

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

OTHER QUARTER ENDED 31 DECEMBER 2011

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-11 RM'000	Preceding Year Corresponding Quarter 31-Dec-10 RM'000	Current Year To-date 31-Dec-11 RM'000	Preceding Year Corresponding Period 31-Dec-10 RM'000
<b>Continuing operations</b>				
Revenue	25,726	27,669	107,556	115,015
Cost of sales	(23,960)	(25,379)	(97,947)	(101,834)
<b>Gross profit</b>	1,766	2,290	9,609	13,181
Other income	507	311	1,304	865
Distribution costs	235	(641)	(2,708)	(4,175)
Administrative expenses	(1,261)	(1,525)	(5,144)	(4,964)
Other expenses	(772)	(1,196)	(1,156)	(1,613)
<b>Operating profit/ (loss)</b>	475	(761)	1,905	3,294
Finance Costs	(319)	(19)	(1,116)	(925)
<b>Profit/ (Loss) before taxation</b>	<b>156</b>	<b>(780)</b>	<b>789</b>	<b>2,369</b>
Income tax expense	343	15	53	(468)
<b>Profit/ (loss) after taxation</b>	<b>499</b>	<b>(765)</b>	<b>842</b>	<b>1,901</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive income/ (expenses) for the financial period</b>	<b>499</b>	<b>(765)</b>	<b>842</b>	<b>1,901</b>
<b>Total comprehensive income/ (expenses) attributable to:</b>				
-owner of the Company	499	(765)	842	1,901
<b>Earning/ (Loss) Per Share</b>				
-Basic (Sen)	0.42	(0.64)	0.70	1.58
-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.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

OTHER QUARTER ENDED 31 DECEMBER 2011

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011**

	<b>As at End of Current Quarter 31-Dec-11 (Unaudited) RM'000</b>	<b>As at Preceding Financial Year End 31-Dec-10 (Audited) (Restated) RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	38,325	37,089
Goodwill on consolidation	451	451
	<hr/> 38,776	<hr/> 37,540
<b>Current assets</b>		
Inventories	29,032	20,374
Advances for rubberwood/ timber logs purchased	303	2,313
Trade receivables	23,668	22,708
Other receivables, deposits and prepayments	3,183	5,360
Derivative assets	-	128
Tax refundable	606	667
Short term deposits with licensed banks	428	418
Cash and bank balances	6,280	4,676
	<hr/> 63,500	<hr/> 56,644
<b>Total assets</b>	<hr/> 102,276	<hr/> 94,184
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Retained profits	10,775	9,933
<b>Total equity attributable to owners of the company</b>	<hr/> 70,775	<hr/> 69,933
<b>TOTAL EQUITY</b>	70,775	69,933
<b>Non-current liabilities</b>		
Long-term borrowings	5,028	1,562
Deferred tax liabilities	803	1,551
	<hr/> 5,831	<hr/> 3,113
<b>Current liabilities</b>		
Trade payables	1,432	2,463
Other payables and accruals	1,587	2,579
Derivative liabilities	294	-
Short-term borrowings	21,821	14,928
Bank overdrafts	536	1,168
	<hr/> 25,670	<hr/> 21,138
<b>Total liabilities</b>	31,501	24,251
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> 102,276	<hr/> 94,184
Net assets per share (RM)	<hr/> 0.59	<hr/> 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)

OTHER QUARTER ENDED 31 DECEMBER 2011

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

	<b>Share Capital</b>	<b>Retained Profits</b>	<b>Total</b>
	RM'000	RM'000	RM'000
<b>For the period ended 31 December 2011</b>			
Balance at 1.1.2011	60,000	9,933	69,933
Total comprehensive income for the period	-	842	842
<b>Balance at 31.12.2011</b>	<b>60,000</b>	<b>10,775</b>	<b>70,775</b>
<b>For the period ended 31 December 2010</b>			
Balance at 1.1.2010	60,000	8,032	68,032
Total comprehensive income for the period	-	1,901	1,901
<b>Balance at 31.12.2011</b>	<b>-</b>	<b>9,933</b>	<b>1,901</b>

*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)

OTHER QUARTER ENDED 31 DECEMBER 2011

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

	<b>Current Year To-date 31-Dec-11 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-10 RM'000</b>
<b>CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	789	2,369
Adjustments for:		
Bad debts written off	-	97
Impairment loss of receivable	-	256
Deposits written off	-	250
Corporate exercise expenses	20	20
Depreciation of property, plant & equipment	3,139	3,274
Interest expense	940	664
Loss/ (Gain) on forward currency contracts	422	(128)
Gain on disposal of property, plant & machinery	(175)	(133)
Unrealised loss on foreign exchange	-	153
Interest income	(39)	(79)
<b>Operating profit before working capital changes</b>	5,096	6,743
(Increase)/ decrease in inventories	(20,640)	3,010
Decrease/ (increase) in advances for rubberwood	13,992	(4,168)
Decrease/ (increase) in trade & other receivables	1,345	(11,457)
Decrease in trade & other payables	(2,150)	(1,021)
<b>Cash For Operations</b>	(2,357)	(6,893)
Interest paid	(940)	(664)
Income tax paid	(634)	(242)
<b>Net Cash For Operating Activities</b>	(3,931)	(7,799)
<b>CASH FLOWS (FOR)/ FROM INVESTING ACTIVITIES</b>		
Interest received	39	79
Proceeds from disposal of property, plant and equipment	523	708
Purchase of property, plant and equipment	(4,723)	(3,432)
<b>Net Cash For Investing Activities</b>	(4,161)	(2,645)
<b>CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES</b>		
Listing fees paid	(20)	(20)
Net drawdown/ (repayment) of hire purchase obligations	211	(1,201)
Net drawdown/ (repayment) of bankers' acceptances	7,903	(2,549)
Net drawdown/ (repayment) of term loan	2,244	453
<b>Net Cash From/ (For) Financing Activities</b>	10,338	(3,317)
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,246	(13,761)
<b>EFFECTS OF FOREIGN EXCHANGE</b>	-	(69)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	3,926	17,756
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	6,172	3,926
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	6,280	4,676
Short term deposits with licensed banks	428	418
Bank overdraft	(536)	(1,168)
	6,172	3,926

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.