribution costs	(661)	(1,268)	(661)	(1,268)
Administrative expenses	(1,533)	(1,132)	(1,533)	(1,132)
Other expenses	(53)	(70)	(53)	(70)
Operating profit/ (loss)	81	1,436	81	1,436
Finance Costs	(231)	(274)	(231)	(274)
(Loss)/ Profit before taxation	(150)	1,162	(150)	1,162
Income tax expense	(241)	(254)	(241)	(254)
(Loss)/ Profit after taxation	(391)	908	(391)	908
Other Comprehensive Income	-	-	-	-
Total Comprehensive (expenses)/ income for the financial period	(391)	908	(391)	908
Total comprehensive (expenses)/ income attributable to:				
-owner of the Company	(391)	908	(391)	908
(Loss)/ Earning Per Share				
-Basic (Sen)	(0.33)	0.76	(0.33)	0.76
-Diluted	Not applicable	Not applicable	Not applicable	Not applicable

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	As at End of Current Quarter 31-Mar-11 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-10 (Audited) (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	38,696	37,089
Goodwill on consolidation	451	451
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	39,147	37,540
	<hr/>	<hr/>
Current assets		
Inventories	11,185	8,392
Advances for rubberwood/ timber logs purchased	10,912	14,295
Trade receivables	22,183	22,708
Other receivables, deposits and prepayments	4,480	5,360
Derivative assets	233	128
Tax refundable	544	667
Short term deposits with licensed banks	428	418
Cash and bank balances	6,920	4,676
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	56,885	56,644
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Total assets	96,032	94,184
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EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	9,542	9,933
Total equity attributable to owners of the company	<hr/>	<hr/>
	69,542	69,933
TOTAL EQUITY	<hr/>	<hr/>
	69,542	69,933
Non-current liabilities		
Long-term borrowings	3,946	1,562
Deferred tax liabilities	1,659	1,551
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	5,605	3,113
	<hr/>	<hr/>
Current liabilities		
Trade payables	1,970	2,463
Other payables and accruals	1,828	2,579
Short-term borrowings	17,087	14,928
Bank overdrafts	-	1,168
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	20,885	21,138
	<hr/>	<hr/>
Total liabilities	26,490	24,251
TOTAL EQUITY AND LIABILITIES	<hr/>	<hr/>
	96,032	94,184
	<hr/>	<hr/>
Net assets per share (RM)	0.58	0.58
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The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 31 MARCH 2011

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 MARCH 2011**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
For the period ended 31 March 2011			
Balance at 1.1.2011	60,000	9,933	69,933
Total comprehensive loss for the period	-	(391)	(391)
Balance at 31.3.2011	60,000	9,542	69,542
For the period ended 31 March 2010			
Balance at 1.1.2010	60,000	8,032	68,032
Total comprehensive income for the period	-	908	908
Balance at 31.3.2010	-	8,940	908

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

SERN KOU RESOURCES BERHAD

(Company No.519103-X)

FIRST QUARTER ENDED 31 MARCH 2011

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED 31 MARCH 2011**

	Current Year To-date 31-Mar-11 RM'000	Preceding Year Corresponding Period 31-Mar-10 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(150)	1,162
Adjustments for:		
Depreciation of property, plant & equipment	817	812
Interest expense	187	159
Fair value gain	(105)	(338)
(Gain)/ Loss on disposal of property, plant & machinery	(19)	3
Interest income	(11)	(38)
Operating profit before working capital changes	<u>719</u>	<u>1,760</u>
(Increase)/ Decrease in inventories	(2,793)	1,837
Decrease in advances for rubberwood/ timber logs purchased	3,383	772
Decrease/ (Increase) in trade & other receivables	1,405	(13,423)
Decrease in trade & other payables	(1,244)	(498)
Cash From Operations	<u>1,470</u>	<u>(9,552)</u>
Interest paid	(187)	(159)
Income tax (paid)/ refund	(10)	138
Net Cash From/ (For) Operating Activities	<u>1,273</u>	<u>(9,573)</u>
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest received	11	38
Proceeds from disposal of property, plant and equipment	23	11
Purchase of property, plant and equipment	(2,428)	(71)
Net Cash For Investing Activities	<u>(2,394)</u>	<u>(22)</u>
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Net repayment of hire purchase obligations	(173)	(175)
Net drawdown of bankers' acceptances	2,700	1,290
Net drawdown/ (repayment) of term loan	2,016	(303)
Net Cash From Financing Activities	<u>4,543</u>	<u>812</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,422</u>	<u>(8,783)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>3,926</u>	<u>17,756</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>7,348</u></u>	<u><u>8,973</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	6,920	7,491
Short term deposits with licensed banks	428	2,624
Bank overdraft	-	(1,142)
	<u><u>7,348</u></u>	<u><u>8,973</u></u>

The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.