

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 30 JUNE 2011**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-Jun-11 RM'000	Preceding Year Corresponding Quarter 30-Jun-10 RM'000	Current Year To-date 30-Jun-11 RM'000	Preceding Year Corresponding Period 30-Jun-10 RM'000
Continuing operations				
Revenue	30,453	28,420	51,947	59,658
Cost of sales	(27,348)	(24,511)	(46,794)	(52,287)
Gross profit	3,105	3,909	5,153	7,371
Other income	221	118	500	563
Distribution costs	(747)	(1,104)	(1,407)	(2,372)
Administrative expenses	(1,256)	(1,161)	(2,789)	(2,294)
Other expenses	(207)	(102)	(260)	(172)
Operating profit	1,116	1,660	1,197	3,096
Finance Costs	(317)	(300)	(548)	(574)
Profit before taxation	799	1,360	649	2,522
Income tax expense	412	5	171	(249)
Profit after taxation	1,211	1,365	820	2,273
Other Comprehensive Income	-	-	-	-
Total Comprehensive income for the financial period	1,211	1,365	820	2,273
Total comprehensive (expenses)/ income attributable to:				
-owner of the Company	1,211	1,365	820	2,273
(Loss)/ Earning Per Share				
-Basic (Sen)	1.01	1.14	0.68	1.89
-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 30 JUNE 2011

	As at End of Current Quarter 30-Jun-11 (Unaudited) RM'000	As at Preceeding Financial Year End 31-Dec-10 (Audited) (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	38,221	37,089
Goodwill on consolidation	451	451
	<u>38,672</u>	<u>37,540</u>
Current assets		
Inventories	9,245	8,392
Advances for rubberwood/ timber logs purchased	11,405	14,295
Trade receivables	22,299	22,708
Other receivables, deposits and prepayments	9,485	5,360
Derivative assets	157	128
Tax refundable	332	667
Short term deposits with licensed banks	428	418
Cash and bank balances	7,288	4,676
	<u>60,639</u>	<u>56,644</u>
Total assets	<u>99,311</u>	<u>94,184</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	10,753	9,933
Total equity attributable to owners of the company	<u>70,753</u>	<u>69,933</u>
TOTAL EQUITY	<u>70,753</u>	<u>69,933</u>
Non-current liabilities		
Long-term borrowings	4,437	1,562
Deferred tax liabilities	924	1,551
	<u>5,361</u>	<u>3,113</u>
Current liabilities		
Trade payables	2,131	2,463
Other payables and accruals	1,953	2,579
Short-term borrowings	17,782	14,928
Bank overdrafts	1,331	1,168
	<u>23,197</u>	<u>21,138</u>
Total liabilities	<u>28,558</u>	<u>24,251</u>
TOTAL EQUITY AND LIABILITIES	<u>99,311</u>	<u>94,184</u>
Net assets per share (RM)	0.59	0.58

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)
 SECOND QUARTER ENDED 30 JUNE 2011

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2011

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
For the period ended 30 June 2011			
Balance at 1.1.2011	60,000	9,933	69,933
Total comprehensive loss for the period	-	820	820
Balance at 30.6.2011	60,000	10,753	70,753
For the period ended 30 June 2010			
Balance at 1.1.2010	60,000	8,032	68,032
Total comprehensive income for the period	-	2,273	2,273
Balance at 30.6.2010	-	10,305	2,273

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)
 SECOND QUARTER ENDED 30 JUNE 2011

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE QUARTER ENDED 30 JUNE 2011**

	Current Year To-date 30-Jun-11 RM'000	Preceding Year Corresponding Period 30-Jun-10 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
Profit before tax	649	2,522
Adjustments for:		
Depreciation of property, plant & equipment	1,611	1,622
Interest expense	446	314
Gain on forward currency contracts	(29)	(119)
Gain on disposal of property, plant & machinery	(54)	(127)
Interest income	(25)	(38)
Operating profit before working capital changes	2,598	4,174
Increase in inventories	(852)	(2,692)
Decrease in advances for rubberwood/ timber logs purchased	2,890	2,370
Increase in trade & other receivables	(3,717)	(11,788)
(Decrease)/ increase in trade & other payables	(958)	95
Cash For Operations	(39)	(7,841)
Interest paid	(446)	(314)
Income tax (paid)/ refund	(121)	44
Net Cash For Operating Activities	(606)	(8,111)
CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES		
Interest received	25	38
Proceeds from disposal of property, plant and equipment	329	1,197
Purchase of property, plant and equipment	(3,018)	(1,898)
Net Cash For Investing Activities	(2,664)	(663)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Net (repayment)/ drawdown of hire purchase obligations	(258)	348
Net drawdown of bankers' acceptances	3,738	636
Net drawdown/ (repayment) of term loan	2,249	(611)
Net Cash From Financing Activities	5,729	373
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	2,459	(8,401)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	3,926	17,756
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	6,385	9,355
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	7,288	6,979
Short term deposits with licensed banks	428	2,637
Bank overdraft	(1,331)	(23)
	6,385	9,593

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.