

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED 31 DECEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-12 RM'000	Preceding Year Corresponding Quarter 31-Dec-11 RM'000	Current Year To-date 31-Dec-12 RM'000	Preceding Year Corresponding Period 31-Dec-11 RM'000
Continuing operations				
Revenue	30,248	25,726	53,994	55,609
Cost of sales	(27,723)	(23,960)	(49,165)	(51,153)
Gross profit	2,525	1,766	4,829	4,456
Other income	344	507	536	804
Selling and distribution expenses	(589)	235	(1,575)	(1,301)
Administrative expenses	(1,988)	(1,261)	(3,647)	(2,355)
Other expenses	(248)	(772)	(497)	(896)
Finance Costs	(275)	(319)	(607)	(568)
(Loss)/ Profit before taxation	(231)	156	(961)	140
Income tax expense	4	343	69	(118)
(Loss)/ Profit after taxation	(227)	499	(892)	22
Other Comprehensive Income	-	-	-	-
Total Comprehensive (expenses)/ income for the financial period	(227)	499	(892)	22
(Loss)/ Profit after taxation attributable to:-				
-Owner of the Company	(227)	499	(892)	22
-Non-controlling interest	-	-	-	-
	(227)	499	(892)	22
Total Comprehensive (Expenses)/ Income Attributable to:-				
-Owner of the Company	(227)	499	(892)	22
-Non-controlling interest	-	-	-	-
	(227)	499	(892)	22
(Loss)/ Profit Per Share				
-Basic (Sen)	(0.19)	0.42	(0.74)	0.02
-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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2012**

	As at End of Current Quarter 31-Dec-12 (Unaudited)	As at Preceding Financial Year End 30-Jun-12 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant & equipment	36,887	37,712
Goodwill on consolidation	451	451
	<hr/> 37,338	<hr/> 38,163
Current assets		
Inventories	11,538	9,468
Trade receivables	23,362	23,924
Other receivables, deposits and prepayments	16,659	21,262
Tax refundable	1,117	779
Short term deposits with licensed banks	441	441
Cash and bank balances	4,089	6,324
	<hr/> 57,206	<hr/> 62,198
Total assets	<hr/> 94,544	<hr/> 100,361
EQUITY AND LIABILITIES		
Equity		
Share capital	60,000	60,000
Retained profits	4,537	5,429
Total equity attributable to owners of the company	<hr/> 64,537	<hr/> 65,429
NON-CONTROLLING INTEREST	<hr/> (2)	<hr/> (2)
TOTAL EQUITY	<hr/> 64,535	<hr/> 65,427
Non-current liabilities		
Long-term borrowings	4,893	4,719
Deferred tax liabilities	848	1,020
	<hr/> 5,741	<hr/> 5,739
Current liabilities		
Trade payables	4,208	2,061
Other payables and accruals	2,034	3,175
Short-term borrowings	15,615	21,751
Bank overdrafts	2,411	2,208
	<hr/> 24,268	<hr/> 29,195
Total liabilities	<hr/> 30,009	<hr/> 34,934
TOTAL EQUITY AND LIABILITIES	<hr/> 94,544	<hr/> 100,361
 Net assets per share (RM)	 <hr/> 0.54	 <hr/> 0.55

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

(Company No.519103-X)

SECOND QUARTER ENDED 31 DECEMBER 2012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 31 DECEMBER 2012**

	Share Capital	Retained Profits	Total
	RM'000	RM'000	RM'000
For the period ended 31 December 2012			
Balance at 1.7.2012	60,000	5,429	65,429
Total comprehensive income for the period	-	(892)	(892)
Balance at 31.12.2012	60,000	4,537	64,537
For the period ended 31 December 2011			
Balance at 1.7.2011	60,000	10,753	70,753
Total comprehensive income for the period	-	22	22
Balance at 31.12.2011	-	10,775	70,775

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE QUARTER ENDED 31 DECEMBER 2012**

	Current Year To-date 31-Dec-12 RM'000	Preceding Year Corresponding Period 31-Dec-11 RM'000
CASH FLOWS FROM/ (FOR) OPERATING ACTIVITIES		
(Loss)/ Profit before tax	(961)	140
Adjustments for:		
Depreciation of property, plant & equipment	1,551	1,528
Interest expense	493	434
Loss on forward currency contracts (unrealised)	-	294
Gain on disposal of property, plant & machinery	(14)	(121)
Interest income	(4)	(14)
Operating profit before working capital changes	<u>1,065</u>	<u>2,261</u>
Increase in inventories	(2,070)	(19,788)
Decrease in trade & other receivables	5,165	16,193
Increase/ (Decrease) in trade & other payables	<u>1,006</u>	<u>(1,062)</u>
Cash From/ (For) Operations	5,166	(2,396)
Interest paid	(493)	(434)
Income tax paid	<u>(441)</u>	<u>(514)</u>
Net Cash From/ (For) Operating Activities	4,232	(3,344)
CASH FLOWS FOR INVESTING ACTIVITIES		
Interest received	4	14
Proceeds from disposal of property, plant and equipment	14	193
Purchase of property, plant and equipment	<u>(726)</u>	<u>(1,704)</u>
Net Cash For Investing Activities	(708)	(1,497)
CASH FLOWS (FOR)/ FROM FINANCING ACTIVITIES		
Net drawdown of hire purchase obligations	262	468
Net (repayment)/drawdown of bankers' acceptances	(6,100)	4,165
Net (repayment) of term loan	<u>(124)</u>	<u>(5)</u>
Net Cash (For)/ From Financing Activities	<u>(5,962)</u>	<u>4,628</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,438)	(213)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<u>4,557</u>	<u>6,385</u>
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u><u>2,119</u></u>	<u><u>6,172</u></u>
CASH AND CASH EQUIVALENTS COMPRISE:-		
Cash and bank balances	4,089	428
Short term deposits with licensed banks	441	6,280
Bank overdraft	<u>(2,411)</u>	<u>(536)</u>
	<u><u>2,119</u></u>	<u><u>6,172</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.