

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 30 JUNE 2012**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-Jun-12 RM'000	Preceding Year Corresponding Quarter 30-Jun-11 RM'000	Current Year To-date 30-Jun-12 RM'000	Preceding Year Corresponding Period 31-Dec-10 RM'000
Continuing operations				
Revenue	24,218	30,453	153,451	115,015
Cost of sales	(25,279)	(27,348)	(143,575)	(101,834)
Gross profit	(1,061)	3,105	9,876	13,181
Other income	1,097	221	2,791	865
Distribution costs	(1,333)	(747)	(4,989)	(4,175)
Administrative expenses	(1,701)	(1,256)	(8,274)	(4,964)
Other expenses	(685)	(207)	(1,702)	(1,613)
Operating profit/ (loss)	(3,683)	1,116	(2,298)	3,294
Finance Costs	(426)	(317)	(1,852)	(925)
(Loss)/ Profit before taxation	(4,109)	799	(4,150)	2,369
Income tax expense	(547)	412	(357)	(468)
(Loss)/ Profit after taxation	(4,656)	1,211	(4,507)	1,901
Other Comprehensive Income	-	-	-	-
Total Comprehensive income/ (expenses) for the financial period	(4,656)	1,211	(4,507)	1,901
Total comprehensive income/ (expenses) attributable to:				
-owner of the Company	(4,656)	1,211	(4,507)	1,901
Earning/ (Loss) Per Share				
-Basic (Sen)	(3.88)	1.01	(3.76)	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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2012**

	As at End of Current Quarter 30-Jun-12 (Unaudited) RM'000	As at Preceding Financial Year End 31-Dec-10 (Audited) (Restated) RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	37,712	37,089
Goodwill on consolidation	451	451
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	38,163	37,540
Current assets		
Inventories	9,467	8,392
Advances for rubberwood & timber logs purchased	-	14,295
Trade receivables	23,924	22,708
Other receivables, deposits and prepayments	21,263	5,360
Derivative assets	-	128
Tax refundable	779	667
Short term deposits with licensed banks	441	418
Cash and bank balances	6,324	4,676
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	62,198	56,644
	<hr/>	<hr/>
Total assets	100,361	94,184
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	5,426	9,933
Total equity attributable to owners of the company	<hr/>	<hr/>
TOTAL EQUITY	65,426	69,933
Non-current liabilities		
Long-term borrowings	4,720	1,562
Deferred tax liabilities	1,020	1,551
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	5,740	3,113
Current liabilities		
Trade payables	2,061	2,463
Other payables and accruals	3,175	2,579
Short-term borrowings	21,751	14,928
Bank overdrafts	2,208	1,168
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	29,195	21,138
Total liabilities	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	34,935	24,251
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	100,361	94,184
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Net assets per share (RM)	0.55	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 30 JUNE 2012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 JUNE 2012**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
For the period ended 30 June 2012			
Balance at 1.1.2011	60,000	9,933	69,933
Total comprehensive expenses for the period	-	(4,507)	(4,507)
Balance at 30.6.2012	60,000	5,426	65,426
For the period ended 31 December 2010			
Balance at 1.1.2010	60,000	8,032	68,032
Total comprehensive income for the period	-	1,901	1,901
Balance at 31.12.2010	-	9,933	69,933

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE QUARTER ENDED 30 JUNE 2012**

	Current Year To-date 30-Jun-12 RM'000	Preceding Year Corresponding Period 30-Jun-11 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(4,150)	649
Adjustments for:		
Depreciation of property, plant & equipment	4,681	1,611
Interest expense	1,450	446
Loss/ (Gain) on forward currency contracts	128	(29)
Gain on disposal of property, plant & machinery	(272)	(54)
Unrealised loss on foreign exchange	(448)	-
Interest income	(53)	(25)
Operating profit before working capital changes	<u>1,336</u>	<u>2,598</u>
Increase in inventories	(1,075)	(852)
(Increase)/ decrease in advances for rubberwood	14,295	2,890
Decrease/ (increase) in trade & other receivables	(16,671)	(3,717)
Increase/ (decrease) in trade & other payables	194	(958)
Cash For Operations	<u>(1,921)</u>	<u>(39)</u>
Interest paid	(1,450)	(446)
Income tax paid	(1,000)	(121)
Net Cash For Operating Activities	<u>(4,371)</u>	<u>(606)</u>
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	53	25
Proceeds from disposal of property, plant and equipment	623	329
Purchase of property, plant and equipment	(5,655)	(3,018)
Net Cash For Investing Activities	<u>(4,979)</u>	<u>(2,664)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/ (repayment) of hire purchase obligations	51	(258)
Net drawdown of bankers' acceptances	7,806	3,738
Net drawdown of term loan	2,124	2,249
Net Cash From Financing Activities	<u>9,981</u>	<u>5,729</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	631	2,459
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>3,926</u>	<u>3,926</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>4,557</u></u>	<u><u>6,385</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	6,324	7,288
Short term deposits with licensed banks	441	428
Bank overdraft	(2,208)	(1,331)
	<u><u>4,557</u></u>	<u><u>6,385</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.