

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2012

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-Sep-12 RM'000	Preceding Year Corresponding Quarter 30-Sep-11 RM'000	Current Year To-date 30-Sep-12 RM'000	Preceding Year Corresponding Period 30-Sep-11 RM'000
<b>Continuing operations</b>				
Revenue	23,746	29,882	23,746	29,882
Cost of sales	(21,442)	(27,192)	(21,442)	(27,192)
<b>Gross profit</b>	2,304 10%	2,690 9%	2,304	2,690
Other income	192	297	192	297
Selling and distribution expenses	(1,407)	(1,536)	(1,407)	(1,536)
Administrative expenses	(1,238)	(1,095)	(1,238)	(1,095)
Other expenses	(249)	(124)	(249)	(124)
Finance Costs	(333)	(249)	(333)	(249)
<b>Loss before taxation</b>	<b>(731)</b>	<b>(17)</b>	<b>(731)</b>	<b>(17)</b>
Income tax expense	65	(461)	65	(461)
<b>Loss after taxation</b>	<b>(666)</b>	<b>(478)</b>	<b>(666)</b>	<b>(478)</b>
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive expenses for the financial period</b>	<b>(666)</b>	<b>(478)</b>	<b>(666)</b>	<b>(478)</b>
<b>Loss after taxation attributable to:-</b>				
-Owner of the Company	(666)	(478)	(666)	(478)
-Non-controlling interest	-	-	-	-
	<b>(666)</b>	<b>(478)</b>	<b>(666)</b>	<b>(478)</b>
<b>Total Comprehensive Expenses Attributable to:-</b>				
-Owner of the Company	(666)	(478)	(666)	(478)
-Non-controlling interest	-	-	-	-
	<b>(666)</b>	<b>(478)</b>	<b>(666)</b>	<b>(478)</b>
<b>Loss Per Share</b>				
-Basic (Sen)	(0.55)	(0.40)	(0.56)	(0.40)
-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 period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2012

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

	<b>As at End of Current Quarter 30-Sep-12 (Unaudited)  RM'000</b>	<b>As at Preceding Financial Year End 30-Jun-12 (Audited)  RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	37,042	37,712
Goodwill on consolidation	451	451
	<u>37,493</u>	<u>38,163</u>
<b>Current assets</b>		
Inventories	12,537	9,468
Trade receivables	21,153	23,924
Other receivables, deposits and prepayments	20,136	21,262
Tax refundable	885	779
Short term deposits with licensed banks	691	441
Cash and bank balances	4,337	6,324
	<u>59,739</u>	<u>62,198</u>
<b>Total assets</b>	<u>97,232</u>	<u>100,361</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	60,000	60,000
Retained profits	4,763	5,429
<b>Total equity attributable to owners of the company</b>	<u>64,763</u>	<u>65,429</u>
<b>NON-CONTROLLING INTEREST</b>	<u>(2)</u>	<u>(2)</u>
<b>TOTAL EQUITY</b>	64,761	65,427
<b>Non-current liabilities</b>		
Long-term borrowings	4,563	4,719
Deferred tax liabilities	896	1,020
	<u>5,459</u>	<u>5,739</u>
<b>Current liabilities</b>		
Trade payables	3,158	2,061
Other payables and accruals	2,073	3,175
Short-term borrowings	20,658	21,751
Bank overdrafts	1,123	2,208
	<u>27,012</u>	<u>29,195</u>
<b>Total liabilities</b>	<u>32,471</u>	<u>34,934</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>97,232</u>	<u>100,361</u>
Net assets per share (RM)	<u>0.54</u>	<u>0.55</u>

*The unaudited Condensed Statement of Financial Position should be read in conjunction with the audited Financial Statements for period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

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FIRST QUARTER ENDED 30 SEPTEMBER 2012

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

	<b>Share Capital</b>	<b>Retained Profits</b>	<b>Total</b>
	RM'000	RM'000	RM'000
<b>For the period ended 30 September 2012</b>			
Balance at 1.7.2012	60,000	5,429	65,429
Total comprehensive income for the period	-	(666)	(666)
<b>Balance at 30.9.2012</b>	<b>60,000</b>	<b>4,763</b>	<b>64,763</b>
<b>For the period ended 30 September 2011</b>			
Balance at 1.7.2011	60,000	10,753	70,753
Total comprehensive income for the period	-	(478)	(478)
<b>Balance at 30.9.2011</b>	<b>-</b>	<b>10,275</b>	<b>70,275</b>

*The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.*

**SERN KOU RESOURCES BERHAD**

(Company No.519103-X)

FIRST QUARTER ENDED 30 SEPTEMBER 2012

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

	<b>Current Year To-date 30-Sep-12 RM'000</b>	<b>Preceding Year Corresponding Period 30-Sep-11 RM'000</b>
<b>CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES</b>		
<b>Loss before tax</b>	(731)	(17)
Adjustments for:		
Depreciation of property, plant & equipment	772	772
Interest expense	269	198
Loss on forward currency contracts (unrealised)	-	851
Gain on disposal of property, plant & machinery	-	(13)
Interest income	(2)	(14)
<b>Operating profit before working capital changes</b>	<u>308</u>	<u>1,777</u>
(Increase)/ Decrease in inventories	(3,069)	617
Decrease/ (Increase) in trade & other receivables	3,897	(5,383)
(Decrease)/ Increase in trade & other payables	<u>(5)</u>	<u>1,291</u>
<b>Cash From/ (For) Operations</b>	1,131	(1,698)
Interest paid	(269)	(198)
Income tax paid	<u>(165)</u>	<u>(200)</u>
<b>Net Cash From/ (For) Operating Activities</b>	697	(2,096)
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Interest received	2	14
Proceeds from disposal of property, plant and equipment	-	54
Purchase of property, plant and equipment	<u>(102)</u>	<u>(1,104)</u>
<b>Net Cash For Investing Activities</b>	(100)	(1,036)
<b>CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES</b>		
Net (repayment)/ drawdown of hire purchase obligations	(108)	270
Net (repayment)/drawdown of bankers' acceptances	(1,084)	2,494
Net (repayment)/ drawdown of term loan	<u>(57)</u>	<u>136</u>
<b>Net Cash (For)/ From Financing Activities</b>	<u>(1,249)</u>	<u>2,900</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(652)	(232)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<u>4,557</u>	<u>6,385</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<u><u>3,905</u></u>	<u><u>6,153</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:-</b>		
Cash and bank balances	4,337	428
Short term deposits with licensed banks	691	8,449
Bank overdraft	<u>(1,123)</u>	<u>(2,724)</u>
	<u><u>3,905</u></u>	<u><u>6,153</u></u>

*The unaudited Condensed Statement of Cash Flow should be read in conjunction with the audited Financial Statements for period ended 30 June 2012 and the accompanying explanatory notes attached to the interim financial statements.*