



SERSOL BERHAD

200201034397 (602062-X)

ANNUAL REPORT

2025

LAPORAN TAHUNAN

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Mohamed Suffian Bin Awang
Executive Director

Toh Boon Hsing
Executive Director

Leong Lup Yan
Independent Non-Executive Director

Tan Su Ning
Independent Non-Executive Director
(Appointed on 28 February 2025)

Alan Ling Sie Kiong
Non-Independent Non-Executive Director

Tan Tong Lang
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Leong Lup Yan
Chairman

Tan Su Ning
Member

Tan Tong Lang
Member

RISK MANAGEMENT COMMITTEE

Leong Lup Yan
Chairman

Tan Su Ning
Member
(Appointed on 23 October 2025)

NOMINATION COMMITTEE

Tan Su Ning
Chairman
(Appointed on 23 October 2025)

Leong Lup Yan
Member

Tan Tong Lang
Member

REMUNERATION COMMITTEE

Leong Lup Yan
Chairman

Tan Su Ning
Member
(Appointed on 23 October 2025)

Tan Tong Lang
Member

COMPANY SECRETARIES

Wong Yuet Chyn
(MAICSA No. 7047163)
(SSM PC No. 202008002451)

Adeline Tang Koon Ling
(LS 0009611)
(SSM PC No. 202008002271)

REGISTERED OFFICE

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SHARE REGISTRAR

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AUDITORS

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Selangor Darul Ehsan
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PRINCIPAL BANKER

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Petronas Tower 3, Suria KLCC
Jalan Ampang
50088 Kuala Lumpur
W.P. Kuala Lumpur

HEAD OFFICE

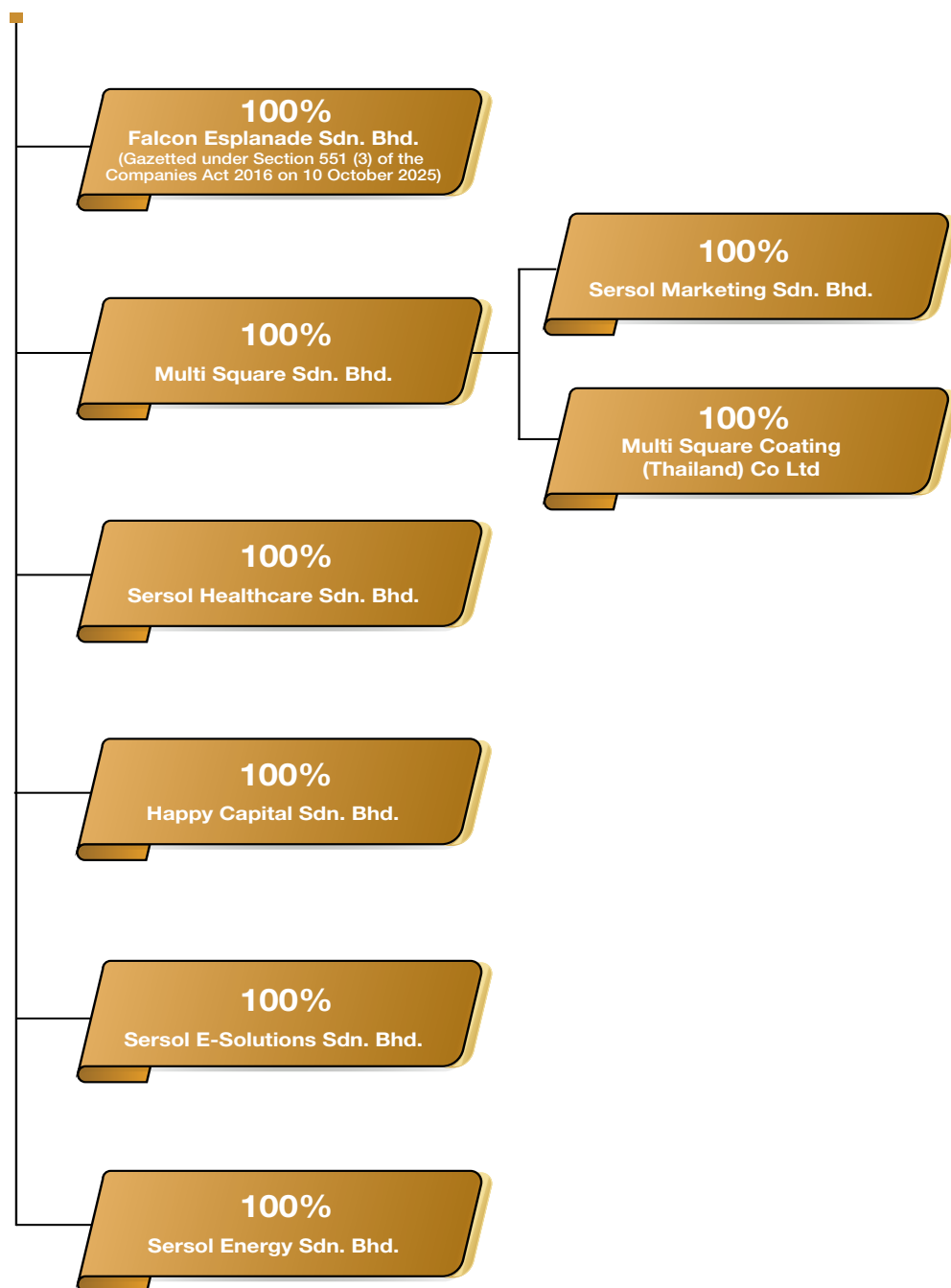
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STOCK EXCHANGE LISTING

Ace ACE Market of Bursa
Malaysia Securities Berhad
Stock Name : **SERSOL**
Stock Code : **0055**

CORPORATE STRUCTURE



MANAGEMENT DISCUSSION & ANALYSIS (MD&A)

1. OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Sersol Berhad (Sersol) is a public company listed on the ACE Market of Bursa Malaysia Securities Berhad since 2005. Sersol together with its subsidiaries, namely Multi Square Sdn. Bhd., Sersol Marketing Sdn. Bhd. and Multi Square Coating (Thailand) Co. Ltd (collective referred to as "the Group") focus mainly in the coating of plastic and metal for electronic and electrical industry. The Group manufactures and distributes decorative paints under the Group's house brand, Sersol. The laboratory in our Johor facility is equipped to support research and development. Sersol's production takes place at the Johor facility and Thailand facility, where quality control and efficiency are maintained in manufacturing. The Group has plans to expand the product range to include high-quality protective coatings and specialised paints, including the IRR and NIRR for the military. The Group's newly acquired subsidiary, Happy Capital Sdn. Bhd. is involved in the provision of money lending services.

Financial year ended 30 June 2025 (FYE 30 June 2025) marked a significant year for Sersol, characterised by strategic expansion. Sersol has started its provision of money lending services. The Group will continue to embark on cost optimisation exercises as well as improving operational efficiency and expanding its regional business in Thailand.

Against this challenging backdrop, the Group recorded a revenue of RM13.0 million in the FYE 30 June 2025 as compared to RM21.9 million in the financial period ended 30 June 2024 (FPE 30 June 2024).

2. FINANCIAL PERFORMANCE REVIEW

The Group recorded earnings for the FYE 30 June 2025, summary of which is appended in the table below:-

Financial Results and Key Performance Indicators	Financial Year Ended 31 December 2020 RM'000	Financial Year Ended 31 December 2021 RM'000	Financial Year Ended 31 December 2022 RM'000	FPE 30 June 2024 RM'000	FYE 30 June 2025 RM'000
Gross Revenue	20,298	15,568	19,090	21,861	13,035
Profit/(Loss) After Tax	201	(1,803)	(20,318)	(12,690)	(3,416)
Basic Earnings/(Loss) Per Share (Sen)	0.09	(0.81)	(4.87)	(1.78)	(0.47)
Total Assets	20,597	25,995	25,799	26,880	24,986
Total Equity	15,788	22,386	21,347	22,152	18,740

The Group recorded a revenue of RM13.0 million for the FYE 30 June 2025. The revenue generated from our manufacturing segment was the primary contributor to our Group's total revenue, representing RM12.9 million (99%) of the total revenue in FPE 30 June 2024 [FPE 30 June 2024: RM21.9 (100%)].

The Group recorded a loss after tax of RM3.4 million for FYE 30 June 2025 as compared to a loss after tax of RM12.7 million for FPE 30 June 2024.

The Group's total assets stood at RM24.99 million in FYE 30 June 2025, reflecting a decrease of RM1.89 million from RM26.88 million in FPE 30 June 2024, mainly attributable to the depreciation of property, plant and equipment and fair value loss on other investments.

The Group's total equity decreased mainly due to the losses incurred in FYE 30 June 2025.

3. CAPITAL EXPENDITURE

Against the challenging market condition, the Group has implemented strict control on the capital management.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A) (Cont'd)

4. SALES PERFORMANCE BY GEOGRAPHICAL REGION AND BUSINESS SEGMENT

i. Geographical Region

The Group has business presence in both Malaysia and Thailand, where Malaysia's operations contributed substantially to the Group's revenue for FYE 30 June 2025.

ii. Business Segment

There are three main operating segments of the Group's coating business, namely the plastic and metal coatings, decorative coatings segments and provision of money lending services.

5. KNOWN TREND AND EVENTS

The main factors that have impacted and are expected to continue to impact our Group's operations and profits including, but are not limited to, the following:

a) Fluctuations in Raw Material Prices

A continuous and reliable supply of resources is essential for long term growth. This is ensured by way of fostering long-standing and close supplier relationships, a key advantage that is available to the existing large paint and coating manufacturers. Any unfavourable changes in the demand and supply conditions of raw materials for paints and coatings may cause the price of raw materials for paints and coatings to increase materially, which may lead to a rise in cost of production for paint and coating manufacturers.

b) Global economy

The global economy continues to expand, though it remains vulnerable to downside risks, primarily stemming from escalating geopolitical tensions, volatile financial markets and a potential slowdown in major economies.

c) Market outlook

We expect another tough year ahead but we hope it is a recovery year. Inflationary pressures have certainly abated but recessionary fears continue to linger.

6. BUSINESS STRATEGIES & INITIATIVES

The Group continues its measures aimed at improving our competitiveness. All of the operational and structural programs and measures are focused on reducing costs by streamlining administrative functions and improving structural efficiency in procurement.

The Group views human resource as a major source of corporate competitiveness, and securing highly motivated and capable personnel creates a strong foundation for business operations. Hence, the Group focused on securing personnel with broad knowledge and diverse skills, and provide training to employees to maximise their abilities.

The Group research and development team will continue to develop high-performance coatings customised to market needs. By focusing on innovation, the Group will introduce advanced coatings technology that correspond with industry trends and regulatory standards. The Group are currently developing high-quality protective coatings and specialised paints, including the IRR and NIRR for the military.

MANAGEMENT DISCUSSION & ANALYSIS (MD&A) (Cont'd)

7. RISK

Risk assessment exercises are conducted periodically for all business units. The risk assessment exercises are assisted by external consultants to identify, evaluate and update on known and anticipated risks of the Group. The risks, related controls, risk responses and strategies to mitigate them are presented to the Risk Management Committee (RMC). The RMC monitors the implementation and progress of risk responses, aided by an internal audits program to safeguard the interests of the Group and its stakeholders.

The key anticipated and known risks that the Group are exposed to which may have a material impact on the Group's operations, performance, financial condition and liquidity are regulatory compliance risks, data and ERP integrity risks and credit risk.

i. Regulatory Compliance Risks

The development, manufacturing and distribution of coating solutions are closely regulated in all markets where the Group operates. Regulatory compliance is critical in ensuring uninterrupted manufacturing and distribution operations. Compliance doesn't only refer to complying with the current standards, it also refers to the preparation needed to comply with future standards when implemented. To manage regulatory compliance risks, the Group has established procedures and mechanisms to ensure full compliance and invests in major infrastructure upgrades periodically in anticipation of future regulatory demands.

ii. Data and ERP Integrity Risks

The Management is of the view that the proprietary, personal and confidential data and stable operations of the Group's ERP system is another major risk to the Group as the loss or corruption of such data and prolonged system failures may result in the loss of competitive edge and business opportunities. Internal controls are in place for the management and protection of data as well as the ERP system, which ensure that they are maintained, tested, secured and upgraded periodically.

iii. Credit Risks

The Management also realised that the credit risk of the business has increased from the past. We have undertaken mitigation plan to improve the credit control policy on our customers by doing background checks regularly.

iv. Exchange rate risk

The Group's operations encompass the sale and manufacture of products in the ASEAN region. It closely monitors exchange rate fluctuation and takes measures to mitigate the adverse impact of short term fluctuations in the US Dollar exchange rate.

8. FUTURE PROSPECT

The Group remains focused on maintaining operational efficiency and cost management to enhance competitiveness and ensure long-term sustainability. Regionally, the Group will continue to expand in Thailand.

Alongside focusing on organic growth in the electrical and electronic industry, the Group is expanding the product range to coatings for the marine and navy vehicles.

SUSTAINABILITY STATEMENT

ABOUT THE COMPANY

At Sersol Berhad (Sersol) along with our subsidiaries (collectively referred to as "the Group"), we are committed to integrating sustainability into every aspect of our business. We strive for sustainable business growth, even in uncertain times, by continuously innovating our products to enhance their quality, safety, and environmental friendliness. Our focus remains on serving the best interests of our employees, customers, business partners, and consumers.

Staying connected with our stakeholders and engaging with the communities where we operate is fundamental to our approach. Through these efforts, we aim to create value collaboratively in various forms.



OUR CORE BUSINESS

The Group operates within the coatings industry, specialising in the manufacture and sale of coatings and thinners. Our core business activities encompass the coating of plastic and metal components for the electrical and electronic industries, as well as the production of wood and decorative coatings. In addition, the Group trades in architectural coatings and wall surface finishing materials. During the financial year, the Group further diversified its business portfolio by venturing into the money lending sector.

With a regional manufacturing facility in Malaysia and a significant presence in Thailand, our operations a range of industrial applications, including automotive, electronics, aerospace, oil and gas, mining, marine, and power generation. Our strategic operations and regional footprint reflect our commitment to meeting diverse industrial needs while fostering sustainable growth.

ABOUT THIS STATEMENT

In our Sustainability Statement (Statement), Sersol reaffirms our commitment to integrating the highest standards of sustainability into all aspects of our business. Guided by our mission to create value for our stakeholders and communities, we are dedicated to responsible business practices, innovative product development, and environmental stewardship.

This Statement highlights our efforts to foster a positive impact on the local economy, society, and environment, while upholding strong governance principles. It encapsulates our ongoing journey towards sustainable growth, demonstrating our commitment to creating a better future through collaborative and responsible actions across our organisation.

SCOPE AND BASIS OF SCOPE

The reporting period for this Statement aligns with our fiscal year, covering 12 months period from 1 July 2024 to 30 June 2025. This Statement provides a comprehensive overview of the Group's sustainability performance and highlights the progress of our business operations in Malaysia.

SUSTAINABILITY STATEMENT (Cont'd)

REPORTING FRAMEWORK AND STANDARD

This Statement has been prepared in accordance with the guidelines set by Bursa Malaysia Securities Berhad's Sustainability Reporting Guide, 3rd Edition. It is also aligned with the International Integrated Reporting Framework and the Integrated Thinking Principles of the IFRS Foundation, as well as the United Nations Sustainable Development Goals (UNSDGs).

While the Group does not seek external assurance for this Statement, we rely on verification conducted by our Sustainability Management Team to support the accuracy of the data presented. We remain committed to progressively enhancing our sustainability reporting practices in line with regulatory requirements.

We welcome and encourage our stakeholders to provide feedback on this Statement and the topics covered. Please reach out to our Sustainability Management Team at sersolhq@sersol.com.my.

SUSTAINABILITY STRATEGY

SUSTAINABILITY GOVERNANCE

Our commitment to sustainability is embedded at every level of our organisation, including top leadership. This sustainability mandate is implemented across all operations with the active support and guidance of our Senior Management team. Leaders from different business functions are tasked with integrating sustainability into our business strategy, corporate culture, and daily operations.

The Board of Directors (Board) holds the ultimate responsibility for sustainability, while Senior Management oversees the identification of economic, environmental, and social issues relevant to their respective functions. This comprehensive approach ensures the maximisation of value generation while conscientiously considering sustainability factors through rigorous examination procedures.

Our dedication to a resilient governance framework is demonstrated through the clearly defined roles and responsibilities outlined below:

Board of Directors:

- Oversees sustainability aspects across the Group, including developing strategy, setting targets, assessing materiality, and evaluating climate-related risks and opportunities.
- Assesses the effectiveness of Sersol's risk management system and internal control framework.

Audit and Risk Management Committee:

- Ensures the accuracy and integrity of the Group's financial reporting.
- Assesses the effectiveness of the Group's enterprise-wide risk management and internal control framework.

Nomination Committee:

- Ensures the establishment of a well-structured and skilled leadership team.
- Promotes diversity and fosters continuous professional development within the organisation.

Remuneration Committee:

- Ensures the implementation of a fair and effective remuneration structure.
- Aligns remuneration policies with the company's strategic objectives and human resources policies.

Sustainability Management Team:

- Develop sustainability strategies and assesses sustainability-related risks.
- Evaluates performance and targets, closely monitoring the implementation of sustainability policies and practices.

Our governance framework ensures that sustainability is a fundamental part of our business strategy, driving long-term value creation and fostering a culture of sustainability throughout the organisation.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

STAKEHOLDERS ENGAGEMENT

At Sersol, we recognise the importance of considering the various stakeholders impacted by our operations, including our valued customers, dedicated employees, reliable suppliers, supportive investors, government agencies, and the local communities we serve. We deeply appreciate their insights as they are vital for understanding our operations, identifying areas for enhancement, and identifying potential prospects.

We firmly believe that companies demonstrating responsibility, earning trust, and committing to continuous improvement are the ones that can achieve lasting success. To reinforce our commitment to building strong connections with stakeholders and promoting sustainable business practices, we prioritise transparent communication.

We engage in regular interactions, both structured and informal, which are crucial for gathering feedback and addressing stakeholders' needs and concerns. We have developed a range of communication formats to ensure stakeholders' perspectives are valued and considered when making decisions.

By actively listening to our stakeholders, we strive to foster trust and maintain a business environment that is open, accountable, and adaptable. This commitment is essential to our ongoing sustainability and success.

Our approach to stakeholder engagement is listed as below:

Stakeholders	Forms of Engagement	Frequency	Engagement focus/ objectives
Employees	Meeting and discussion Training Annual performance review	Annually/ Quarterly	Career progression Employee development needs
Customers	Site visit Meetings Complaints or feedbacks Advertisement	Ongoing	Product's quality assurance and deliverability
Suppliers	Meetings Complaints or feedbacks Whistle blowing	Ongoing	Sound payments practices
Shareholders	Annual General Meeting or Extraordinary Meeting Announcements to Bursa Circulars Company's website	Ongoing	Shareholders' engagement
ISO auditor	Site visit (yearly) Meetings Renewal of certification (yearly)	Annually	

We keep our stakeholders informed by regularly updating the Group's information on our website, ensuring easy access to the most current information about our operations. Additionally, our website features contact information to enhance communication and engagement with our stakeholders to engage with us.

MATERIALITY MATRIX

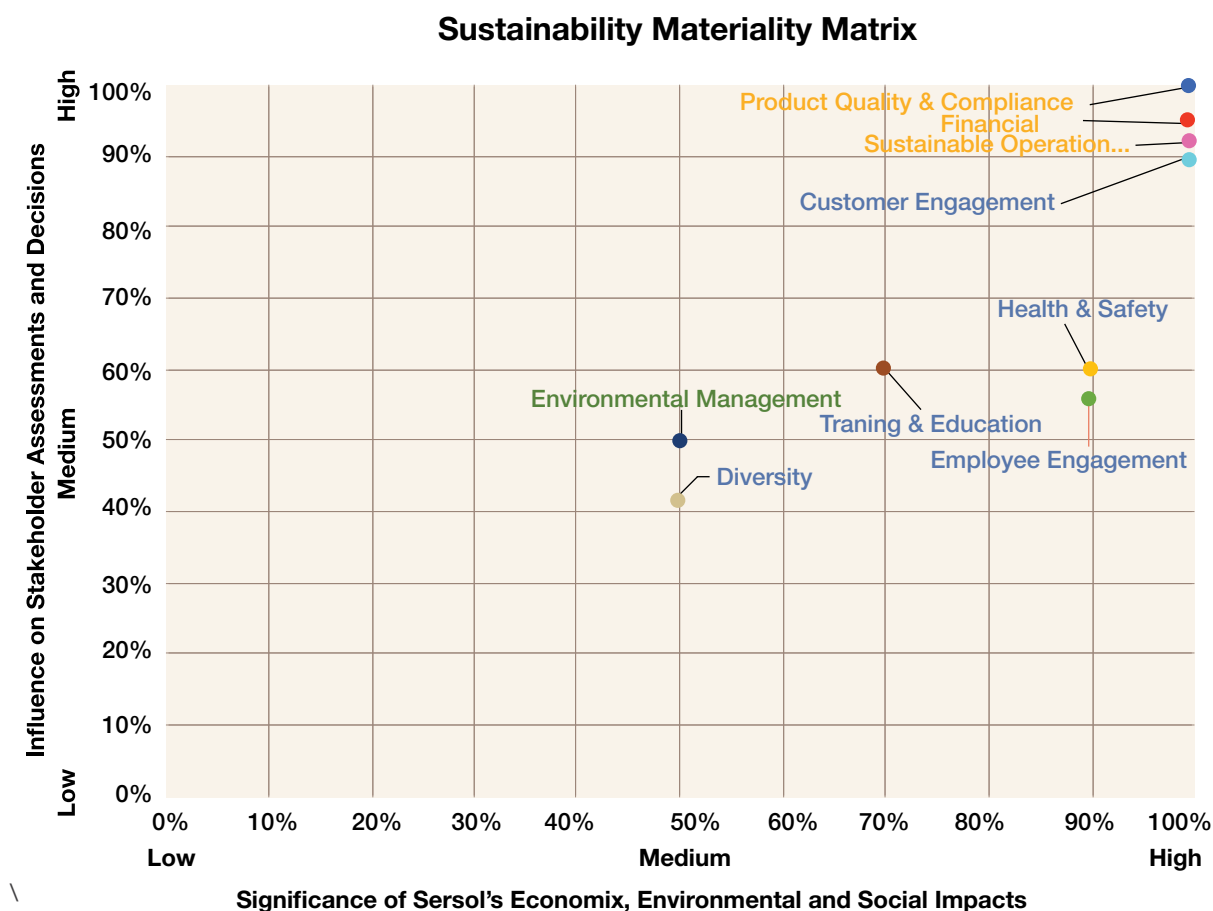
We understand that our key concerns have a significant impact on our ability to create long-term value for stakeholders, both directly and indirectly. As part of our commitment to sustainability, we plan to conduct a comprehensive assessment of important matters every two to three years, starting from the fiscal year 2025. This assessment will enable us to identify critical sustainability priorities that are most relevant to our business and stakeholders. It will also take into account industry trends, technological advancements, as well as global and local sustainability challenges. Following our re-assessment in 2025, the key topics identified remain consistent with those determined in 2024. This reflects the continued relevance and importance of these matters to both our business and stakeholders.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY STRATEGY (CONT'D)

MATERIALITY MATRIX (CONT'D)

Here are the key topics identified in 2025:



Pillars	Materiality Sustainability Matter	Relevant Stakeholders
Economics	Financial/Economic Performance	Shareholders and Customers
Economics	Product Quality & Compliance	Shareholders, Customers and ISO Auditors and Suppliers
Economics	Sustainable Operations Management	Shareholders, Customers and Suppliers
Social	Customer Engagement	Shareholders and Customers
Social	Employee Engagement	Employees and Shareholders
Social	Diversity	Employees and ISO Auditors
Social	Health & Safety	Employees and ISO Auditors
Social	Training & Development	Employees and ISO Auditors
Environment	Environmental Management	Employees, ISO Auditors and Local Communities

These topics reflect our commitment to addressing the key sustainability concerns that impact our business and stakeholders. We strive to be responsive to their needs and expectations while also creating long-term value.

SUSTAINABILITY FRAMEWORK

At Sersol, we prioritise a holistic approach that considers the economic, environmental, and social aspects of our responsibilities, with a sincere focus on the well-being of our stakeholders for a better future.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ECONOMIC

Resources to support the Group's operation and implement other Capitals.

Sersol's financial performance is essential for achieving long-term value and driving the Group's sustainability goals. We are committed to providing outstanding job opportunities and promoting economic growth in local communities. Our primary objective is to achieve long-term stability by effectively managing our resources and equitably distributing the profits among all stakeholders.

Here are the financial results of Sersol:

	Financial Year Ended 31 December 2022 (FYE 31 December 2022) RM'000	Financial Period Ended 30 June 2024 (FPE 30 June 2024) RM'000	Financial Year Ended 30 June 2025 (FYE 30 June 2025) RM'000
Economic Value Generated	19,090	21,861	13,035
Economic Value Distributed:			
Cost of Goods Sold (COGS)	(14,859)	(16,251)	(9,099)
Operating Expenses	(21,663)	(14,127)	(5,707)
Finance Costs	(35)	(73)	(41)
Tax	29	(434)	(387)
Economic Value Retained	(20,318)	(12,690)	(3,416)

Over the three-year period from FYE 31 December 2022 to FYE 30 June 2025, the Group's economic value generated decreased from RM19.1 million in FYE 31 December 2022 to RM13.0 million in FYE 30 June 2025. The higher amount of RM21.9 million reported in FPE 30 June 2024 reflects an 18-month financial period, and is therefore not directly comparable on a year-to-year basis. Cost of Goods Sold (COGS) decreased from RM14.9 million in FYE 31 December 2022 to RM9.1 million in FYE 30 June 2025, while operating expenses dropped sharply from RM21.7 million to RM5.7 million, indicating ongoing cost management efforts and improved operational efficiency. Finance costs remained relatively immaterial throughout the three years, reflecting a low gearing position. Consequently, the economic value retained—which represents the portion of value kept within the Group after distributions—improved from a deficit of RM20.3 million in FYE 31 December 2022 to RM3.4 million in FYE 30 June 2025.

In conclusion, the financial results highlights both positive strides and ongoing challenges. With continued emphasis on operational efficiency and cost control, Sersol is positioning itself for improved financial health and long-term sustainability. This approach aims to enhance current performance and lays a strong foundation for future growth and resilience in a competitive market.

The Group is committed to maintaining and enhancing its robust economic performance. We remain committed to generating long-term value for our stakeholders by keeping a close watch on our financial performance and prioritising the implementation of strategic business initiatives. Important components of this endeavour include:

- Developing a comprehensive business strategy to align with current market trends.
- Maintaining a healthy balance sheet and ensuring optimal cash flow to achieve financial stability.
- Embracing the latest advancements in technology to enhance operational efficiency and foster a culture of innovation.
- Implementing proactive strategies to address identified risks relevant to our business operations and minimise potential negative impacts.
- Fostering open and honest communication with stakeholders to establish trust and ensuring alignment with our economic objectives.

These critical components collectively reinforce our commitment to long-term financial stability and the creation of sustainable value for all our stakeholders. The results demonstrate our unwavering dedication to delivering value, maintaining a solid financial foundation, and continuously seeking opportunities for sustainable growth.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

MARKETPLACE

Implementing sustainability through product quality and compliance.

At Sersol, we recognise the crucial importance of integrating sustainability principles into our product quality. Our commitment to delivering top-tier products and services to our stakeholders remains paramount. We consistently strive to enhance our standards, procedures, and oversight to maintain steadfast levels of quality and sustainability.

Sustainable Operation Management

Sersol prioritises maintaining excellent quality control and implementing sustainable operational management practices. Our dedication lies in adhering to regulatory standards with a primary focus on sustainable operations that responsibly acquire resources, maintain ethical business practices, and ensure product quality while minimising negative impacts on the environment and local communities.

Product Quality and Compliance

Maintaining and delivering high standards of product quality has always been a key focus for Sersol, as we strive to create value and ensure long-term business growth. Our unwavering commitment to upholding top-notch quality standards has resulted in a multitude of advantages, such as increased customer satisfaction, enhanced market value, a stronger reputation, effective risk management, and a motivated workforce dedicated to achieving excellence.

We are committed to ensuring that our products and services consistently meet the highest industry standards. We recognise the significant value of maintaining a solid reputation as a reliable and trustworthy organisation which is why we strive for excellence in every aspect of our operations.

The Group primarily focuses on manufacturing and sale of coatings of plastic and metal for the electronic and electrical industry in Malaysia and Thailand. With a strong presence in Malaysia since 1992 and regional expansion to Thailand, we have maintained our commitment to providing sustainable products and services. Our focus on innovative formulations and manufacturing processes in the coatings industry ensures that we stay ahead. Our manufacturing of coatings and thinners is certified with ISO 9001:2015 Quality Management System, which demonstrates our commitment to maintaining high manufacturing standards and ensuring that our products meet customer requirements.

Operating with a high level of expertise, we consistently prioritise quality excellence by regularly evaluating performance, streamlining operations, and carefully monitoring waste management. Our achievement of industry certifications demonstrates our commitment to quality control.

These certifications highlight our dedication to maintaining high quality standards and exemplify our commitment to being a reliable and reputable organisation. We are dedicated to providing outstanding products and services to our esteemed customers. With stringent quality control measures and an unwavering pursuit of excellence, our goal is to solidify our position as a top player in the industry.

Customer Engagement

Our strength lies in working in close partnership with our customers, primarily industrial companies that incorporate our intermediates into their own products and solutions. Our operating divisions and business lines play a crucial role in enhancing product benefits that secure our customers' competitive success. Additionally, they are responsible for managing customer relationships within their respective business areas, ensuring total support in meeting customised requirements.

The Group strives to integrate into our customers' value chains wherever possible. This integration allows us to closely align our research and development, production, marketing, and distribution workflows with our customers' requirements. Engaging with our stakeholders enhances our understanding of market developments and customer needs.

At the Group level, our marketing and sales teams hold regular meetings with customers to understand their requirements and deliver customer-focused solutions. This proactive approach enables us to adapt to changing demands and maintain the highest level of service and product quality. By fostering long-term partnerships, we aim to achieve mutual success and build lasting relationships with our clients.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

GOVERNANCE

Board engagement on strategy and internal control to enhance the sustainability initiative.

Governance Framework

At Sersol, our governance strategy is designed to ensure that our sustainability initiatives are integrated into every aspect of our business operations. Our approach is built upon the following key pillars:

1. Enhancing Corporate Value

- **Strategic Oversight:** The Board of Directors provides strategic oversight to ensure that all sustainability efforts align with our corporate values and long-term business goals.
- **Value Creation:** We focus on creating sustainable value for our shareholders and stakeholders through ethical and transparent business practices.

2. Achieving Business Goals

- **Performance Management:** We implement robust performance management systems to track and achieve our business and sustainability goals.
- **Continuous Improvement:** Our commitment to continuous improvement drives us to innovate and enhance our operations for better efficiency and effectiveness.

3. Risk Management and Strategies

- **Risk Assessment:** We conduct regular risk assessments to identify and mitigate potential environmental, social, and governance risks.
- **Strategic Planning:** Our risk management strategies are integrated into our overall business planning to ensure resilience and sustainability.

4. Compliance and Policy Implementation

- **Regulatory Compliance:** We adhere to all relevant local and international regulations and standards, ensuring full compliance in all our operations.
- **Policy Framework:** Our comprehensive policy framework guides our business practices, ensuring consistency and accountability.

5. Ethical Management Philosophy

- **Leadership Commitment:** Our leadership is committed to fostering a culture of integrity, responsibility, and ethical behaviour.
- **Stakeholder Engagement:** We prioritise open and transparent communication with our stakeholders to build trust and foster collaborative relationships.

By embedding these principles into our governance strategy, Sersol aims to maintain high standards of corporate governance, drive sustainable growth, and deliver long-term value to our stakeholders.

Board Engagement

Sersol is dedicated to upholding exemplary corporate governance practices, maintaining strict adherence to rigorous business ethics and compliance standards throughout the entire Group. The Board recognises the crucial importance of a strong risk management framework and a thorough internal control system in fostering a culture of effective corporate governance, as outlined in the Malaysian Code on Corporate Governance 2021. By providing clear and open information about our sustainability practices, we strive to build trust and confidence among our customers, stakeholders, and the wider community.

As part of our commitment to ethical business practices, we have implemented a strict policy against fraud, bribery, corruption, money laundering, and insider trading. In order to achieve this objective, we have put in place an Anti-Bribery and Corruption (ABAC) Policy as well as a Whistleblowing Policy. These measures not only enhance the transparency of our operations but also cultivate an environment that promotes better governance.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WORKPLACE

Creating a safe and supportive working environment, training, and self-development.

The company highly values our employees, recognising them as the foundation of our organisation's continuous growth and success. Thus, we prioritise the well-being and overall satisfaction of our employees as crucial benchmark in our management approach.

Diversity

The Group is committed to fostering a diverse and inclusive workforce across its locations and operations. We provide a fair and equitable work environment for all employees, consistently upholding principles of equal opportunity and encouraging teamwork and collaboration. Our culture of inclusiveness and fairness promotes innovation and creativity within the workforce, enhancing our capacity for adaptability, conflict resolution, and dynamic problem-solving.

We recognise the importance of strengthening gender diversity across all organisational levels. In FYE 31 December 2022, the staff composition stood at 73% male and 27% female. By FPE 30 June 2024, female representation increased to 33%, and this upward trend continued into FYE 30 June 2025 with female staff making up 41% of the workforce. Management roles have consistently maintained a balanced gender distribution, with a 50:50 representation of male and female personnel in both FYE 31 December 2022 and FPE 30 June 2024, and a slight shift to 60% male and 40% female in FYE 30 June 2025.

For senior management, female representation was notably strong at 67% in FYE 31 December 2022 but declined to 60% in FPE 30 June 2024 and further to 50% in FYE 30 June 2025, reflecting the need for renewed focus on retaining and promoting women into senior leadership roles. At the Board level, male representation remains dominant, with female representation increasing gradually from 14% in FYE 31 December 2022 to 17% in both FPE 30 June 2024 and FYE 30 June 2025.

While our staff composition demonstrates steady progress towards greater gender equity, we acknowledge that further action is required to ensure balanced representation at leadership and decision-making levels. Management continues to strengthen gender diversity pipelines, particularly for senior leadership and Board positions. We believe that improving gender balance not only aligns with stakeholder expectations and regulatory guidelines but also enhances organisational performance, innovation, and resilience.

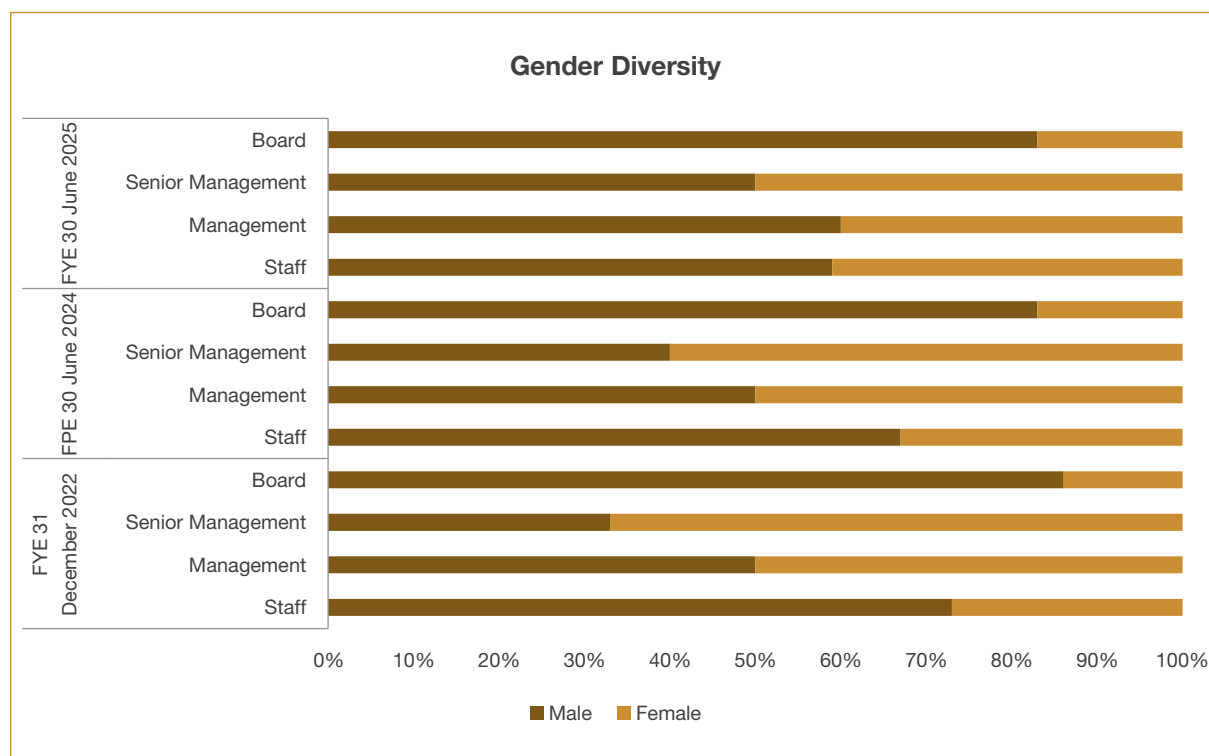
Board Diversity FYE 30 June 2025
Total Directors of 6 with 5 males and 1 female

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WORKPLACE (CONT'D)

Diversity (Cont'd)



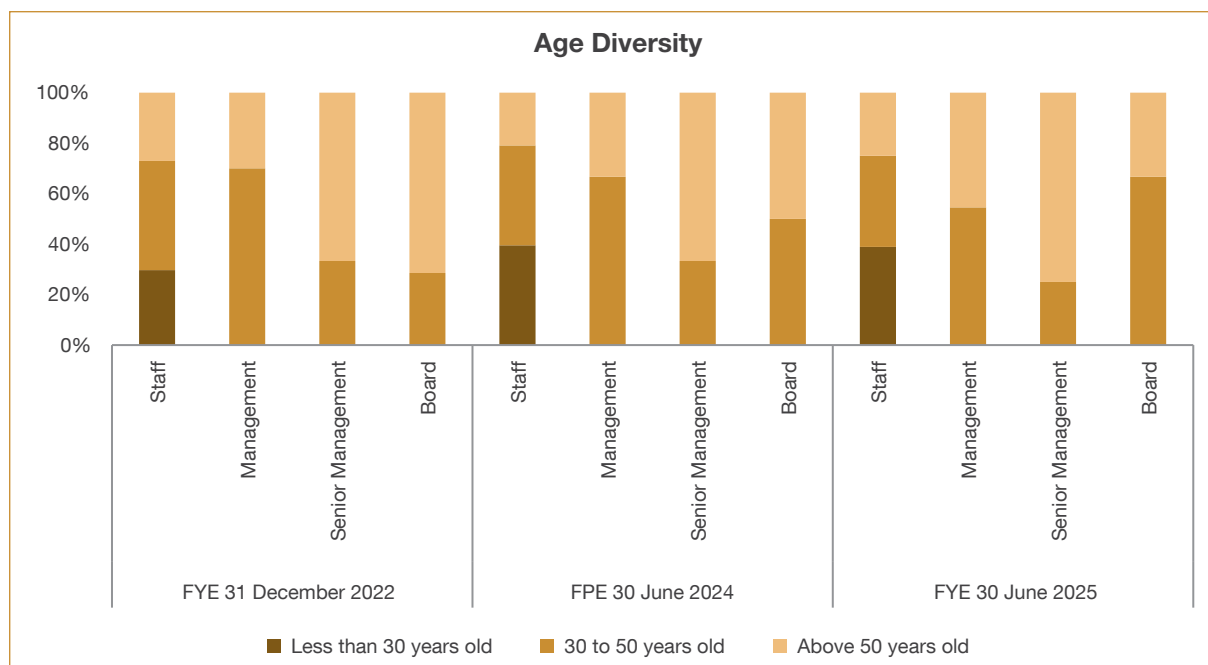
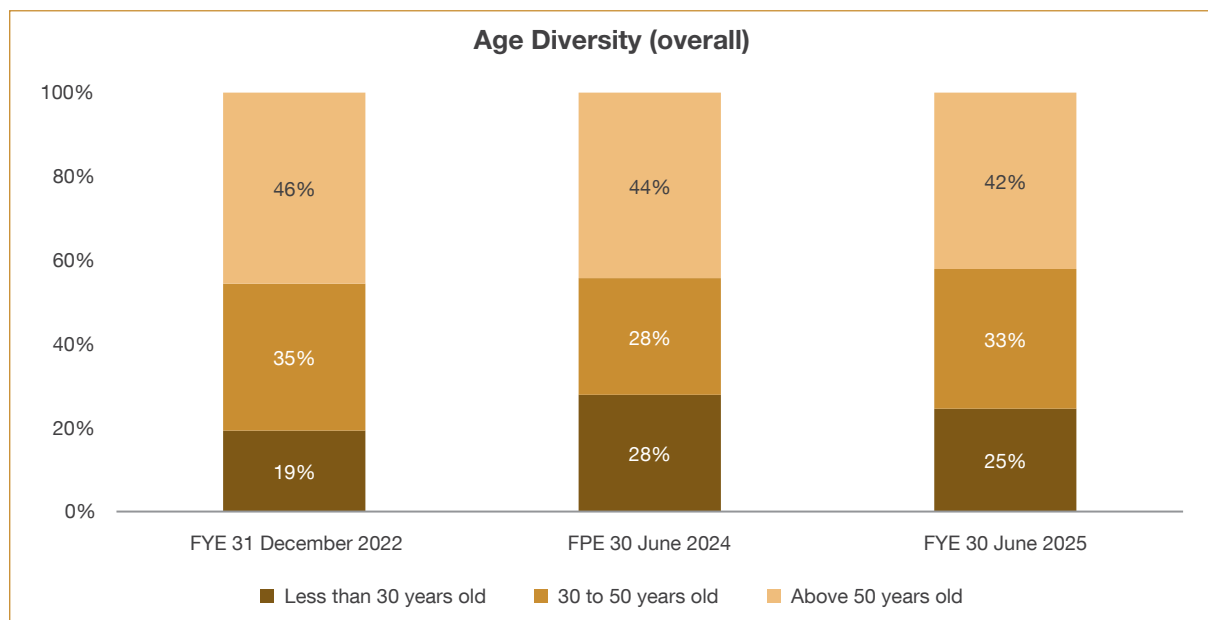
The age distribution of employees, management, senior management, and the Board across FYE 31 December 2022 to FPE 30 June 2024 indicates a consistent concentration of personnel in the 30 to 50 years age group, particularly within management and senior management levels. In FYE 31 December 2022, 43% of staff were between 30 and 50 years old, and this trend continued in FPE 30 June 2024 (46%) before slightly declining to 35% in FYE 30 June 2025. Younger staff (below 30 years old) increased from 30% in FYE 31 December 2022 to 40% in FPE 30 June 2024, before moderating to 39% in FYE 30 June 2025, suggesting an infusion of younger talent into the workforce. Staff above 50 years old increased from 30% in FYE 31 December 2022 to 45% in FPE 30 June 2024. At the leadership level, senior management is largely concentrated in the 30 to 50 years age group, with representation of those above 50 years old gradually increasing to 8% by FYE 30 June 2025. Within the Board, there is more representation from older age groups, particularly those above 50 years old (14% in FYE 31 December 2022, moderating to 5% in FYE 30 June 2025), reflecting experience-based appointments.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WORKPLACE (CONT'D)

Diversity (Cont'd)



The Group does not tolerate any form of discrimination based on ethnicity, religion, ideology, gender, age, disability, or sexual orientation. Our Code of Conduct strictly prohibits all forms of harassment in the workplace, and we act swiftly on any reported incidents pertaining to discrimination or harassment. To uphold strong principles of equity and incentivise excellent performance, we provide opportunities based solely on merit.

By maintaining a diverse and inclusive workforce, we aim to create an environment that fosters sustainable growth and innovation, ensuring long-term success for the Group and its stakeholders.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WORKPLACE (CONT'D)

Anti-Bribery and Anti-Corruption (ABAC) Policy

In 2025, Sersol further cemented its strong foundation of integrity, transparency, and ethical governance. We continued to enhance our ABAC framework to ensure that ethical principles are integrated into our daily operations and organisational culture. All employees including the new joiners were briefed on the Company's ABAC Policy, reinforcing zero tolerance against any form of bribery or misconduct.

To strengthen capability and governance oversight, all six members of the Board, four management personnel, four senior management members and one executive completed external anti-corruption training during the year. This ensures that key leaders are equipped with the latest regulatory knowledge and best practices in corruption risk management. No incidents of bribery or corruption were reported through our whistleblowing channels during the financial year — affirming the ongoing effectiveness of our governance measures.

Health and Safety

Given the nature of our business, employees are exposed to various occupational health and safety (OHS) risks. To address this, the Group has established and implemented comprehensive health and safety measures across our manufacturing facilities to safeguard employees from potential hazards. Compliance with all applicable laws and regulations forms the baseline of our approach, we continuously identify and adopt enhanced safety measures to mitigate risks and strengthen our commitment to a safe working environment.

Our health and safety policies are tailored to the specific activities at each work site, ensuring relevance and effectiveness. Managers are responsible for enforcing compliance with applicable laws, regulations, and internal policies by both employees and subcontractors. In addition, the management team develops vigilance guidelines and conducts regular training programmes to equip technical and production staff with the knowledge and skills necessary to prevent occupational incidents and promote a culture of safety awareness.

The Group's health and safety framework consists of the following key elements to enable a safe working environment:

- Adequate personal protective equipment for employees to protect from both direct and long-term health risks.
- Implementation of regular and rigorous site inspections, which are essential to identify potential health and safety risks. Any inspection gaps are addressed within a set timeframe, accompanied with appropriate follow-up actions.
- Investigation by on-site management to identify root causes of incidents and ensuring measures are implemented to prevent recurrences.

To foster a strong culture of precaution and safety across the Group, we have implemented strict safety policies and mechanisms designed to eliminate risks and prevent avoidable incidents. These policies set out clear safety rules for both office premises and production sites, communicate potential risks along with the procedures to address them, and establish comprehensive emergency response plans, including evacuation routes in the event of an emergency. Maintaining a safe work environment is a shared responsibility, requiring the commitment and active participation of all employees at every level of the organisation.

Health and Safety Training Analysis

Analysing the Health and Safety training data for FYE 31 December 2022 and FPE 30 June 2024 provides valuable insights into our commitment to ensure a safe working environment for all employees. In FYE 31 December 2022, we focus on training 40 employees on health and safety, including firefighting, chemical spill handling, first aid, and CPR at the workplace. In FPE 30 June 2024, this effort was expanded with 76 employees receiving training on emergency response, fire drills, chemical handling management, Personal Protective Equipment (PPE) and spillage control handling. In FYE 30 June 2025, the Group allocated 42 employees for structured health and safety training, reinforcing our proactive approach to equipping employees with the skills and awareness needed to prevent incidents and respond effectively to emergencies.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WORKPLACE (CONT'D)

Health and Safety Training Analysis (Cont'd)

Number of Employees Trained on Health and Safety Standards		
FYE 31 December 2022	FPE 30 June 2024	FYE 30 June 2025
40	76	42

The increase reflects our dedication to enhancing workplace safety awareness. These programmes are designed to equip our employees with the necessary skills and knowledge to handle emergencies effectively and to minimise the risks associated with their specific job functions. Our approach not only complies with regulatory requirements but also emphasises proactive risk management and continuous improvement in health and safety practices.

By incorporating these training programmes into our overall health and safety framework, we ensure that our employees are well-prepared to manage potential hazards, which promotes a safer and more resilient work environment. The increasing participation rates in training reflect our commitment to upholding high safety standards and safeguarding our workforce from occupational health and safety risks.

Training and Education

To ensure a constant delivery of quality products and services to our customers, we place strong emphasis on the training and development of our employees. We provide a variety of learning and development programmes, on-the-job training, as well as internal and external training identified and assigned to the relevant employees by our senior management team.

In line with the Group's policy, employees are required to complete a minimum number of training hours each year. Additional hours are undertaken when new systems, regulatory requirements, or operational changes are introduced. In FYE 31 December 2022, executives completed 284 hours of training, which decreased to 200 hours for the 18-month period ended 30 June 2024, and further to 144 hours in FYE 30 June 2025. Similarly, non-executives undertook 237 hours in FYE 31 December 2022, reducing to 191 hours in FPE 30 June 2024 and 142 hours in FYE 30 June 2025. Despite the decline in training hours, management ensures that training programmes are structurally planned and aligned with the Group's mission. They are also designed to adequately address evolving regulatory, technological, and sustainability requirements, while being aligned to our employees' development needs.

	Number of training hours		
	FYE 31 December 2022	FPE 30 June 2024	FYE 30 June 2025
Executive	284	200	144
Non-executive	237	191	142

Employee Engagement

We firmly believe that the well-being of our employees is fundamental to maintaining a productive, engaged, and resilient workforce. The Group provides a range of benefits, including annual leave, medical leave, and other welfare initiatives to support employees' physical and mental well-being.

During the reported periods, the Group recorded employee turnover across both executive and non-executive categories. In FYE 31 December 2022, executive turnover stood at 13 employees, followed by 15 in FPE 30 June 2024 and 7 in FYE 30 June 2025 respectively. For non-executive employees, turnover was 37 in FYE 31 December 2022, decreased to 36 in FPE 30 June 2024, and subsequently declined to 5 in FYE 30 June 2025. In summary, executive turnover remained stable, while non-executive turnover fluctuated more and represented the majority of overall attrition, prompting closer monitoring and targeted retention efforts.

By focusing on both training and employee engagement, we aim to build a more skilled, loyal, and motivated workforce that can drive the Group's long-term success and sustainability.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

WORKPLACE (CONT'D)

Local Purchase

The Group continues to prioritise local sourcing as part of its commitment to supporting domestic businesses and strengthening the local economy. The Group continues to prioritise local sourcing as part of its commitment to supporting domestic businesses and strengthening the local economy. In FYE 31 December 2022, the Group engaged 59 suppliers, with 87% of purchases made locally. This was followed by 58 suppliers in FPE 30 June 2024, where local purchases accounted for 82%. In FYE 30 June 2025, the Group continued to maintain relationships with 59 local suppliers; however, the percentage of spending on local procurement further declined to 80%. This gradual reduction mainly reflects increased sourcing of certain specialised materials from overseas suppliers due to availability and cost considerations.

ENVIRONMENTAL MANAGEMENT

Improving our environment by utilising greener alternatives.

With a strong commitment to environmental stewardship, we prioritise making meaningful contributions to the health of our planet. We recognise the impact of energy use and greenhouse gases on climate change, which drives our dedication to sustainable and responsible operations. We are also seeking ways to reduce our carbon footprint, focusing on minimising our environment impact through the implementation and promotion of eco-friendly initiatives.

Water Management

The Group's water consumption reflected fluctuations over the reported periods. Usage stood at 1,654 m³ in FYE 31 December 2022, followed by a slight reduction to 1,543 m³ during the 18-month period ended FPE 30 June 2024, attributable to ongoing conservation efforts. However, consumption rose to 2,340 m³ in FYE 30 June 2025, largely due to piping leakages and meter-related inaccuracies identified during the year. The Group has since initiated corrective measures to prevent recurrence and improve water efficiency.

Energy Management

The Group's total electricity consumption recorded a significant reduction between FPE 30 June 2024 and FYE 30 June 2025. The FPE 30 June 2024 figure covered an 18-month period, whereas FYE 30 June 2025 represents a 12-month period. In FPE 30 June 2024, total energy consumption stood at 321,023 kWh, while it decreased to 230,312 kWh in FYE 30 June 2025. The Group continues to promote energy efficiency and conservation initiatives across its operations and its facilities.

The Group reported the Scope 2 GHG emissions related to purchased electricity used in Malaysia operations. Scope 2 emissions calculations were performed using the latest available emissions factors for 2022 published by the Energy Commission in November 2024.

Breakdown of greenhouse gas ("GHG") emissions		
	FPE 30 June 2024	FYE 30 June 2025
Scope 2 GHG Emission	248.47 tCO ₂ e	178.26 tCO ₂ e

Environmental Compliance

The Group operates in accordance with the Environmental Quality Act, 1974. Each month, our safety committee conducts an internal audit to access and verify the environmental compliance status of our manufacturing facilities. If any undesirable compliance issues are identified, the relevant departments promptly implement corrective actions or measures based on our audit findings.

SUSTAINABILITY STATEMENT (Cont'd)

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

ENVIRONMENTAL IMPACT

Clear priorities have been established to further reduce production waste. The first priority is to prevent waste through continuous process improvements; if that is not feasible, waste should be recycled. If neither option is possible, it should be disposed of safely. The Group's management adopts a precautionary approach to waste handling and disposal, ensuring that only licensed waste management contractors are authorised to manage our waste. The Group's external partners must comply with all relevant laws and regulations as well as participate in annual audits.

ACTION PLANS FOR KEY ENVIRONMENTAL STRATEGIES

Energy Efficiency Initiatives:

- **Action Plan:** Conduct energy audits to identify inefficiencies, upgrade to energy-efficient equipment, implement LED lighting, and optimise HVAC systems.

Process Optimisation:

- **Action Plan:** Implement lean manufacturing techniques, adopt advanced process control systems, and regularly review and improve production processes to reduce energy consumption and waste.

Waste Reduction and Recycling:

- **Action Plan:** Establish recycling programmes for all recyclable materials, encourage the use of biodegradable and reusable materials, and work with suppliers to reduce packaging waste.

Employee Training and Engagement:

- **Action Plan:** Develop and conduct regular training sessions on sustainability practices, create awareness campaigns to promote environmental responsibility, and establish a green team to lead and coordinate sustainability initiatives.

By prioritising these key strategies and implementing the associated action plans, we aim to significantly reduce our carbon footprint and improve our overall environmental performance.

LOOKING AHEAD

Within the coatings industry, Sersol is dedicated to manufacturing and selling coatings and thinners. Our primary focus is on the coating of plastic and metal for the electronic and electrical industries, as well as wood coatings and decorative coatings. We emphasise ongoing innovation and aim to consistently exceed our customers' expectations with our exceptional products. With a visionary approach, we are committed to leveraging the latest technologies, sustainable practices, and strategic collaborations to drive growth, enhance value, and shape the future of surface solutions. Our strong commitment to excellence allows us to lead the industry by staying ahead of market trends and swiftly adapting to changing customer needs.

Maintaining transparency and integrity in all aspects of our operations is paramount. Our Sustainability Statement plays a crucial role in engaging stakeholders and offering valuable insight into our sustainability initiatives. We have implemented stringent policies, including the ABAC Policy and Whistleblowing Policy to underscore our unwavering dedication to combating unethical practices such as fraud, bribery, corruption, money laundering, and insider trading.

With a strong focus on the future, our management team is dedicated to enhancing our capabilities to deliver exceptional service to our customers and promote sustainable practices across all our operations. Our unwavering commitment to sustainability is evident in our efforts to reduce our environmental footprint and address important social and ethical concerns. As a leader in our field, we strive to drive innovation and achieve success. Our focus is to create long-lasting value for our stakeholders, transform spaces on a global scale, and making a positive impact on society and the environment.

SUSTAINABILITY STATEMENT (Cont'd)

RELATIONSHIP WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDGs)

Sersol is committed to aligning our business practices with the United Nations Sustainable Development Goals (UNSDGs). Our operations and sustainability initiatives support several of these goals, demonstrating our dedication to making a positive impact on society and the environment. Here's how our activities relate to specific UNSDGs:

Goal 6: Clean Water and Sanitation

Our initiatives in water management, including optimising water consumption and implementing water-saving measures, contribute to ensuring the availability and sustainable management of water resources.

Goal 7: Affordable and Clean Energy

By investing in energy efficiency initiatives and renewable energy projects, we aim to reduce our carbon footprint and encourage the use of clean energy throughout our operations.

Goal 8: Decent Work and Economic Growth

We offer quality employment opportunities, uphold fair labour practices, and invest in the professional development of our employees. This approach supports sustained, inclusive, and sustainable economic growth, ensuring decent work for all.

Goal 9: Industry, Innovation, and Infrastructure

Our dedication to continuous innovation and the adoption of cutting-edge technologies fosters resilient infrastructure and promotes sustainable industrialisation.

Goal 12: Responsible Consumption and Production

We implement sustainable operational practices, including waste reduction and recycling programmes, to promote responsible consumption and production patterns.

Goal 13: Climate Action

Our environmental initiatives, including reducing greenhouse gas emissions and improving energy efficiency, align with global efforts to combat climate change and its impacts.

Goal 16: Peace, Justice, and Strong Institutions

Our commitment to ethical business practices, including our ABAC Policy and Whistleblowing Policy, ensures that we operate with integrity, transparency, and accountability, contributing to the development of just and strong institutions.

Goal 17: Partnerships for the Goals

We actively collaborate with industry peers, regulatory bodies, and community organisations to strengthen collective action towards sustainable development. By forging meaningful partnerships, we leverage shared expertise, resources, and innovation to amplify our impact and support the achievement of global sustainability targets.

By integrating these UNSDGs into our sustainability strategy, Sersol aims to drive positive change and support to global efforts toward a more sustainable and equitable future.

DIRECTORS' PROFILE

DATO' MOHAMED SUFFIAN BIN AWANG

Executive Director



Aged : 54



Gender : Male



Nationality : Malaysian

Date of Appointment

25 August 2023

Board Committee membership

Nil

Qualification, Working Experience and Occupation

Dato' Mohamed Suffian bin Awang (Dato' Suffian) holds a Diploma in Public Administration and a Bachelor of Law degree from Universiti Teknologi Mara, Shah Alam. Dato' Suffian has 14 years of experience in legal practice and 6 years of experience in the civil service.

Between 2015 and 2019, Dato' Suffian was the Chairman of the Investment Committee and an Independent Non-Executive Director at Felda Global Ventures Berhad. Presently, Dato' Suffian holds directorships at Strands Engineering Sdn. Bhd. and Alpha Nest Sdn. Bhd. while serving as the Chairman of the Maritime Institute of Malaysia. His contributions to these diverse organisations reflect his leadership and broad expertise in steering strategic investments, corporate governance and policy development.

Directorship of public companies and listed issuers/listed corporation

Pecca Group Berhad (Independent Non-Executive Chairman)

Relationship with any director and/or major shareholder of the Company

Nil

Conflict of interest with the Company

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILE (Cont'd)

TOH BOON HSING

Executive Director



Aged : 47



Gender : Male



Nationality : Malaysian

Date of Appointment

2 February 2024

Board Committee membership

Nil

Qualification, Working Experience and Occupation

Mr. Toh Boon Hsing (Mr. Toh) graduated from University of Southern Queensland, Australia with a Bachelor Degree in Marketing & Human Resource Management.

Mr. Toh rose from the ranks of established Property Companies, starting out in Henry Butcher Lim & Long in 1999, YTL Land Bhd, Country Heights Bhd and eventually headed the Marketing & Sales Department of Bluwater Developments Bhd. LJBB Group of Companies was formed and spearheaded by him in 2007, leading to the development of Maisons Cyberjaya, Maisons @ Rawang, Ecovilla Semenyih with a total of approximate 200 million in Gross Development Value (GDV).

Mr. Toh has been involved in project and marketing of numerous projects since 1999, namely Shoplex@Mont Kiara, Magna Park Kepong, Ken Damansara, Danau Lumayan in Bandar Tun Razak, Millenium Place (Section 14 PJ), Andalucia @ Pantai Hill Park, The Tamarind @ Sentul East, The Maple @ Sentul West, LakeEdge @ Puchong, Lake Homes @ Mines SouthLake, Bluhaven @ Bluwater Estate, The Heritage @ Mines SouthLake, with a total of more than RM1 Billion worth of property launches under his belt.

Mr. Toh is not an unfamiliar name in the residential property market and skilled in leading diverse teams. Mr. Toh has managed various projects with groups varying in size and specialisation and a track record of successfully navigating complex challenges, where planning, coordination, and swift problem resolution are crucial. Mr. Toh strong communication skills have been essential in maintaining productive relationships with stakeholders, clients, and team members.

Directorship of public companies and listed issuers/listed corporation

Nil

Relationship with any director and/or major shareholder of the Company

Nil

Conflict of interest with the Company

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILE (Cont'd)**LEONG LUP YAN***Independent Non-Executive Director*

Aged : 56



Gender : Male



Nationality : Malaysian

Date of Appointment

25 August 2021

Board Committee membership

Chairman of Audit Committee
Chairman of Risk Management Committee
Chairman of Remuneration Committee
Member of Nomination Committee

Qualification, Working Experience and Occupation

Prior to admission as a member of the then Malaysian Association of Certified Public Accountants in 1995, Mr. Leong Lup Yan (Mr. Leong) worked for KPMG, an international accounting firm from December 1989. Mr. Leong is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

Mr. Leong started as an Audit Assistant in KPMG and left as a Supervisor of KPMG Tax Services. Subsequently, Mr. Leong joined AIC Corporation Berhad as the Head of Internal Audit in 1996 and was appointed as Chief Financial Officer of Jotech Holdings Berhad in August 2000 and Globaltec Formation Berhad (GFB) in 2013. Mr. Leong was later appointed as the Group Chief Operating Officer of the Precision Stamping Division of GFB in June 2015 and Chief Executive Officer of GuangDong Jotech Kong Yue Precision Industries Ltd.

Directorship of public companies and listed issuers/listed corporation

Fast Energy Holdings Berhad (Executive Director)

Relationship with any director and/or major shareholder of the Company

Nil

Conflict of interest with the Company

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILE (Cont'd)

TAN SU NING

Independent Non-Executive Director



Aged : 33



Gender : Female



Nationality : Malaysian

Date of Appointment

28 February 2025

Board Committee membership

Chairman of Nomination Committee (*Appointed on 23 October 2025*)

Member of Remuneration Committee (*Appointed on 23 October 2025*)

Member of Audit Committee

Member of Risk Management Committee (*Appointed on 23 October 2025*)

Qualification, Working Experience and Occupation

Ms. Tan Su Ning (Ms. Tan) graduated with a LLB (Hons.) degree from University of London (external) and was admitted as an Advocate and Solicitor of the High Court of Malaya in 2018.

Ms. Tan started her legal practice with an established law firm in 2018. Subsequently, Ms. Tan joined Messrs. Lim Chong Phang & Amy and Messrs. Chong + Kheng Hoe in 2019. Ms. Tan's practice primarily focuses on corporate and commercial disputes including breach of directors' duties, Shareholders' dispute as well as litigation concerning capital market and securities laws. Besides, Ms. Tan also advises public and private corporation on legal and regulatory compliance. Ms. Tan is currently a partner of Messrs. Terrence & Co.

Directorship of public companies and listed issuers/listed corporation

Jadi Imaging Holdings Berhad, Bioalpha Holdings Berhad, Fast Energy Holdings Berhad, and LKL International Berhad (Independent Non-Executive Director)

Relationship with any director and/or major shareholder of the Company

Nil

Conflict of interest with the Company

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILE (Cont'd)

ALAN LING SIE KIONG

Non-Independent Non-Executive Director



Aged : 42



Gender : Male



Nationality : Malaysian

Date of Appointment

25 August 2023

Board Committee membership

Nil

Qualification, Working Experience and Occupation

Mr. Alan Ling Sie Kiong (Mr. Alan) obtained his Bachelor of Laws Degree from University of Sheffield, United Kingdom and Master of Business Administration from SEGI University Kota Damansara in 2006 and 2022 respectively. Mr. Alan is a qualified and practicing Advocate & Solicitor registered with the High Court of Malaya and the High Court of Sabah & Sarawak.

Mr. Alan commenced his pupillage in Messrs. Karpal Singh & Co. under the late Dato' Seri Utama Karpal Singh. Mr. Alan was admitted to the High Court of Malaya at Kuala Lumpur in 2009. Mr. Alan later chambered in Sarawak in Messrs. Suhaili & Ling (formerly known as Messrs. Suhaili & Bong) and was admitted to the High Court of Sabah & Sarawak in 2010. In October 2011, Mr. Alan was admitted to the partnership of the same.

Mr. Alan was subsequently elected and has served as honourable member of the Sarawak State Legislative Assembly from 2011 until 2016. Mr. Alan also served as Senator in the Upper House of the Parliament of Malaysia from 2018 until 2021.

Mr. Alan served as board member of Malaysian Palm Oil Board from 2018 until 2020 and currently Mr. Alan is management board member of National Sports Council under the Ministry of Youth and Sports.

Mr. Alan is also Partner of Rohamat & Ling based in Petaling Jaya and Johor Bahru in West Malaysia and has been active in several business fields.

Directorship of public companies and listed issuers/listed corporation

Nil

Relationship with any director and/or major shareholder of the Company

Nil

Conflict of interest with the Company

Nil

Any other convictions (aside from traffic offence)

Nil

DIRECTORS' PROFILE (Cont'd)

TAN TONG LANG

Non-Independent Non-Executive Director



Aged : 49



Gender : Male



Nationality : Malaysian

Date of Appointment

25 August 2023

Board Committee membership

Member of Audit Committee

Member of Nomination Committee

Member of Remuneration Committee

Qualification, Working Experience and Occupation

Mr. Tan Tong Lang (Mr. Tan) obtained his Bachelor of Arts (Hons) in Business Administrative from Nottingham Trent University.

Mr. Tan is the Managing Director of Boardroom.com Sdn. Bhd. and Aldpro Corporate Services Sdn. Bhd., which provide corporate secretarial and share registration services, respectively. Mr. Tan is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators.

Mr. Tan has more than 20 years of professional experience in corporate secretarial. Mr. Tan formed Boardroom.com Sdn. Bhd. in 2008. Prior to that, Mr. Tan worked as head of the department of Secta Sdn. Bhd. Mr. Tan also has worked as a secretarial assistant at Pantai Management Resources Sdn. Bhd. for 4 years.

Currently, Mr. Tan is also managing a money lending company and cooperative. Besides that, Mr. Tan is also assisting in obtaining financing facilities for his clients. Mr. Tan is a Member of the Malaysia-Guangdong Chamber of Investment Promotion.

Directorship of public companies and listed issuers/listed corporation

Nil

Relationship with any director and/or major shareholder of the Company

Nil

Conflict of interest with the Company

Nil

Any other convictions (aside from traffic offence)

Nil

KEY SENIOR MANAGEMENT'S PROFILE

TAN FIE JEN

MARKETING DIRECTOR



Aged : 59



Gender : Male



Nationality : Malaysian

Date of Appointment

1 November 1992

Board Committee membership

Nil

Mr. Tan Fie Jen (Mr. Tan) graduated from Tunku Abdul Rahman College with a Diploma in Building in 1989. Mr. Tan began his career as Sales Executive in various companies, such as Hunter Products (M) Sdn. Bhd., Supermax Enterprise and Lea Tat (M) Sdn. Bhd.

Mr. Tan has over 30 years of experience in the industrial coating industry. Mr. Tan was promoted to Chief Operating Officer in Multi Square Sdn. Bhd. in 2006 and Mr. Tan is currently the Marketing Director of Sersol Berhad's group of companies since 2008.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

LOH WAI KIT

CHIEF FINANCIAL OFFICER



Aged : 37



Gender : Male



Nationality : Malaysian

Date of Appointment

1 August 2025

Board Committee membership

Nil

Mr. Loh Wai Kit (Mr. Loh) is a qualified Chartered Accountant with a diversified experience across industries such as manufacturing, property development, retail and media. Mr. Loh is a member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Chartered Certified Accountants (FCCA) with an extensive background in accounting, taxation, corporate and operational finance.

Mr. Loh's career began at KPMG, an international accounting firm and worked in their audit practices. To enrich his audit experience, Mr. Loh joined accounting firm in Singapore as an audit manager. During his years in the audit line, Mr. Loh was involved in various audit assignments including statutory audit, financial due diligence, initial public offering engagement and reporting accountant works.

Progressing from audit, Mr. Loh transitioned into finance roles spanning from private to public listed companies. Mr. Loh's career has progressed in the management and operation of both private and public listed companies.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)

LAU LEE CHENG

GENERAL MANAGER



Aged : 48



Gender : Female



Nationality : Malaysian

Date of Appointment

28 November 2001

Board Committee membership

Nil

Ms. Lau Lee Cheng (Ms. Lau) graduated with a Master's degree in Science, majoring in Chemistry Industry from University of Technology Malaysia in year 2000.

Ms. Lau started her career with Multi Square Sdn. Bhd. as a Chemist and was promoted to Chemical Engineer in the year 2003. In 2005, Ms. Lau was promoted to Manager of R&D department. In year 2006 and 2008, Ms. Lau was appointed as Assistant General Manager and General Manager of Multi Square Sdn. Bhd. respectively.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

TAN CHUAN THYE

BUSINESS DEVELOPMENT MANAGER



Aged : 55



Gender : Male



Nationality : Malaysian

Date of Appointment

03 March 1994

Board Committee membership

Nil

Mr. Tan Chuan Thye (Mr. Tan) graduated from Singapore Polytechnic with a diploma in Marine Engineering in 1993. Mr. Tan started his career in 1993 as an engineer in Tru Marine for 6 months.

Mr. Tan joined Multi Square Sdn. Bhd. in 1994 as a Sales Coordinator and transfer to Thinner Production as a supervisor within the same year. In 2004, Mr. Tan was promoted to Production Manager. Subsequently in 2006, Mr. Tan was transferred to Sales and Marketing Department as Business Development Manager. With his technical knowledge in the paint and coating industry, Mr. Tan is able to meet customer needs and expectations.

Directorship of public companies and listed issuers

Nil

Relationship with other directors/ shareholders/listed issuer

Nil

Conflict of interest with listed issuer

Nil

Any other convictions (aside from traffic offence)

Nil

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

The Board of Directors (Board) of Sersol Berhad (the Company) recognises the importance of corporate governance and is committed to ensuring that the principles and best practices in corporate governance as set out in the Malaysian Code on Corporate Governance (MCCG or the Code) are observed and practiced throughout the Company and its subsidiaries (collectively referred to as “the Group”) so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders’ investment and ultimately enhancing shareholders’ value.

This statement is prepared in compliance with ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and it is meant to be read together with the Corporate Governance Statement and Corporate Governance Report. The Corporate Governance Report provides details on how the Company has applied each practice as set out in the MCCG for the financial year ended 30 June 2025 (FYE 30 June 2025), a copy of which is available on the Company’s website.

The Board will continue to take measures to improve compliance with the principles and recommended best practices in the ensuing years.

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

The Board has considered and discussed a wide range of matters during the FYE 30 June 2025, including strategic decisions and reviewing of risk associated matters in the business. The Board is aware that decisions made for the business of the Group would affect a broad range of our stakeholders. While the Board seeks to ensure that the decisions were taken in a way that was fair and consistent with the Group’s values, the Board also recognised the importance of balancing these with the need to support the long-term future of the business.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has established various committees where specific powers of the Board are delegated to the relevant Board Committees.

The Board has a formal schedule of matters reserved for deliberation set out in the Board Charter to ensure good governance is in place for the Group.

II. BOARD COMPOSITION

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage.

In evaluating the suitability of individual Board members, the Nomination Committee (NC) takes into account several factors, including skills, knowledge, expertise, experience, professionalism and time commitment to effectively discharge his or her role as a director, contribution, background, character, integrity and competence. In the case of candidates for the position of Independent Non-Executive Directors, the NC will evaluate the candidates’ ability to discharge their responsibilities and should bring in their independent judgement, provide constructive challenge, strategic guidance, offer specialist advice and impartiality.

With the current composition, the Board feels that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively. Moving forward, the Board, being in line with the national target of having 30% women on the boards of listed issuers, will maintain a register of potential directors which include high-calibre female candidates and appoint them when the need arise.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION

The Board has in place a Directors' and Senior Management Remuneration Policy which is clear and transparent, designed to support and drive business strategy and long-term objectives of the Group. In this regard, the Remuneration Committee (RC) is responsible to formulate and review the remuneration policies for the Directors and Senior Management of the Company to ensure the same remain competitive, appropriate, and in line with the prevalent market practices.

The Board carries out a remuneration review for its employees including that of Senior Management, with the view to ensure that the Group continues to retain and attract the best talents in the industry. The proposed salary structure was considered by the RC and subsequently approved by the Board for implementation.

PRINCIPAL B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Audit Committee (AC) played a key role in ensuring integrity and transparency of corporate reporting. The AC's role is to review and challenge Management to ensure that appropriate disclosures of accounting treatment and accounting policies are made.

During the FYE 30 June 2025, the internal audit function is outsourced to an independent professional Internal Audit Firm, namely, GovernanceAdvisory.com Sdn. Bhd. The total cost incurred by the Group for the internal audit function was approximately RM16,000.00

The internal auditor attended two (2) AC Meeting in FYE 30 June 2025.

The AC reviewed and assessed the adequacy of the scope and functions of the internal audit plans.

The AC with the assistance of the Internal Auditor had undertaken a thorough review of the following areas within the Group to ensure that appropriate controls and effective management process are in place:

(i) Sales and Collective Review

- Enhancement of Standard of Operating Policies and Procedures
- Improvement on Sales Commission
- Enhancement on Sales Process Controls and Oversight
- Improvement on Cash Collection Controls

(ii) Follow-up review on previous Internal Audit Reports

Annually, the composition of the AC is reviewed by the NC and recommended to the Board for its approval. With the view to maintain an independent and effective AC, the NC ensures that only Independent Non-Executive Directors who have the appropriate level of expertise and experience and have the strong understanding of the Group's business would be considered for membership on the AC. However, the currently AC comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director, the Board is mindful of Practice 9.4 of the Code which states that the AC should comprise solely of Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Risk Management Committee (RMC) is responsible for managing, monitoring and reporting all risk management activities within the Group. The RMC has a duty to provide assurance to the Board that robust risk management, controls and assurance process are in place. The RMC continues to monitor the potential risks of the Group and ensures that mitigating factors are in place to ensure health, safety and business continuity of the Group. Risk Management is a critical component of good management practice and effective corporate governance. With the Risk Management Framework being in place, the Board's decision-making was supported by sufficient information for the right discussions and considerations. The enhanced level of risk debate and greater involvement from the Management were also critical in ensuring that appropriate monitoring and mitigations were embedded to support the proposals under discussion.

The Board will continue to drive a proactive risk management approach and ensure that the Group's employees have a good understanding of the application of risk management principles in order to work towards cultivating a sustainable risk management culture. The Board will also continue to challenge the Group's risk reporting mechanism and ensure that it is data-driven to capture and quantify exposures where applicable and necessary

PRINCIPAL C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Group recognises the importance of stakeholder engagement leading to the long-term sustainability of its businesses. As a responsible corporate citizen, the Group must interact with stakeholders and also acknowledge the potential impact that its operations may have on a wide range of stakeholders. For engagement to be constructive and meaningful, each matter considered by the Board therefore has to be in the context of relevant economic, social and environmental factors.

The Company has heightened its engagement efforts with stakeholders by engaging discussions with analysts, fund managers and shareholders, both locally and overseas, upon requests.

Moving forward, the Board intends to adopt a more mature form of sustainability reporting to stakeholders by implementing the International Integrated Reporting Framework in the Annual Report, allowing stakeholders to have a better understanding on the Group's sustainability.

II. CONDUCT OF GENERAL MEETINGS

The Group's annual general meeting (AGM) is an important means of communicating with its shareholders. To ensure effective participation of an engagement with the shareholders at the AGM of the Group, all members of the Board would be present at the meeting to respond to questions raised by shareholders and proxies. In addition, the Chairman of the Board would chair the AGM in an orderly manner and encourage the shareholders and proxies to speak at the meeting. The overall performance of the Group would be presented at the meeting.

Notice of the 2024 AGM was circulated to shareholders at least twenty eight (28) days in advance of the meeting(s).

PRELUDE

Over the next few pages, we would look at the Board, its role, performance and oversight. We will provide details on the Board's activities and discussions during the financial year, the actions arising from these and the progress made against them. We also provide an insight on director independence effectiveness and our Board evaluation, succession planning and induction and ongoing developments.

CORPORATE GOVERNANCE STATEMENT

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

1. Board of Directors (the Board)

Sersol Berhad (the Company) and its subsidiaries (collectively referred to “the Group”) acknowledge the pivotal role played by the Board of Directors (Board) in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders’ value. To fulfil this role, the Board plays a critical role in setting the appropriate tone at the top and is charged with leading and managing the Group in an effective, good governance and ethical manner. The directors individually have a legal duty to act in the best interest of the Group and are also collectively aware of their responsibilities to the stakeholders for the manner in which the affairs of the Group are managed. The Board’s responsibilities, amongst others include the following:

- Together with senior management, promote good corporate governance culture within the Group which reinforces ethical, prudent and professional behaviour.
- Review, challenge and decide on management’s proposals for the Company, and monitor the implementation by management.
- Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability.
- Supervise and assess management performance to determine whether the business is being properly managed.
- Ensure there is a sound framework for internal controls and risk management.
- Identify and review principal risks and ensure the implementation of appropriate systems to manage these risks.
- Set the risk appetite within which the Board expects management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks.
- Ensure that senior management has the necessary skills and experience, and measures are in place to provide for the orderly succession of Board and senior management.
- Ensure that the Company has proper procedures in place to enable effective communication with stakeholders.
- Ensure the integrity of the Company’s financial and non-financial reporting.
- Initiate a Board self-evaluation program and follow up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board deems appropriate.

To assist in the discharge of its responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:

- (i) Nomination Committee (NC)
- (ii) Remuneration Committee (RC)
- (iii) Audit Committee (AC)
- (iv) Risk Management Committee (RMC)

Each Board Committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board Committee.

The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The Board may form other committees delegated with specific authorities to act on their behalf. These committees will operate under approved terms of reference or guidelines and are formed whenever required.

Board meeting agenda includes statutory matters, governance and management reports, which include strategic risks, strategic projects and operational items. The Board approves an annual performance contract setting the priorities director and performance targets for the Group within the parameters of the corporate plan.

The profile of each director is presented in the Annual Report of the Company.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

2. Separation of position of the Chairman and Executive Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of Chairman and Executive Director of the Company are separately held and each has clearly accepted division of responsibilities and accountability to ensure a balance of power and authority. This segregation of roles also facilitates a healthy open, exchange of views between the Board and management in their deliberation of the business, strategic aims and key activities of the Company.

The position of the Chairman of the Board is currently vacant. The Board recognises that the Chairman plays a pivotal role in leading the Board with focus on governance and compliance and acts as a facilitator at Board meetings to ensure that relevant views and contributions from directors are forthcoming on matters being deliberated and that no Board member dominates the discussion. The Chairman's key responsibility, amongst others, includes the following:

- Providing leadership for the Board so that the Board can perform its responsibilities effectively.
- Setting the board agenda and ensuring that board members receive complete and accurate information in a timely manner.
- Leading board meetings and discussions.
- Encouraging active participation and allowing dissenting views to be freely expressed between Board members.
- Promoting constructive and respectful relations between Board members and between the Board and the management.
- Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole.
- Leading the Board in establishing and monitoring good corporate governance practices in the Group.
- Scheduling regular and effective evaluations of the Board's performance.

The Board is in the process of identifying a suitable candidate for appointment as Chairman of the Company.

The Executive Directors, Dato' Mohamed Suffian bin Awang and Mr. Toh Boon Hsing oversee the day-to-day operations to ensure the smooth and effective running of the Group. The Executive Directors also implements the policies, strategies, decisions adopted by the Board, monitors the operating financial results against plans and budgets and acts as a conduit between the Board and management in ensuring the success of the Group's governance and management functions.

During Board meetings, the Meeting Chairman being appointed with the absence of Chairman maintains a collaborative atmosphere and ensures that all directors contribute to the discussion. The Chairman, Meeting Chairman and Executive Directors arrange informal meetings and events from time to time to build constructive relationships between the Board members.

The Executive Directors take on primary responsibility to spearhead and manage the overall business activities of the various business division of the Group to ensure optimum utilisation of corporate resources and expertise by all the business divisions and at the same time achieve the Group's long-term objectives. The Executive Directors are assisted by the heads of each division in implementing and running the Group's day-to-day business.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

3. Supply of and Access to Information

All directors have full and unrestricted access to all information pertaining to the Group's businesses and affairs in a timely manner to enable them to discharge their duties effectively.

Procedures have been established for timely dissemination of Board and Board Committee papers to all directors and Board Committees in advance of the scheduled meetings. Notices of meetings are sent to directors at least seven (7) days before the meetings. Management provides the Board with detailed meeting materials at least seven (7) days in advance of the Board or Board Committees' meetings. senior management may be invited to join the meetings to brief the Board and Board Committees on the requisite information on matters being discussed, where necessary. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Technology is effectively used in the meetings of Board and Board Committees and in communication with the Board, where the directors may receive agenda and meeting materials online and participate in meetings via audio or video conferencing.

4. Commitment of the Board

The Board would meet at least five (5) times a year, at quarterly intervals which are scheduled at the onset of the financial year to help facilitate the directors in planning their meeting schedule for the year. Additional meetings are convened where necessary to deal with urgent and important matters that require attention of the Board. All Board meetings are furnished with proper agendas with due notice given and Board papers are prepared by the management and circulated to all directors prior to the meetings.

All pertinent issues discussed at the Board meetings are properly recorded by the Company Secretaries.

The Board held five (5) meetings during the FYE 30 June 2025. Details of attendance are as follows:

Name of Directors	Number of meetings attended	%
Dato' Mohamed Suffian bin Awang	5/5	100
Toh Boon Hsing	4/5	80
Leong Lup Yan	5/5	100
Tan Su Ning (Appointed on 28 February 2025)	1/1	100
Alan Ling Sie Kiong	5/5	100
Tan Tong Lang	4/5	80
Lim Han Ying (Retired on 3 December 2024)	3/3	100

The Board is satisfied with the level of time commitment given by the directors towards fulfilling their roles and responsibilities which is evidenced by the satisfactory attendance record of the directors at each Board meeting.

It is the Board's policy for directors to notify the Board before accepting any new directorship notwithstanding that the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) allow a director to sit on the board of a maximum of five (5) listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment. At present, all directors of the Company have complied with the AMLR where they do not sit on the board of more than five (5) listed issuers.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

5. Continuous Development of the Board

The Board, via the NC, continues to identify and attend appropriate briefings, seminars, conferences and courses to keep abreast of changes in legislations and regulations affecting the Group.

All directors have completed the Mandatory Accreditation Programme. The directors are mindful that they would continue to enhance their skills and knowledge to maximise their effectiveness as directors during their tenure. During the financial year, the Board have attended collectively and individually seminar(s), conference(s) and/or training(s) to continuously upgrade their skills and to keep abreast with current developments.

In addition, the directors receive regular briefings and updates on the Group's businesses, operations, risk management activities, AMLR and relevant law updates. The Company Secretaries also highlight the relevant guidelines on statutory and regulatory requirements from time to time to the Board. The external auditors on the other hand, briefed the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the year.

The Directors had attended the following seminars/conferences/training programmes attended during FYE 30 June 2025:

Name of Directors	Seminars/Conferences/Training Programmes Attended
Dato' Mohamed Suffian bin Awang	Preparation and Implementation of the Section 17A of MACC (Amendment) Act 2018
Toh Boon Hsing	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Preparation and Implementation of the Section 17A of MACC (Amendment) Act 2018
Leong Lup Yan	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Preparation and Implementation of the Section 17A of MACC (Amendment) Act 2018
Tan Su Ning (Appointed on 28 February 2025)	Beneficial Ownership Reporting
Alan Ling Sie Kiong	Preparation and Implementation of the Section 17A of MACC (Amendment) Act 2018
Tan Tong Lang	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Preparation and Implementation of the Section 17A of MACC (Amendment) Act 2018
Lim Han Ying (Retired on 3 December 2024)	- Mandatory Accreditation Programme Part II: Leading for Impact (LIP) - Preparation and Implementation of the Section 17A of MACC (Amendment) Act 2018

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

6. Board Committees

AC

The AC monitors internal control policies and procedures designed to safeguard the Group's assets and to maintain the integrity of financial reporting. The AC maintains direct, unfettered access to the Company's external auditor, internal auditor and management.

The AC comprises of three (3) members, majority of whom are Independent Non-Executive Directors. The present members of the AC are as follows:

Name of Directors	Designation
Leong Lup Yan	Chairman
Tan Su Ning (<i>Appointed on 28 February 2025</i>)	Member
Tan Tong Lang	Member
Lim Han Ying (<i>Retired on 3 December 2024</i>)	Member

A copy of the AC's Terms of Reference can be found in the Company's website at www.sersol.com.my.

NC

The NC oversees matters related to the nomination of new directors, annually reviews the required mix of skills, experience and other requisite qualities of directors as well as the annual assessment of the effectiveness of the Board as a whole, its committees and the contribution of each individual director as well as identify candidates to fill board vacancies, nominating them for approval by the Board.

The NC comprises only two (2) members. The members of the NC for the FYE 30 June 2025 are as follows:

Name of Directors	Designation
Leong Lup Yan	Member
Tan Tong Lang	Member
Lim Han Ying (<i>Retired on 3 December 2024</i>)	Chairman

During the FYE 30 June 2025, the NC held one (1) meeting.

Below is a summary of the key activities undertaken by the NC in discharge of its duty:

- (a) Reviewed the composition of the Board and Board Committees with regards to the mix of skills, independence and diversity in accordance with its policy as stated in the Group's Corporate Governance Statement to ensure compliance.
- (b) Assessed and reviewed the independence and continuing independence of the Independent Directors.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

NC (Cont'd)

- (c) Assessed the effectiveness and performance of the Board and Board Committees for the FYE 30 June 2025. This is carried out through a self-assessment document that is completed by each director and reviewed by the NC. Assessment criteria include the following:
- Board Composition
 - Board process
 - Performance of Board Committees
 - Information provided to the Board
 - Role of the Board in strategy and planning
 - Risk management framework
 - Accountability and standard of conduct of directors
- (d) Reviewed and assessed on behalf of the Board the training record and needs of each director, and proposed training courses to meet any shortfall or gaps in knowledge.
- (e) Determined the directors who stand for re-election and re-appointment at the annual general meeting (AGM).
- (f) Reviewed the character, experience, integrity and competence of all the directors and assessed their performance in 2025, paying attention to whether each of the non-executive directors have made available sufficient time to discharge their responsibilities and duties.
- (g) Reviewed the term of office and performance of the AC and RMC and each of its members to ascertain that the AC and RMC and its member have carried out their duties in accordance with the AC's and RMC's Terms of Reference.
- (h) Recommended the re-designation of key senior managements which forms part of the Succession Management Plan of the Group.
- (i) Reviewed the Terms of Reference of the NC.
- (j) Reviewed and recommended the draft NC Report to the Board for approval and inclusion in the Company's Annual Report 2025.

A copy of the NC's Terms of Reference is made available on the Company's website at www.sersol.com.my.

RC

The RC oversees matters related to the annually reviews the contribution of each individual and recommending to the Board the remuneration principles and the framework for members of the Board and senior management

The RC comprises only two (2) members. The members of the RC for the FYE 30 June 2025 are as follows:

Name of Directors	Designation
Leong Lup Yan	Chairman
Tan Tong Lang	Member
Lim Han Ying (<i>Retired on 3 December 2024</i>)	Member

During the FYE 30 June 2025, the RC held one (1) meeting.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

6. Board Committees (Cont'd)

RC (Cont'd)

Below is a summary of the key activities undertaken by the RC in discharge of its duty:

- (a) Reviewed, assessed and recommended the remuneration packages of the Executive Directors and senior management.
- (b) Reviewed the remuneration package of Non-Executive Directors and their Meeting Allowances.
- (c) Reviewed the Directors and Senior Management Remuneration Policy.
- (d) Reviewed the Terms of Reference of the RC.
- (e) Reviewed and recommended the draft RC Report to the Board for approval and inclusion in the Company's Annual Report 2025.

A copy of the RC's Terms of Reference is made available on the Company's website at www.sersol.com.my.

RMC

The RMC is responsible for oversight responsibilities with respect to the Group's risk management processes, including assessment of key strategic and operational risk.

The RMC comprises only one (1) member. The member of the RMC for the FYE 30 June 2025 are as follows:

Name of Directors	Designation
Leong Lup Yan	Chairman
Lim Han Ying (<i>Retired on 3 December 2024</i>)	Member

During the FYE 30 June 2025, the RMC held one (1) meeting.

A copy of the RMC's Terms of Reference is made available the Company's website at www.sersol.com.my.

7. Board Charter

The Company has established a Board Charter to promote high standards of corporate governance and the Board Charter is designed to provide guidance and clarity for directors and management with regard to the role of the Board and its committees. The Board Charter clearly sets out the key values and principles of the Company and further sets out the duties and responsibilities of the Board, the Chairman, the Executive Directors and the Board Committees. The Board Charter also provides structure guidance and ethical standards for the Board in discharging their duties towards the Group as well as its operating practices. The Board Charter further entails the following issues and decisions reserved for the Board:

- Conflict of interest issues relating to substantial shareholders or directors including approving of related party transactions
- Material acquisition and disposal of assets not in the ordinary course of business including significant capital expenditure
- Strategic investments, mergers and acquisitions and corporate exercises
- Authority levels
- Treasury policies
- Risk management policies
- Key human resource issue

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

7. Board Charter (Cont'd)

The Board Charter is reviewed annually by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

A copy of the Board Charter is made available at the Company's website.

8. Code of Conduct and Code of Ethics

The Company has established a Code of Conduct and Code of Ethics to promote a corporate culture which engenders ethical conduct that permeates throughout the Group. The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism. Where else the Code of Ethics is based on the principles in relation to integrity, transparency, accountability and corporate social responsibility.

The Board is focused on creating corporate culture which engenders ethical conduct that permeates throughout the Company. The Group practices the relevant principles and values in the Group's dealings with employees, customers, suppliers and business associates. The directors, officers and employees of the Group are also required to observe, uphold and maintain high standards of integrity in carrying out their roles and responsibilities and to comply with the relevant laws and regulations as well as the Group's policies. Ongoing training is provided to staff on the Code of Conduct, Ethics and general workplace behavior to ensure they continuously uphold high standard of conduct when performing their duties.

The Board is provided guidance on disclosure of conflict of interest and other disclosure information/requirements to ensure that the directors comply with the relevant regulations and practices. In order to address and manage possible conflicts of interest that may arise between directors' interests and those of the Group, the Company has put in place appropriate procedures including requiring such directors to abstain from participating in deliberations during meetings and abstaining from voting on any matter in which they may also be interested or conflicted. The directors of the Group are also required to disclose and confirm their directorships and shareholdings in the Group and any other entities where they have interests for the Company's monitoring on a half yearly basis or as and when required.

Notices on the closed period for trading in the Company's shares are sent to directors and principal officers and the relevant employees on a quarterly basis specifying the timeframe during which they are prohibited from dealing in the Company's shares, unless they comply with the procedures for dealings during closed period as stipulated in the AMLR.

A copy of the Code of Conduct and Code of Ethics is made available on the Company's website.

9. Whistleblowing Policy and Procedure

The Company has adopted a Whistleblowing Policy as the Board believes that a sound whistleblowing system will strengthen, support good management and at the same time, demonstrate accountability, good risk management and sound corporate governance practices. The policy is to encourage reporting of any major concerns over any wrongdoings within the Group.

The policy outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing at the Company and its subsidiaries. The identity of the whistleblower is kept confidential and protection is accorded to the whistleblower against any form of reprisal or retaliation. All such concerns shall be set forth in writing and forwarded in a sealed envelope to either the Chairman of the Board or the members of the AC.

Full details of the Whistleblowing Policy is made available on the Company's website.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. Board Responsibilities (Cont'd)

9. Whistleblowing Policy and Procedure (Cont'd)

Besides the above mentioned, the Company has also put in place the following policies:

- Insider Dealing Policy
- Sustainability Policy
- Diversity Policy
- Corporate Disclosure Policy
- Directors and Senior Managements' Remuneration Policy
- Directors' Assessment Policy
- Succession Planning Policy
- Related Party Transaction Policy
- External Auditors' Assessment Policy
- Anti-Bribery and Anti-Corruption Policy and Procedure

10. Company Secretary(ies)

The Board is assisted by qualified and competent Company Secretaries who play a vital role in advising the Board in relation to the Group's constitution, policies, procedures and compliance with the relevant regulatory requirements, codes, guidance and legislations. All the directors have unrestricted access to the advice and services of the Company Secretaries for the purpose of the conduct of the Board's affairs and the business.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes. The Company Secretaries have also attended the relevant continuous professional development programmes. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging its functions.

In addition, the Company Secretaries are also accountable to the Board and are responsible for the following:

- Advising the Board on its roles and responsibilities.
- Advising the Board on matters related to corporate governance and the AMLR.
- Ensuring that Board procedures and applicable rules are observed.
- Maintaining records of the Board and ensuring effective management of the Company's statutory records.
- Preparing minutes to document Board proceedings and ensuring conclusions are accurately recorded.
- Assisting communications between the Board and Management.
- Providing full access and services to the Board and carrying out other functions deemed appropriate by the Board from time to time.
- Preparing agendas and co-coordinating the preparation of Board papers.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition

1. Composition and Diversity

The directors are of the opinion that the current Board size and composition is adequate for facilitating effective decision making given the cope and nature of the Group's businesses and operations. The Board maintains an appropriate balance of expertise, skills and attributes among the directors which is reflected in the diversity of backgrounds and competencies of the directors. Such competencies include finance, accounting, legal, digital and other relevant industry knowledge, entrepreneurial and management experience and familiarity with regulatory requirements and risk management.

The NC ensures that the composition of the Board is refreshed periodically while the tenure, performance and contribution of each director is assessed by the NC through the Board Evaluation. In addition, each of the retiring directors will provide their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

As at the date of this Statement, the Board consists of two (2) Executive Directors, two (2) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors, wherein at least one third (1/3) of the Board comprise of Independent Directors. The composition of the Board ensures that the Independent Non-Executive Directors will be able to exercise independent judgment on the affairs of the Company.

The Board profile can be found in the Annual Report of the Company.

2. Independency of Independent Directors

The Independent Directors play a crucial role in corporate accountability and provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders. The Board, via the NC assesses each director's independence to ensure on-going compliance with this requirement annually. The NC is satisfied that the Independent Directors are independent of Management and free from any business or other relationships which could interfere with the exercise of independent judgement, objectivity and the ability to act in the best interest of the Company.

The Board has limited the tenure of the Independent Directors to twelve (12) years and they may continue to serve on the Board subject to their re-designation as Non-Independent Directors.

As at the date of this statement, none of the Independent Directors has exceeded a cumulative term of twelve (12) years. Nonetheless, the Board would justify and seek annual shareholders' approval to retain the Independent Directors after the ninth (9th) year through a two-tier voting process.

3. Appointment of Board and Senior Management

The Board comprise of a collective of individuals having an extensive complementary knowledge and competencies, as well as expertise to make an active, informed and positive contribution to the management of the Group in terms of the business' strategic direction and development. The appointment of the Board and its senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The NC will assess the suitability of the candidates before formally considering and recommending them for appointment to the Board or senior management. In proposing its recommendation, the NC will consider and evaluate the candidates' required skills, knowledge, expertise, competence, experience, characteristics, professionalism. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR of Bursa Securities and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and AGM.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

4. Gender Diversity

While the Board acknowledges the need to promote gender diversity within its composition and endeavour to increase female participation in the Board and senior management, it has decided not to set any specific targets as the Board believes that it is more important to have the right mix and skills for such positions.

The Company has adopted a diversity policy which outlines its approach to achieving and maintaining diversity (including gender diversity) on its Board and in senior management positions. This includes requirements for the Board to establish measurable objectives for achieving diversity on the Board and in management positions, and for the appropriate Board Committees to monitor the implementation of the policy, assess the effectiveness of the Board nomination process and the appointment process for management positions at achieving the objectives of the policy.

5. Identifying Suitable Candidates

Any proposed appointment of a new member to the Board will be deliberated by the full Board based on a formal report, prepared by the NC on the necessity for reviewing the qualifications and experience of the proposed candidate. The NC would be guided by an internal policy on criteria and skill sets in assessing the suitability of the potential candidates for appointment to the Board. During the year, the Company had appointed the following director based on the schedule below:

Name of Directors	Method of sourcing
Tan Su Ning	Recommended by external party

Despite the nomination process was based on the recommendation by the management or external parties including the Company's contacts in related industries, the Board had also utilised independent search firms in identifying suitable candidates for appointment of directors. Notwithstanding the same, the NC is responsible for assessing the suitability of the above-mentioned director for appointment and opined that the director recommended by the external party is of suitable calibre and have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

6. Chairperson of the NC

The NC was led by Ms. Lim Han Ying, the Independent Non-Executive Director, until her retirement on 3 December 2024. As at the date of this report, no new Chairman of the NC has been appointed. The NC Chairman is responsible for succession planning, appointment of Board members and senior management by conducting annual reviews of board effectiveness and skill assessments. This provides the NC with relevant information on the Group's needs, allowing them to source for suitable candidates when the need arises.

7. Annual Evaluation

The NC is responsible in evaluating performance and effectiveness of the entire Board, the Board Committees and individual director on a yearly basis. The evaluation process is led by the NC Chairman and supported by the Company Secretaries via questionnaires. The NC reviews the outcome of the evaluation and recommends to the Board on areas for continuous improvement and also for them to form the basis of recommending relevant directors for re-election at the AGM.

The assessment criteria used in the assessment of Board and individual directors include mix of skills, knowledge, Board diversity, size and experience of the Board, core competencies and contribution of each director. The Board Committees were assessed based on their roles and responsibilities, scope and knowledge, frequency and length of meetings, supply of sufficient and timely information to the Board and also overall effectiveness and efficiency in discharging their function.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. Board Composition (Cont'd)

7. Annual Evaluation (Cont'd)

The Board evaluation comprises Performance Evaluation of the Board and various Board Committees, Directors' Peer Evaluation and Assessment of the independence of the Independent Directors. The assessment is based on four (4) main areas relating to Board Structure, Board Operations, Board and Chairman's roles and responsibilities and Board Committees' role and responsibilities.

For Directors' Peer Evaluation, the assessment criteria include abilities and competencies, calibre and personality, technical knowledge, objectivity and the level of participation at Board and Committee meetings including his/ her contribution to Board processes.

Any appointment of a new director to the Board or Board Committee is recommended by the NC for consideration and approval by the Board. In accordance with the Company's Constitution, one third (1/3) of the directors for the time being shall retire from office at each AGM. A retiring director shall be eligible for re-election. The Constitution also provides that all directors shall retire at least once every three (3) years.

During the year, the Board conducted an internally facilitated Board assessment. The results and recommendations from the evaluation of the Board and Committees are reported to the Board for full consideration and action. The Board was comfortable with the outcome and that the skills and experience of the current directors satisfy the requirements of the skills matrix and that the Chairman possesses the leadership to safeguard the stakeholders' interest and ensure the development of the Group.

The NC also considered the results of the evaluation when considering the re-election of directors and recommended to the Board for endorsement the directors standing for re-election at forthcoming AGM of the Company.

III. Remuneration

The objective of the Group's remuneration policy is to provide fair and competitive remuneration to its Board and senior management in order for the Company to attract and retain Board and senior management of calibre to run the Group successfully. The responsibilities for developing the remuneration policy and determining the remuneration packages of Acting Executive Directors and senior management lie with the RC. Nevertheless, it is ultimately the responsibility of the Board to approve the remuneration of Executive Directors and senior management.

Based on the remuneration framework, the remuneration packages for the Executive Directors and senior management comprise of a fixed component (i.e. salary, allowance and etc.) and a variable component (i.e. bonus, benefit-in kind and etc.) which is determined by the Group's overall financial performance in each financial year which is designed to support our strategy and provides a balance between motivating and challenging our senior management to deliver our business priorities, as set out by the Executive Directors, and strong performance while also driving the long-term sustainable success of the Group.

The level of remuneration of Non-Executive Directors reflects their experience and level of responsibility undertaken by them. Non-Executive Directors will receive a fixed fee, with additional fees if they are members of Board Committees, with the Chairman of the AC, NC, RC or RMC receiving a higher fee in respect of his/ her service as Chairman of the respective Committees. The fees for Non-Executive Directors are determined by the Board with the approval from shareholders at the AGM and no director is involved in deciding his/her own remuneration.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPAL A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. Remuneration (Cont'd)

During the FYE 30 June 2025 under review, the RC had reviewed the remuneration for the, Executive Directors and senior management which reflects their level of responsibilities as well as the performance of the Group, and considered their remuneration packages are comparable within the industry norm. The RC further discussed the annual salary review for the Executive Directors and senior management in line with the budget salary increase for the rest of the organisation. When approving payments for annual bonus, the RC considered the overall performance of the business and of the Executive Directors and senior management against this, as well as their individual targets. Bonus payments made to Executive Directors and senior management reflected the large proportion of collective measures for the year, in support of focusing on teamwork and simplicity within the pay arrangements.

The detailed disclosure on named basis for the remuneration of individual directors that includes fees, salary, bonus, benefits in-kind and other emoluments from the Company and the Group for the FYE 30 June 2025 are set out in the Corporate Governance Report. While the details of the remuneration of the senior management on an aggregate basis in bands of RM50,000 are as set out below.

Range of Remuneration	Number of Key Senior Management
RM50,001- RM100,000	-
RM100,001- RM150,000	-
RM150,001- RM200,000	1
RM200,000 and above	3

A copy of the Remuneration Policy can be found in the Group's website at www.sersol.com.my.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

Presently, the AC consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-executive Director, all of them are financial literate and have sufficient understanding of the Group's business. All the members of the AC undertook continuous professional development to keep abreast of relevant developments in accounting and auditing standards, practices and rules.

The Chairman of the AC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the AC's findings and recommendation remains intact.

The AC has adopted a Terms of Reference which sets out its goals, objectives, duties, responsibilities and criteria on the composition of the AC which includes a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being able to be appointed as a member of the AC.

In presenting the annual audited financial statements and interim financial statements on a quarterly basis to the shareholders, the Board is responsible to present a clear, balanced and understandable assessment of the Group's performance and position. The AC is entrusted to provide assistance to the Board in reviewing the Group's financial reporting process and accuracy of its financial results, and scrutinising information for disclosure to ensure accuracy, adequacy, completeness and compliance with the accounting standards.

The Board places great emphasis on the objectivity and independence of the external auditors. Through the AC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards. The AC is empowered to communicate directly with the external auditors to highlight any issues of concern at any point in time.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AC (Cont'd)

The external auditors would meet the AC without the presence of the executive Board members and management two (2) times a year on matters relating to the Group and its audit activities. During such meetings, the external auditors highlight and discuss the nature and scope of the audit, audit programme, internal controls and any other issues that may require the attention of the AC or the Board.

The AC ensures the external audit function is independent of the activities it audits and reviews the contracts for the provision of non-audit services by the external auditors in order to make sure that it does not give rise to conflict of interests. The excluded contracts would include management consulting, internal audit and standard operating policies and procedures documentation.

For the FYE 30 June 2025, the Company engaged Messrs. Morison LC PLT (AF 002469), who reported directly to the AC as specified in the Terms of Reference of the AC.

The fees paid to the External Auditors are stated in the table below:

Nature of Services	Group (RM)	Company (RM)
Total Audit fees	193,974	93,000
Non-Audit:		
Review of the Statement on Risk Management and Internal Control	8,425	7,000
Total Non-audit fees	8,425	7,000

The External Auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Further information on the roles and responsibilities of the AC may be found in the AC Report section of the Annual Report of the Company.

II. Risk Management and Internal Control Framework

The Board assumes ultimate responsibility for the effective management of risk across the Group, determining its risk appetite as well as ensuring that each business area implements appropriate internal controls. In order to achieve such objective, a risk management framework has been adopted by the Group. The Group's risk management systems are designed to manage and eliminate risks (where possible) to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibility for reviewing the effectiveness of the Group's systems of internal control to the RMC. This covers all material controls including financial, operational, compliance and risk management systems. The RMC is further supported by a number of sources of internal assurance within the Group in order to determine the adequacy and effectiveness of the framework.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control Framework (Cont'd)

The Group has outsourced the internal audit function as being the most cost-effective means of implementing an internal audit function. The independent third-party service provider of the internal audit services for the FYE 30 June 2025 was Governanceadvisory.com which reported directly to the AC as specified in the Terms of Reference of the AC. The internal auditors carry out its function in accordance with the approved annual Internal Audit Plan approved by the AC. Governanceadvisory.com has approximately three (3) audit personnel assisting the person responsible for the internal audit. Details on the person responsible for the internal audit are set out below:

Name	:	Wong Tchen Cheg, Director
Qualification	:	IIAM, MIA, CPA, Master – Finance & Account, and Master in Business Administration
Independence	:	Does not have any family relationship with any director and/or major shareholder of the Company
Public Sanction or penalty	:	Has no convictions for any offences within the past 5 years, other than traffic offences, if any and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the FYE 30 June 2025.

Further information may be found in the Statement on Risk Management and Internal Control and the Management Discussion and Analysis of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with stakeholders

The Board believes that stakeholders' communication is an essential requirement of the Group's sustainability. In view thereof, stakeholders are informed of all material business events and risks of the Group in a factual, timely and widely available manner. The Board has formalised a corporate disclosure policy and procedure not only to comply with the discourse requirements as stipulated in the AMLR, but also sets out the persons authorised and responsible to approve and disclose material information to all stakeholders.

The Group has set up an investor relations program to facilitate effective two-way communication with investors and analyst to provide a greater understanding of the Group's vision, strategies, developments and financial prospects. A variety of engagement initiatives including direct meetings and dialogues with stakeholders are constantly conducted to learn about their needs enabling sustainability and growth of the Group.

The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and press conferences. It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.

The Company's corporate website includes a dedicated Investor Relations section which provides all relevant information on the Group, including announcements to Bursa Securities, share price information as well as the corporate and governance structure of the Group. Stakeholders are also able to subscribe to e-mail alerts from the Group via the Investor Relation page.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings

The AGM is the principal forum for dialogue with shareholders, allowing shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. To ensure shareholders have sufficient time to go through the Annual Report, it is circulated at least twenty-eight (28) clear days before the date of the AGM. Notice of the 2025 AGM will be circulated to shareholders less than 28 days, however, the Company still complies with the minimum days, ie. 21 days that required under the Companies Act 2016. Shareholders are encouraged to vote on the proposed motions by appointing a proxy in the event they are unable to attend the meeting.

During the AGM, a presentation was shown to the shareholders on the Group's performance and major activities which were carried out during the FYE 30 June 2025 under review. The Board also encourages participation from shareholders by having "question and answer" session during the AGM which the directors (inclusive of the Chairman of the AC, RMC, NC and RC) are available to provide meaningful response to questions raised by the shareholders.

In line with the AMLR, the Company has implemented and will continue to implement poll voting for all proposed resolutions set out in the notice of any general meeting. An independent scrutineer will also be appointed to validate the votes cast at any general meeting of the Company.

AUDIT COMMITTEE'S REPORT

MEMBERS AND ATTENDANCE

The Audit Committee (AC) comprises the following members, majority of whom are Independent Non-Executive Directors. During the financial year ended 30 June 2025 (FYE 30 June 2025), the AC held five (5) meetings and the records of the attendance of the AC members are as follows:

Name of Directors	Designation	Number of meetings attended
Leong Lup Yan	Chairman	5/5
Tan Su Ning (<i>Appointed on 28 February 2025</i>)	Member	1/1
Tan Tong Lang	Member	4/5
Lim Han Ying (<i>Retired on 3 December 2024</i>)	Member	3/3

TERMS OF REFERENCE

The Terms of Reference of the AC, is available on the Company's website at www.sersol.com.my. The Board of Directors (Board) has reviewed and assessed the performance of the AC and is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with its Terms of Reference.

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AC

During the financial year under review, the AC carried out the following activities in discharging its functions and duties, including the deliberation on and review of:

- the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Malaysia Securities Berhad (Bursa Securities).
- the annual report and annual audited financial statements of the Group and of the Company prior to submission to the Board for their consideration and approvals.
- the audit plan of the external auditors in terms of their scope of audit prior to their commencement of the annual audit.
- the external auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the external auditors without the presence of the executive Board members and management.
- the re-appointment of external auditors and their audit fees, after taking into consideration the independence and objectivity of the external auditors and the cost effectiveness of their audit, before the recommendation to the Board for approval.
- the internal audit reports which outlined the recommendations towards correcting areas of weaknesses and ensure that there was management action plans established for the implementation of the internal auditors' recommendation.
- the effectiveness of the internal auditors and the re-appointment of internal auditors and made the appropriate recommendation to the Board.
- the AC Report and Statement on Risk Management & Internal Control before recommending the same to the Board for approval.
- the related party transactions entered into by the Group and any potential conflict of interest situations to ensure that the said transactions were conducted at arm's length and on normal commercial terms as well as they were not detrimental to the interests of minority shareholders.
- the extent of the Group and of the Company's compliance with the provisions set out under the Code for the purpose of preparing the Corporate Governance Statement and Statement of Internal Control pursuant to Listing Requirements of Bursa Securities and the Code.

AUDIT COMMITTEE'S REPORT (Cont'd)

INTERNAL AUDIT FUNCTIONS

The internal audit function of the Group is outsourced to an independent professional firm, namely GovernanceAdvisory.com Sdn. Bhd., which reports directly to the AC and assists the Board in monitoring and managing risks and internal controls.

The function is designed to evaluate and enhance risk management, control and governance processes to assist Management in achieving its corporate goals. The internal audit function is established based on a risk-based approach to evaluate and enhance the Group's risk management, controls and governance processes. For the financial year under review, internal audit reviews were carried out in accordance with the approved internal audit plan which covered the adequacy and effectiveness of the operational controls in mitigating risks, compliance with established policies and procedures, authority limits and applicable laws.

The results of the reviews were formally reported to the AC. The internal audit reviews conducted did not reveal significant weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in the annual report.

A summary of the work of the internal audit function for the FYE 30 June 2025 is as follows:

- (i) The internal audit function conducted based on an annual internal audit plan which was tabled before and approved by the AC;
- (ii) Internal Audit Plan covers the key functional areas and business activities of the major subsidiaries of the Group as well as issues relating to control deficiencies and areas for improvements including the relevant recommendations to address the issues;
- (iii) Emphasis on best practices and management assurance that encompass all business risks, particularly on the effectiveness and efficiency of operations, reliability of reporting, compliance with applicable law and regulations and safeguard of assets;
- (iv) Performed follow-up on status of management agreed action plan on recommendation raised in previous cycles of internal audits including specific timelines for those outstanding matters to be resolved; and
- (v) Reports issued by the internal audit function were tabled at AC meetings in which management was present at such meeting to provide pertinent clarification or additional information to address questions raised by AC members pertaining to matters raised.

Senior management has taken note of the findings and duly acted upon the recommendations made by the internal audit function.

For further details on the risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control in this Report.

ADDITIONAL LISTING REQUIREMENTS COMPLIANCE INFORMATION

To comply with the Listing Requirements of Bursa Securities, the following additional information is provided:

UTILISATION OF PROCEEDS

On 20 May 2021, Company proposed to undertake the Private Placements. On 24 June 2021, Bursa Securities had, vide its letter dated 24 June 2021, approved the listing of and quotation for up to 65,398,000 Placement Shares to be issued pursuant to the Private Placement I and up to 65,398,000 Placement Shares to be issued pursuant to the Private Placement II. On 3 January 2022, Bursa Securities granted the Company an extension of time until 23 June 2022 for the Company to complete the implementation of the Private Placement I. On 23 June 2022, Bursa Securities has granted the Company an extension of time until 23 December 2022 for the Company to complete the implementation of the Private Placement I. The Private Placement II was completed on 5 April 2022 and the Company has raised a total proceeds of RM15.565 million.

The summary of the utilisation of proceeds from the Private Placement II were as follows:

Description	Proceeds Raised (RM'000)	Actual Utilisation (RM'000)	Variation (RM'000)	Balance Unutilised (RM'000)	Expected time frame for the use of proceeds (from the date of listing of the Placement Shares)
Purchase of machineries and equipment	390	342	(48)	-	Within 36 months
Payment to trade creditors	1,322	1,322	-	-	Within 36 months
Investment in R&D activities	437	437	-	-	Within 36 months
Working capital	13,216	13,216	48	48	Within 36 months
Expenses relating to the Private Placement	200	200	-	-	Immediately
Total	15,565	15,517	-	48	

The summary of the utilisation of proceeds from the Private Placement I were as follows:

Description	Proceeds Raised (RM'000)	Actual Utilisation (RM'000)	Expected time frame for the use of proceeds (from the date of listing of the Placement Shares)
Purchase of machineries and equipment	-	-	-
Payment to trade creditors	1,500	1,500	Within 36 months
Investment in R&D activities	563	563	Within 36 months
Working capital	1,751	1,751	Within 36 months
Expenses relating to the Private Placement	15	15	Immediately
Total	3,829	3,829	

MATERIAL CONTRACTS

There were no material contracts entered into by the Group during the financial year ended 30 June 2025 (FYE 30 June 2025) that involved the interests of the directors and major shareholders of the Company.

RELATED PARTY TRANSACTIONS

There were no related party transactions undertaken by the Group during the FYE 30 June 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance (the Code) requires that a listed company shall maintain a sound system of internal control to safeguard its shareholders' investments and its assets. The Board of Directors (Board) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 30 June 2025 (FYE 30 June 2025) which is made pursuant to rule 15.26(b) of the ACE Market listing requirements Bursa Malaysia Securities Berhad and in accordance with the "Statement on Risk Management and Internal Control (Guidelines for Directors of Listed Issuers)".

BOARD RESPONSIBILITIES

The Board of Sersol Berhad (Sersol or the Company) acknowledges the importance of a sound system of internal controls and risk management framework and is dedicated to affirm its overall responsibility for the Company and its subsidiaries (collectively referred to as "the Group") system of internal controls. The Board's responsibility includes the establishment of appropriate control environment and framework and at the same time conduct review on its adequacy, integrity and effectiveness of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

Nevertheless, the Board is aware that due to the limitations inherent in any such systems, the internal control established can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objective. The Board has established appropriate control structure and process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives. The control structure and process are updated and reviewed from time to time to suit the changes in the business environment.

RISK MANAGEMENT FRAMEWORK

The Board is aware that an effective risk management system is an integral part of the daily operations of the Group to ensure success in our risk-taking activities. In this regards, the management of Sersol has embedded risk management as part of its business practice to ensure that the Group's assets are well-protected and shareholders' value enhanced.

Risk Management Committee (RMC) will assist in the facilitation of the risk management workshop as a process of monitoring, identification and assessment of risk. the workshop also include the proposed and implementation of appropriate systems to manage risks. The RMC, with the assistance of head of department responsible of implementing and maintaining the appropriate risk management framework to achieve the following objectives:

- Communicate the vision, role, direction and priorities to all employees and key stakeholders.
- Ensuring that key risks to the Group's business are identified and evaluated, and responses are developed to mitigate these risks.
- Create a risk-aware culture and building the necessary knowledge for risk management at every level of management.

In order to achieve the above objectives, the Group has adopted a structured and systematic risk assessment, monitoring and reporting framework. The Group also fostered a culture of continuous improvement in risk management through risk review meetings.

INTERNAL AUDIT FUNCTION

The internal control environment and processes are periodically reviewed by internal audit function who report accordingly to the Audit Committee (AC) to ensure the adequacy and effectiveness of the internal control procedures throughout the Group.

The Group's internal audit function is outsourced to an independent professional firm, GovernanceAdvisory.com Sdn. Bhd. The outsourced internal auditors supports the AC, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group's systems of internal control.

The internal audit report is presented to AC on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by the management to rectify highlighted issues. The cost incurred by the Group for the internal audit function during the financial year was RM16,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The Board and Management have established a process of continuously enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The following internal control components work together to assist the Board in maintaining an adequate control environment to support the achievement of the Group's business objectives:

- Clearly defined lines of reporting, responsibilities and delegation of authority within Group.
- Internal control policies, manuals, procedures and work instruction are documented based on the guidelines of the International organisation for Standardisation (ISO) accreditation programme. Furthermore, ISO audits are conducted internally by an in-house committee established and by external parties during the financial year.
- Regular management meetings are held where information covering operational performances is reviewed.
- Regular training programs are being attended by employees with the objective of enhancing their knowledge and competency.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the FYE 30 June 2025 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal control system.

CONCLUSION

For the financial year under review and up to the date of approval of this statement, the internal audit observations, recommendations and management responses were reported to the Audit Committee. The Audit Committee reviews internal control matters and updates the Board on significant issues for the Board's attention and action. The Board has also received assurance from the Executive Director that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

The Board is committed towards maintaining a sound system of internal controls throughout the Group. The Board recognises the fact that the system of internal controls and risk management practice should evolve with the ever changing and challenging business environment in order to support the Group's operation. The Board will put in place appropriate action plans to rectify potential weaknesses and improve the system of internal control as when is necessary.

This statement is made in accordance with a minute of the Board dated 13 October 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

Directors are legally required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the directors of the Company have:

- adopted suitable accounting policies and then applied them consistently;
- made judgments and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared the financial statement on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016 and applicable approved accounting standards. The directors are also responsible for the assets of the Group and of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2025, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

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DIRECTORS' REPORT

DIRECTORS' REPORT

The Directors of **SERSOL BERHAD** hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the provision of management services and investment holding.

The information on the names of subsidiary companies, place of incorporation, principal activities and effective equity interest held by the Company in each subsidiary company is disclosed in Note 15 to the financial statements.

FINANCIAL RESULTS

The results of operations of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Loss for the financial year	<u>(3,416,199)</u>	<u>(2,572,752)</u>
Attributable to:		
Owners of the Company	<u>(3,416,199)</u>	<u>(2,572,752)</u>

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any items, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIRECTORS' REPORT (Cont'd)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend any dividend payment in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

On 3 June 2025, the Company completed a reduction of its issued share capital from RM52,502,426 to RM17,002,426 pursuant to Section 117 of the Companies Act 2016, following the special resolution dated 27 March 2024 which was approved and executed. The reduction was effected by offsetting accumulated losses of RM35,500,000 against the issued share capital.

No debentures were issued during the financial year.

WARRANT B 2022/2027

On 16 November 2022, the Company issued 118,517,279 free warrants ("Warrant B") pursuant to the Bonus Issue on the basis of one Warrant B for every five ordinary shares held in the Company.

Warrants B are valid for exercise for a period of 5 years from its issue date, expiring on 15 November 2027. During the current year, each Warrant B entitled the holder to subscribe for 1 new ordinary share in the Company at any time during the exercise period at an exercise price of RM0.10 per Warrant B in accordance with the Deed Poll dated on 27 October 2022. Any Warrants B not exercised by its expiry date will lapse thereafter and cease to be valid for all purposes.

As at 30 June 2025, the total numbers of Warrant B that remain unexercised were 118,517,279.

SHARE OPTIONS

No options were granted by the Company to any parties to take up unissued shares during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts to be written off and that adequate allowance had been made for doubtful debts; and

DIRECTORS' REPORT (Cont'd)

- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Mohamed Suffian bin Awang*
Toh Boon Hsing*
Leong Lup Yan
Alan Ling Sie Kiong
Tan Tong Lang
Tan Su Ning (Appointed on 28 February 2025)
Lim Han Ying (Retired on 3 December 2024)

** Director of the Company and its subsidiary companies*

DIRECTORS' REPORT (Cont'd)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:

Pornprapha Thanaset
Tan Fie Jen

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of full-time employee of the Company as discussed below) by reason of a contract made by the Company or related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The details of the Directors' remuneration of the Group and of the Company for the financial year are as follows:

	Group RM	Company RM
Executive Directors:		
Salaries and other emoluments	547,369	126,000
Defined contribution plans	18,360	7,440
Social security contribution	1,392	696
	<u>567,121</u>	<u>134,136</u>
Non-executive Directors:		
Fee	146,750	146,750
Salaries and other emoluments	22,000	22,000
	<u>168,750</u>	<u>168,750</u>

DIRECTORS' REPORT (Cont'd)

INDEMNITY AND INSURANCE COSTS

During the financial year, Directors and officers of the Group and of the Company were covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and officers of the Company subject to the terms of the policy. The total amount of indemnity coverage and insurance premium paid during the year for the Directors' and Officers' Liability Insurance of the Group and of the Company were RM1,500,000 and RM10,810 respectively.

There was no indemnity given to or insurance effected for auditors of the Group and of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

AUDITORS' REMUNERATION

The amount paid or payables as remuneration of the auditors of the Group and of the Company for financial year ended 30 June 2025 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	193,974	93,000
- Non-statutory audit	8,425	7,000
	<u>202,399</u>	<u>100,000</u>

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The details of significant event during the financial year are disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

The details of subsequent event during the financial year are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, Morison LC PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors,

DATO' MOHAMED SUFFIAN BIN AWANG

TOH BOON HSING

Petaling Jaya
13 October 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

STATEMENT BY DIRECTORS

The Directors of **SERSOL BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and their cash flows for the financial year ended 30 June 2025.

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors,

DATO' MOHAMED SUFFIAN BIN AWANG

TOH BOON HSING

Petaling Jaya
13 October 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **LOH WAI KIT** (MIA Membership No: 48626), the officer primarily responsible for the financial management of **SERSOL BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

LOH WAI KIT

Subscribed and solemnly declared by the
abovenamed **LOH WAI KIT** at
PETALING JAYA in the State of
SELANGOR DARUL EHSAN on
13th day of October, 2025.

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SERSOL BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sersol Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year ended 30 June 2025, and notes to the financial statements, including material accounting policy information, as set out on pages 69 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

(Forward)

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF SERSOL BERHAD

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of loan receivables

Refer to Notes 3, 4 and 16 to the financial statements for the Group's accounting policies on valuation of loan receivables, key sources of estimate uncertainty and related disclosure.

At 30 June 2025, the net loan receivables after impairment amounted to RM9,052,366, representing approximately 79% of the trade receivables of the Group. In accordance with MFRS 9 *Financial Instruments*, the Group is required to measure impairment losses on loan receivables that are not carried at fair value through profit or loss using the Expected Credit Loss ("ECL") model.

The determination of ECL involves the application of significant judgement and estimation uncertainty, including:

- The assessment of credit exposures and credit risk grading;
- The estimation of expected future cash flows; and
- The incorporation of forward-looking macroeconomic factors and management overlays.

We considered this to be a key audit matter, given the significance of the balance and the subjectivity of the assumptions applied in the ECL model.

Our audit procedures, amongst others, included the following:

- (a) Obtained an understanding of the Group's policies and procedures for money lending and estimation of credit loss allowances on loan receivables and evaluated the design and implementation of related key controls;
- (b) Challenged management's assumptions and judgements, including the basis for determining credit risk grades, the reasonableness of expected future cash flows, reasonableness of application of management overlays and the impact of forward-looking information;

(Forward)

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF SERSOL BERHAD

- (c) Assessed the appropriateness of the ECL model methodology and tested the accuracy and completeness of the underlying data used in the model;
- (d) Verified the mathematical accuracy of the impairment assessment; and
- (e) Evaluated the reasonableness and adequacy of the allowance for impairment recognised.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

(Forward)

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF SERSOL BERHAD

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF SERSOL BERHAD

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

(Forward)

INDEPENDENT AUDITORS' REPORT (Cont'd) TO THE MEMBERS OF SERSOL BERHAD

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MORISON LC PLT (AF 002469)
202206000028 (LLP0032572-LCA)
Chartered Accountants

LIM WAN YINN
03262/04/2027 (J)
Chartered Accountant

Petaling Jaya
13 October 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM
Revenue	5	13,035,297	21,860,985	-	-
Cost of sales		<u>(9,098,557)</u>	<u>(16,250,531)</u>	<u>-</u>	<u>-</u>
Gross profit		3,936,740	5,610,454	-	-
Other income		265,230	202,109	36,145	1,721
Administrative expenses		(5,707,454)	(14,126,576)	(1,531,338)	(7,576,131)
Selling and distribution expenses		(1,122,346)	(2,062,534)	-	-
Net loss on impairment of the financial instruments		(360,292)	(1,806,743)	(818,592)	(1,678,392)
Finance costs	6	<u>(40,786)</u>	<u>(72,807)</u>	<u>-</u>	<u>-</u>
Loss before tax	7	(3,028,908)	(12,256,097)	(2,313,785)	(9,252,802)
Taxation	8	<u>(387,291)</u>	<u>(433,770)</u>	<u>(258,967)</u>	<u>(25,254)</u>
Loss for the financial year/period		<u>(3,416,199)</u>	<u>(12,689,867)</u>	<u>(2,572,752)</u>	<u>(9,278,056)</u>

(Forward)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group		Company	
		1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM
Loss for the financial year/period		(3,416,199)	(12,689,867)	(2,572,752)	(9,278,056)
Other comprehensive income, net of tax					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange translation differences		4,338	14,790	-	-
Total comprehensive loss for the financial year/period		<u>(3,411,861)</u>	<u>(12,675,077)</u>	<u>(2,572,752)</u>	<u>(9,278,056)</u>
Loss for the financial year/period attributable to:					
Owners of the Company		<u>(3,416,199)</u>	<u>(12,689,867)</u>	<u>(2,572,752)</u>	<u>(9,278,056)</u>
Total comprehensive loss attributable to:					
Owners of the Company		<u>(3,411,861)</u>	<u>(12,675,077)</u>	<u>(2,572,752)</u>	<u>(9,278,056)</u>
Loss per share					
Basic loss per share (sen)	9	<u>(0.47)</u>	<u>(1.78)</u>		
Diluted loss per share (sen)	9	<u>(0.40)</u>	<u>(1.53)</u>		

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

		Group		Company	
	Note	30.6.2025 RM	30.6.2024 RM	30.6.2025 RM	30.6.2024 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	12	9,578,077	10,442,871	-	-
Right-of-use assets	13	482,300	1,056,815	-	-
Goodwill on consolidation	14	-	-	-	-
Investment in subsidiary companies	15	-	-	1,677,691	1,633,691
Loan receivables	16	8,800,000	-	-	-
Total Non-Current Assets		18,860,377	11,499,686	1,677,691	1,633,691
Current Assets					
Other investments	17	-	3,024,862	-	-
Inventories	18	2,656,038	2,973,608	-	-
Loan and trade receivables	16	2,475,635	2,768,452	-	-
Other receivables	19	163,096	138,629	13,700	7,100
Amount due from subsidiary companies	20	-	-	12,711,176	15,233,389
Tax recoverable		73,816	8,500	73,816	8,500
Cash and bank balances		757,137	6,466,608	61,386	103,956
Total Current Assets		6,125,722	15,380,659	12,860,078	15,352,945
Total Assets		24,986,099	26,880,345	14,537,769	16,986,636

(Forward)

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 30 JUNE 2025

		Group		Company	
	Note	30.6.2025	30.6.2024	30.6.2025	30.6.2024
		RM	RM	RM	RM
EQUITY					
Share capital	21	17,002,426	52,502,426	17,002,426	52,502,426
Reserves	22	1,737,969	(30,350,170)	(2,741,877)	(35,669,125)
Total Equity		<u>18,740,395</u>	<u>22,152,256</u>	<u>14,260,549</u>	<u>16,833,301</u>
LIABILITIES					
Non-Current Liabilities					
Lease liabilities	24	110,311	588,336	-	-
Deferred tax liabilities	25	1,421,031	1,439,319	-	-
Total Non-Current Liabilities		<u>1,531,342</u>	<u>2,027,655</u>	<u>-</u>	<u>-</u>
Current Liabilities					
Trade payables	26	1,406,080	1,719,321	-	-
Other payables	27	2,902,676	602,231	277,220	153,335
Lease liabilities	24	287,428	279,843	-	-
Tax payable		118,178	99,039	-	-
Total Current Liabilities		<u>4,614,362</u>	<u>2,700,434</u>	<u>277,220</u>	<u>153,335</u>
Total Liabilities		<u>6,245,704</u>	<u>4,728,089</u>	<u>277,220</u>	<u>153,335</u>
Total Equity and Liabilities		<u>24,986,099</u>	<u>26,880,345</u>	<u>14,537,769</u>	<u>16,986,636</u>

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Attributable to Owners of the Parent					
Note	Non-distributable			Accumulated Losses RM	Total Equity RM
	Share Capital RM	Revaluation Reserve RM	Foreign Exchange		
			Translation Reserve RM		
	39,022,308	4,561,674	127,379	(22,364,146)	21,347,215
	-	-	-	(12,689,867)	(12,689,867)
	-	(82,368)	-	82,368	-
	-	-	14,790	-	14,790
	-	(82,368)	14,790	82,368	14,790
23	13,480,118	-	-	-	13,480,118
	52,502,426	4,479,306	142,169	(34,971,645)	22,152,256

(Forward)

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Attributable to Owners of the Parent				
		Non-distributable			Foreign Exchange Translation Reserve	
	Share Capital	Revaluation Reserve			Accumulated Losses	Total Equity
Note	RM	RM		RM	RM	RM
Group						
At 1 July 2024	52,502,426	4,479,306		142,169	(34,971,645)	22,152,256
Loss for the financial year	-	-	-	-	(3,416,199)	(3,416,199)
Other comprehensive income for the financial year:						
Realisation of revaluation reserve	-	(54,912)		-	54,912	-
Foreign exchange translation reserve	-	-		4,338	-	4,338
Total other comprehensive (loss)/income for the financial year	-	(54,912)		4,338	54,912	4,338
Transactions with owners:						
Share capital reduction	21 (35,500,000)	-	-	-	35,500,000	-
At 30 June 2025	17,002,426	4,424,394		146,507	(2,832,932)	18,740,395

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
Company				
At 1 January 2023		39,022,308	(26,391,069)	12,631,239
Loss for the financial period, representing total comprehensive loss for the financial period		-	(9,278,056)	(9,278,056)
Transactions with owners:				
Exercise of warrants	23	<u>13,480,118</u>	<u>-</u>	<u>13,480,118</u>
At 30 June 2024		<u>52,502,426</u>	<u>(35,669,125)</u>	<u>16,833,301</u>
At 1 July 2024		52,502,426	(35,669,125)	16,833,301
Loss for the financial year, representing total comprehensive loss for the financial year		-	(2,572,752)	(2,572,752)
Transactions with owners:				
Share capital reduction	21	<u>(35,500,000)</u>	<u>35,500,000</u>	<u>-</u>
At 30 June 2025		<u>17,002,426</u>	<u>(2,741,877)</u>	<u>14,260,549</u>

The notes to the financial statements form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM
Cash flows (used in)/from operating activities				
Loss before tax	(3,028,908)	(12,256,097)	(2,313,785)	(9,252,802)
Adjustments for:				
Amortisation of right-of-use assets	311,310	559,653	-	-
Amount due from subsidiary companies written off	-	-	101,621	-
Bad debts written off	-	1,638,000	-	-
Deposits written off	-	5,556,000	-	5,556,000
Prepayment written off	-	72,837	-	72,837
Depreciation of property, plant and equipment	897,251	1,374,554	-	46,311
Inventories written down	230,007	137,975	-	-
Interest expenses	40,786	72,807	-	-
Interest income	(15,306)	(16,670)	(145)	(1,721)
Impairment losses on amount due from subsidiary companies	-	-	3,536,676	1,522,364
Impairment losses on trade receivables	286,453	166,957	-	-
Impairment losses on other receivables	-	4,829	-	4,829
Impairment losses on goodwill on consolidation	58,049	-	-	-
(Gain)/Loss on disposal of property, plant and equipment	(48,444)	(37,173)	-	23,233
Property, plant and equipment written off	-	14,028	-	11,114
Reversal of impairment losses on trade receivables	(155,745)	(153,648)	-	-
(Forward)				

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM
Reversal of impairment losses on amount due from subsidiary companies	-	-	(2,819,706)	-
Reversal of impairment losses on other receivables	-	(60,606)	-	-
Reversal of inventories written down	(423)	(2,032)	-	-
Unrealised loss on foreign exchange	34,165	6,066	-	-
Fair value loss on other investment	956,099	67,838	-	-
(Gain)/Loss on disposal of other investments	(79,600)	1,127,693	-	-
Loss on disposal of right-of-use asset	48,731	-	-	-
Changes in working capital:				
Inventories	87,986	464,483	-	-
Amount due from subsidiary companies	-	-	1,703,622	882,597
Receivables	(8,696,523)	(3,596,017)	(6,600)	(3,881,712)
Payables	1,973,155	133,353	123,885	(82,455)
	<u>(6,635,382)</u>	<u>(2,998,181)</u>	<u>1,820,907</u>	<u>(3,081,570)</u>
	(7,100,957)	(4,725,170)	325,568	(5,099,405)
Tax refunded	497	1,655	497	1,655
Tax paid	<u>(452,253)</u>	<u>(41,493)</u>	<u>(324,780)</u>	<u>(32,378)</u>
	<u>(451,756)</u>	<u>(39,838)</u>	<u>(324,283)</u>	<u>(30,723)</u>
Net cash (used in)/from operating activities	<u>(7,552,713)</u>	<u>(4,765,008)</u>	<u>1,285</u>	<u>(5,130,128)</u>
Cash flows from/(used in) investing activities				
Interest received	15,306	16,670	145	1,721
Purchase of property, plant and equipment	(31,980)	(706,768)	-	(7,508)
Purchase of right-of-use assets	(62,520)	(141,687)	-	-
Acquisition of a subsidiary company	(44,000)	-	(44,000)	-

(Forward)

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM	1.7.2024 to 30.6.2025 (12 Months) RM	1.1.2023 to 30.6.2024 (18 Months) RM
Proceeds from disposal of property, plant and equipment	48,444	396,897	-	90,000
Purchase of other investments	-	(11,788,515)	-	-
Proceed from disposal of other investment	2,148,363	7,568,122	-	-
Proceed from disposal of right-of-use assets	450,000	-	-	-
Advances to subsidiary companies	-	-	-	(9,700,000)
Net cash from/(used in) investing activities	<u>2,523,613</u>	<u>(4,655,281)</u>	<u>(43,855)</u>	<u>(9,615,787)</u>
Cash flows (used in)/from financing activities				
Proceeds from conversion of warrants	-	13,480,118	-	13,480,118
Interest paid	(40,786)	(72,807)	-	-
Repayment of lease liabilities	<u>(639,556)</u>	<u>(257,322)</u>	<u>-</u>	<u>-</u>
Net cash (used in)/from financing activities	<u>(680,342)</u>	<u>13,149,989</u>	<u>-</u>	<u>13,480,118</u>
Net changes in cash and cash equivalents	<u>(5,709,442)</u>	<u>3,729,700</u>	<u>(42,570)</u>	<u>(1,265,797)</u>
Cash and cash equivalents at the beginning of the financial year/period	<u>6,466,608</u>	<u>2,712,375</u>	<u>103,956</u>	<u>1,369,753</u>
Effect of changes in exchange rates	<u>(29)</u>	<u>24,533</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year/period	<u><u>757,137</u></u>	<u><u>6,466,608</u></u>	<u><u>61,386</u></u>	<u><u>103,956</u></u>
Cash and cash equivalents at the end of the financial year/period comprises:				
Cash and bank balances	<u>757,137</u>	<u>6,466,608</u>	<u>61,386</u>	<u>103,956</u>

The notes to the financial statements form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company consist of the provision of management services and investment holding.

The information on the name, principal place of business, principal activities and effective equity interest held by the Company in each subsidiary is as disclosed in Note 15 to the financial statements.

With effect from 21 March 2025, the registered office of the Company was changed from A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur to DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 28, Jalan Canggih 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor Bahru.

The financial statements of the Company were authorised by the Board of Directors for issuance on 13 October 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Adoption of amended MFRSs

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of these amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

New MFRSs and amendments to MFRSs in issue but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective:

Amendments to MFRS 121	Lack of Exchangeability ¹
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 ²
MFRS 18	Presentation and Disclosure in Financial Statements ³
MFRS 19	Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

¹ Effective dates for annual periods beginning on or after 1 January 2025.

² Effective dates for annual periods beginning on or after 1 January 2026.

³ Effective dates for annual periods beginning on or after 1 January 2027.

⁴ Deferred to a date to be determined and announced by MASB.

The Directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those.

Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to nearest RM except when otherwise stated.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable assets.

Investment in subsidiary companies

Investment in subsidiaries are stated in the Company's financial statements at cost less accumulated impairment losses, if any.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Foreign currency translation

a) Foreign currency transaction and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

b) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (“FCTR”) in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Revenue recognition

Revenue from contract with customers

Revenue is recognised when the Group satisfied a performance obligation (“PO”) by transferring a promised good or services to the customer, which is when the customer obtains control of the goods or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major source.

(i) Sale of goods - wholesales

The Group manufactures and sells a range of paints in the wholesale market. Revenue from the sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer.

Following delivery of the goods to the wholesaler’s specific location, the wholesaler has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. Under the Group’s standard contract terms, customers have a right of return within 30 days.

A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 30 to 90 days, which is consistent with market practice.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Property, plant and equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and any accumulated impairment losses.

Land and buildings are measured at revaluation less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and building are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	40 years
Factory equipment	5 years
Furniture, fittings and office equipment	2 - 5 years
Motor vehicles	5 years
Renovation and electrical installation	2 - 10 years
Computers	5 years

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Leases

Lessee accounting

The Group recognises a right-of-use (“ROU”) assets and a lease liabilities at the lease commencement date. Right-of-use assets are initially measured at cost less accumulated amortisation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. Amortisation is computed on the straight-line basis over the lease period.

Hostel	3 years
Motor vehicles	5 years

The lease liabilities are initially measured at the present value of the lease payments that are paid at commencement date, discounted using the interest rate implicit in the lease contract. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised in the Group’s and in the Company’s statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at FVTPL, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables and amount due from subsidiary companies.

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial assets at fair value through other comprehensive income ("FVOCI")

The Group and the Company have not designated any financial assets as FVOCI.

(iii) Financial assets at fair value through profit or loss ("FVTPL")

The Group and the Company have not designated any financial assets as FVTPL.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements, if any that are integral to the contractual terms.

ECLs are recognised in two stages. For exposures with no significant increase in credit risk since initial recognition, a 12-month ECL is recognised. For exposures with a significant increase in credit risk, a lifetime ECL is recognised to capture expected losses over the remaining term of the exposure.

For loan and trade receivables, other receivables, and inter-company balances, the Group and the Company apply the simplified approach, recognising lifetime ECLs at each reporting date without tracking changes in credit risk. A provision matrix is used, derived from historical credit loss experience and adjusted for forward-looking information relevant to the debtors and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The Group assesses credit risk on loan receivables on both an individual and collective basis. Individually significant exposures are first reviewed for credit impairment, and where indicators of default or financial difficulty are identified, a lifetime expected credit loss (ECL) is recognised. Exposures that are not individually significant are grouped together based on shared credit risk characteristics such as instrument type, maturity profile, and repayment pattern for collective assessment. Impairment allowances are determined using the three-stage ECL model prescribed by MFRS 9, which reflects changes in credit quality since initial recognition. A 12-month ECL is recognised for exposures with no significant increase in credit risk (Stage 1); a lifetime ECL is recognised for exposures that have experienced a significant increase in credit risk but are not credit-impaired (Stage 2); and a lifetime ECL is also recognised for exposures assessed as credit-impaired (Stage 3), based on estimated shortfalls in future cash flows.

Inventories

Raw materials and finished goods are stated at the lower of cost and net realisable value.

Cost of raw material comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a weighted average basis. Cost of finished goods consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances demand deposits, bank overdraft that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Statements of cash flow

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude pledged fixed deposits with licensed banks and restricted cash at licensed banks.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the report amounts.

(a) Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgements which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives/amortisation of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly review the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU would increase the recorded depreciation / amortisation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 12 and 13 to the financial statements respectively.

Deferred tax liabilities

Deferred tax liabilities are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies of the carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 25 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 18 to the financial statements.

The cost of inventories may not be recoverable if those inventories are damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The practice of writing inventories down below cost to net realisable value is consistent with the view that assets should not be carried in excess of amounts that are expected to be realised from their sale or use.

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its financial assets at amortised cost, which include trade and other receivables, amounts due from subsidiary companies and loan receivables, at each reporting date to assess whether an impairment loss should be recognised.

For trade receivables from manufacturing and trading of paints segment, other receivables and amounts due from subsidiary companies, the impairment provisions are determined based on assumptions about the risk of default and expected loss rates. The creditworthiness of customers is assessed by considering, among others, the Group's historical collection experience.

For loan receivables, the Group assesses expected credit losses using a probability of default, loss given default and exposure at default model in accordance with MFRS 9. The assessment incorporates both quantitative and qualitative information, including the creditworthiness of borrowers and the nature of collateral held. Key parameters are reviewed and updated at each reporting date using historical data and relevant forward-looking macroeconomic information to ensure that the ECL reflects current credit risk conditions.

The carrying amounts of the Group's receivables are disclosed in Notes 16, 19 and 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 June 2025, the Group has tax recoverable and tax payable of RM73,816 and RM118,178 (2024: RM8,500 and RM99,039) respectively and the Company has tax recoverable of RM73,816 (2024: RM8,500).

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

5. REVENUE

	Group	
	1.7.2024 to 30.6.2025 (12 months) RM	1.1.2023 to 30.6.2024 (18 months) RM
Revenue from contracts with customers		
Sale of goods	12,932,931	21,860,985
Revenue from other sources		
Loan interest income	<u>102,366</u>	<u>-</u>
	<u>13,035,297</u>	<u>21,860,985</u>
Timing of revenue recognition:		
At a point in time, representing total revenue from contract with customers	<u>12,932,931</u>	<u>21,860,985</u>
Geographical market:		
Thailand	5,538,800	6,566,461
Malaysia	<u>7,496,497</u>	<u>15,294,524</u>
Total revenue	<u>13,035,297</u>	<u>21,860,985</u>

6. FINANCE COSTS

	Group	
	1.7.2024 to 30.6.2025 (12 months) RM	1.1.2023 to 30.6.2024 (18 months) RM
Interest expenses on:		
- Lease liabilities	<u>40,786</u>	<u>72,807</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

7. LOSS BEFORE TAX

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Auditors' remuneration:				
- statutory audit	193,974	163,559	93,000	70,000
- non-statutory audit	8,425	25,000	7,000	25,000
Amortisation of right-of-use assets	311,310	559,653	-	-
Amount due from a subsidiary company written off	-	-	101,621	-
Bad debts written off (a)	-	1,638,000	-	-
Deposits written off (b)	-	5,556,000	-	5,556,000
Prepayment written off (b)	-	72,837	-	72,837
Fair value loss on other investments	956,099	67,838	-	-
Depreciation of property, plant and equipment	897,251	1,374,554	-	46,311
Interest income	(15,306)	(16,670)	(145)	(1,721)
Impairment losses on goodwill on consolidation	58,049	-	-	-
Impairment losses on amount due from subsidiary companies	-	-	3,536,676	1,522,365
Impairment losses on trade receivables	286,453	166,957	-	-
Impairment losses on other receivables	-	4,829	-	4,829
Inventories written down	230,007	137,975	-	-
Lease expenses relating to short-term leases	28,043	64,698	-	22,519
(Gain)/Loss on disposal of other investments	(79,600)	1,127,693	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Non-executive Director's remuneration:				
- Fee	146,750	227,558	146,750	227,558
- Other emoluments	22,000	9,942	22,000	9,942
Loss/(Gain) on foreign exchange:				
- realised	21,635	(16,656)	-	-
- unrealised	34,165	6,066	-	-
(Gain)/Loss on disposal of property, plant and equipment	(48,444)	(37,173)	-	23,233
Loss on disposal of right-of-use assets	48,731	-	-	-
Property, plant and equipment written off	-	14,028	-	11,114
Reversal of impairment losses on amount due from subsidiary companies	-	-	(2,819,706)	-
Reversal of inventories written down	(423)	(2,032)	-	-
Reversal of impairment losses on trade receivables	(155,745)	(153,648)	-	-
Reversal of impairment losses on other receivables	-	(60,606)	-	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

- (a) In 2021, a subsidiary purchased gloves for a total consideration of RM3,225,000, which remained unsold and were written down to RM1,575,000. In 2022, under the former Managing Director's instruction, the inventory was returned to the supplier with a refund request of RM1,638,000, later impaired to RM1,577,394. Following legal advice citing insufficient documentation to support the return, the Board resolved to write off the receivable amounting to RM1,638,000 in the previous financial period ended 2024 after unsuccessful collection efforts.
- (b) The Group recorded several deposits and prepayment amounting to RM10,335,837 to six entities between 2022 and 2023, purportedly approved by the former Managing Director. During the previous financial period ended 2024, the Board assessed the circumstances and determined that the likelihood of recovering the amount was minimal. Consequently, a full write-off had been recorded in the previous financial period ended 2024.

8. TAXATION

	Group		Company	
	1.7.2024 to 30.6.2025 (12 months) RM	1.1.2023 to 30.6.2024 (18 months) RM	1.7.2024 to 30.6.2025 (12 months) RM	1.1.2023 to 30.6.2024 (18 months) RM
Income tax:				
Current year	31,614	3,588	35	-
Underprovision in prior period/year	373,965	25,265	258,932	25,254
	<u>405,579</u>	<u>28,853</u>	<u>258,967</u>	<u>25,254</u>
Deferred tax: (Note 25)				
Current year	41,076	(261,346)	-	-
(Over)/Underprovision in prior period/year	(59,364)	666,263	-	-
	<u>(18,288)</u>	<u>404,917</u>	<u>-</u>	<u>-</u>
	<u>387,291</u>	<u>433,770</u>	<u>258,967</u>	<u>25,254</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

A reconciliation of taxation applicable to loss before tax at the applicable statutory tax rate to taxation at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Loss before tax	<u>(3,028,908)</u>	<u>(12,256,097)</u>	<u>(2,313,785)</u>	<u>(9,252,802)</u>
At Malaysian statutory tax rate of 24% (2024: 24%)	(726,938)	(2,941,463)	(555,308)	(2,220,672)
Effect of different tax rate in other jurisdictions	(22,415)	20,870	-	-
Income not subject to tax	-	(10,139)	(676,729)	-
Expenses not deductible for tax purposes	479,838	2,247,930	1,129,114	1,936,072
Crystallisation of revaluation reserve	(17,341)	(26,011)	-	-
Deferred tax assets not recognised	359,546	451,055	102,958	284,600
Under provision of income tax in prior period/year	373,965	25,265	258,932	25,254
(Over)/Under provision of deferred tax in prior period/year	<u>(59,364)</u>	<u>666,263</u>	<u>-</u>	<u>-</u>
Taxation for the financial year/period	<u>387,291</u>	<u>433,770</u>	<u>258,967</u>	<u>25,254</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The amount of unutilised tax losses and deductible temporary differences for which the gross deferred tax assets are not recognised in the financial statements due to uncertainty of realisation are as follows:

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Unabsorbed capital allowances	28,453	28,453	-	-
Unutilised tax losses	8,941,676	7,593,566	3,604,210	3,175,217
Other temporary differences	150,000	-	-	-
	<u>9,120,129</u>	<u>7,622,019</u>	<u>3,604,210</u>	<u>3,175,217</u>

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(F) of Income Tax Act 1967 the time limit of the carried forward unutilised tax losses is 10 consecutive years of assessment.

The unutilised tax losses are available for offset against future taxable profits of the Group and of the Company up to the following financial years.

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Unutilised tax losses to be carried forward until year of assessment				
- 2028	7,519,571	7,519,571	3,175,217	3,175,217
- 2029	35,907	35,907	-	-
- 2030	26,355	26,355	-	-
- 2031	3,541	3,541	-	-
- 2032	8,192	8,192	-	-
- 2035	1,348,110	-	428,993	-
	<u>8,941,676</u>	<u>7,593,566</u>	<u>3,604,210</u>	<u>3,175,217</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

9. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share are calculated based on the consolidated profit/(loss) for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period as follows:

	Group	
	1.7.2024	1.1.2023
	to	to
	30.6.2025	30.6.2024
	(12 months)	(18 months)
	RM	RM
Loss for the financial year/period, attributable to owners of the Company	<u>(3,416,199)</u>	<u>(12,689,867)</u>
Weighted average number of ordinary shares in issue (in unit)	<u>731,449,393</u>	<u>712,628,113</u>
Basic loss per ordinary share (in sen)	<u>(0.47)</u>	<u>(1.78)</u>

(b) Diluted loss per share

Diluted loss per share are calculated based on the adjusted consolidated loss for the financial year/period attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year/period have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	1.7.2024	1.1.2023
	to	to
	30.6.2025	30.6.2024
	(12 months)	(18 months)
	RM	RM
Loss for the financial year/period, attributable to owners of the Company	<u>(3,416,199)</u>	<u>(12,689,867)</u>
Weighted average number of ordinary shares in issue used in the calculation of basic loss per share	<u>731,449,393</u>	<u>712,628,113</u>
Effect of conversion of warrants	<u>118,517,279</u>	<u>118,517,279</u>
Weighted average number of ordinary shares as at 30 June (Diluted)	<u>849,966,672</u>	<u>831,145,392</u>
Diluted loss per ordinary share (in sen)	<u>(0.40)</u>	<u>(1.53)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

10. SHARE ISSUANCE SCHEME (“SIS”)

On 23 February 2013, the Company’s shareholders approved the establishment of a SIS of not more than 30% of the issued and paid-up share capital of the Company (excluding treasury shares) at any point of time during the duration of the SIS to eligible Directors and employees of the Group.

The salient features of the SIS scheme were, *inter alia*, as follows:

- (i) Eligible persons (full time employees and Director, whether executive or non-executive) of the Group who have been confirmed on the date of the offer. The maximum allowance allotments for the Directors have been approved by the shareholders of the Company in a general meeting.
- (ii) The aggregate number of shares to be issued under the SIS shall not exceed 30% of the total issued and paid-up ordinary share capital of the Company for the time being.
- (iii) The Scheme shall be in force for a period of five (5) years from the implementation of the SIS and subject however to any extension for a further period of up to five years at the discretion of the Board upon the recommendation of the Option Committee.

Accordingly, on 30 April 2018, the Board has resolved to extend the exercise period to 13 May 2023.

- (iv) An exercise price shall be based on the volume weighted average market price of the shares of the Company for the five (5) Market Days immediately preceding the date of offer with a discount of not more than 10% or such other percentage of discount as maybe permitted by Bursa Securities or any other relevant authorities.
- (v) The new Company’s shares (“new Shares”) to be allotted and issued upon the exercise of any SIS Options granted under the SIS will, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing issued and paid-up shares of the Company, save and except that the new Shares so allotted and issued will not be entitled to any dividends, rights, allotments or other distributions, which may be declared, made or paid, the entitlement date of which precedes the date of allotment and issuance of such new shares. The new shares will be subject to the provisions of the Articles of Association of the Company. The SIS Option shall not carry any rights to vote at any general meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

- (vi) Any SIS Option which has not been exercised by a Grantee shall be automatically terminated in the following circumstances:
- (a) Termination of employment of the Grantee with the Group for any reason whatsoever, in which event the SIS Option shall be automatically terminated on the day the Grantee notifies his employer of his resignation or on the Grantee's last day of employment, whichever is the earlier; or
 - (b) Bankruptcy of the Grantee, in which event the SIS Option shall be automatically terminated on the date a receiving order is made against the Grantee by a court of competent jurisdiction; or
 - (c) Upon the happening of any other event which results in the Grantee being deprived of the beneficial ownership of the SIS Option.

In previous financial period, the exercise price and the number of SIS have been adjusted in accordance with the provisions of the Deed Poll as a result of the Bonus Issue. The exercise price was adjusted from RM0.29 to RM0.15.

Movement in the number of shares options are as at follows:

	2024 Weighted average Number of share option RM
Group	
At 1 January	131,250
Lapsed during the financial period	<u>(131,250)</u>
At 30 June	<u>-</u>
Options exercisable at 30 June	<u>-</u>

The weighted average share price at the date of exercise for the financial year was RMNil (2024: RM0.15).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The fair value of share options granted in previous financial year is based on the fair value of share options granted, estimated by the management using the market price of the shares of Company minus exercise price. The weighted average fair value of share options measured at grant date and the assumptions are as follows:

	Group 1.1.2023 to 30.6.2024
Weighted average fair value at grant date (RM)	0.18
Weighted average share price at grant date (RM)	0.31
Weighted average volatility (%)	85.99
Expected weighted average option life (years)	5
Risk-free interest rate per annum (%)	<u>3.67</u>

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioral considerations. The expected volatility is based on the historical share price volatility over the past 1 year, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

There was no utilisation during the year, and the options expired on 13 May 2023, with the remaining balance lapsing thereafter.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

11. STAFF COSTS

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Salaries, wages and other emoluments	3,405,117	5,508,760	576,750	239,951
Defined contribution plans	284,629	475,952	41,640	22,070
Social security contributions	41,156	61,931	2,721	1,078
Other benefits	-	169,530	-	-
	<u>3,730,902</u>	<u>6,216,173</u>	<u>621,111</u>	<u>263,099</u>

Included in staff costs is aggregate amount of remuneration received by the Executive Directors of the Group and of the Company during the financial year/period as below:

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Salaries, wages and other emoluments	547,369	1,021,915	126,000	141,500
Defined contribution plans	18,360	102,179	7,440	1,430
Social security contributions	<u>1,392</u>	<u>2,720</u>	<u>696</u>	<u>210</u>
	<u>567,121</u>	<u>1,126,814</u>	<u>134,136</u>	<u>143,140</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

12. PROPERTY, PLANT AND EQUIPMENT

Group	At valuation		At cost					Total RM
	Freehold Land RM	Buildings RM	Factory Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation and Electrical Installation RM	Computers RM	
Cost/Valuation								
At 1 January 2023	4,250,000	3,450,000	4,957,211	311,648	1,247,218	2,928,361	78,879	17,223,317
Additions	-	-	134,100	34,236	-	517,500	20,932	706,768
Disposals	-	-	-	-	(736,455)	-	-	(736,455)
Written off	-	-	(50,860)	(23,251)	-	-	(13,276)	(87,387)
Foreign currency translation differences	-	-	1,784	67	2,623	141	-	4,615
At 30 June 2024/ 1 July 2024	4,250,000	3,450,000	5,042,235	322,700	513,386	3,446,002	86,535	17,110,858
Additions	-	-	20,227	3,777	-	-	7,976	31,980
Foreign currency translation differences	-	-	4,732	240	2,093	376	62	7,503
At 30 June 2025	4,250,000	3,450,000	5,067,194	326,717	515,479	3,446,378	94,573	17,150,341

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	At valuation		At cost					Total RM
	Freehold Land RM	Buildings RM	Factory Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation and Electrical Installation RM	Computers RM	
Accumulated depreciation								
At 1 January 2023	-	-	4,618,866	274,155	724,760	57,485	53,972	5,729,238
Charge for the financial period	-	129,375	166,097	36,242	137,835	877,125	27,880	1,374,554
Disposals	-	-	-	-	(366,291)	-	-	(366,291)
Written off	-	-	(50,859)	(10,850)	-	-	(11,650)	(73,359)
Foreign currency translation differences	-	-	919	(13)	2,797	142	-	3,845
At 30 June 2024/1 July 2024	-	129,375	4,735,023	299,534	499,101	934,752	70,202	6,667,987
Charge for the financial year	-	86,250	106,390	13,680	-	682,500	8,431	897,251
Foreign currency translation differences	-	-	4,482	76	2,093	375	-	7,026
At 30 June 2025	-	215,625	4,845,895	313,290	501,194	1,617,627	78,633	7,572,264

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	At valuation		At cost					Total
	Freehold Land RM	Buildings RM	Factory Equipment RM	Furniture, Fittings and Office Equipment RM	Motor Vehicles RM	Renovation and Electrical Installation RM	Computers RM	
Carrying amount								
At 30 June 2024	4,250,000	3,320,625	307,212	23,166	14,285	2,511,250	16,333	10,442,871
At 30 June 2025	4,250,000	3,234,375	221,299	13,427	14,285	1,828,751	15,940	9,578,077

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Company	Fittings and Office Equipment RM	Motor Vehicle RM	Total RM
Cost			
At 1 January 2023	192,794	158,000	350,794
Additions	7,508	-	7,508
Disposal	-	(158,000)	(158,000)
Written off	(18,102)	-	(18,102)
At 30 June 2024/1 July 2024/ 30 June 2025	182,200	-	182,000
Accumulated depreciation			
At 1 January 2023	182,377	5,267	187,644
Charge for the financial period	6,811	39,500	46,311
Disposal	-	(44,767)	(44,767)
Written off	(6,988)	-	(6,988)
At 30 June 2024/1 July 2024/ 30 June 2025	182,200	-	182,200
Carrying amount			
At 30 June 2024			
At 30 June 2025			

- (a) Assets pledged as securities for a licensed bank

The freehold land and buildings are not pledged to any licensed banks as securities for any borrowings or obligations.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(b) Revaluation of freehold land and buildings

Freehold land and buildings of a subsidiary company were revalued on 30 December 2022, by Messrs. S.T. Hui & Associates, an independent professional valuer.

The fair value of freehold land and buildings of a subsidiary company are within level 2 of the fair value hierarchy. The fair value was determined by based on Direct Comparable Method of Valuation that reflects recent transaction prices for similar properties.

There has been no change to the valuation technique during the financial year.

Had the land and buildings been measured using the cost model, their carrying amounts would be as follows:

	Group	
	2025	2024
	RM	RM
Freehold land		
Cost		
At 1 January/30 June	<u>1,234,600</u>	<u>1,234,600</u>
Buildings		
Cost		
At 1 July/ 1 January	1,997,660	1,997,660
Less: Accumulated depreciation	<u>(918,921)</u>	<u>(858,991)</u>
At 30 June	<u>1,078,739</u>	<u>1,138,669</u>
Total	<u>2,313,339</u>	<u>2,373,269</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

13. RIGHT-OF-USE ASSETS

	Hostel RM	Motor vehicles RM	Total RM
Group Cost			
At 1 January 2023	104,866	1,672,383	1,777,249
Additions	141,687	-	141,687
At 30 June 2024/1 July 2024	246,553	1,672,383	1,918,936
Additions	43,768	192,808	236,576
Disposals	-	(1,148,077)	(1,148,077)
Foreign currency translation differences	-	25	25
At 30 June 2025	290,321	717,139	1,007,460
Accumulated amortisation			
At 1 January	77,311	225,379	302,690
Charge for the financial year	57,939	501,714	559,653
Foreign currency translation differences	(222)	-	(222)
At 30 June 2024/1 July 2024	135,028	727,093	862,121
Charge for the financial year	40,518	270,792	311,310
Disposals	-	(649,346)	(649,346)
Foreign currency translation differences	1,073	2	1,075
At 30 June 2025	176,619	348,541	525,160
Carrying amount			
At 30 June 2024	111,525	945,290	1,056,815
At 30 June 2025	113,702	368,598	482,300

(a) Assets held under finance lease arrangement

The net carrying amount of right-of-use assets of the Group under finance lease arrangement are as follows:

	Group 2025 RM	2024 RM
Motor vehicles	368,598	945,290

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(b) Assets held under operating lease arrangement

The leased hostel represents operating lease agreements entered into by the Group. The lease term for right-of-use assets is 3 to 5 years (2024: 3 to 5 years). The Group has options to extend the lease term for 1 year (2024: 1 year) at the end of the lease term.

(c) Purchase right-of-use assets

The aggregate additional cost for the right-of-use assets of the Group during the financial year acquired under finance lease financing and cash payments are as follows:

	Group	
	2025	2024
	RM	RM
Aggregated costs	192,808	-
Less: Finance lease financing	<u>(130,288)</u>	<u>-</u>
Cash payments	<u>62,520</u>	<u>-</u>

14. GOODWILL ON CONSOLIDATION

	Group	
	2025	2024
	RM	RM
At cost		
At 1 July/1 January	3,401	3,401
Acquisition through business combination	<u>58,049</u>	<u>-</u>
At 30 June	<u>61,450</u>	<u>3,401</u>
Accumulated impairment losses		
At 1 July/1 January	3,401	3,401
Recognised in profit or loss	<u>58,049</u>	<u>-</u>
At 30 June	<u>61,450</u>	<u>3,401</u>
Carrying amount		
At 30 June	<u>-</u>	<u>-</u>

Based on the impairment test, an impairment loss of RM58,049 (2024: RM Nil) was recognised in the profit or loss during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

15. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025	2024
	RM	RM
In Malaysia:		
Unquoted shares, at cost		
Balance brought forward	7,120,063	7,120,063
Addition during the year/period	44,000	-
Balance carried forward	7,164,063	7,120,063
Less: Accumulated impairment losses	(5,486,372)	(5,486,372)
	<u>1,677,691</u>	<u>1,633,691</u>

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	2025	2024
	RM	RM
At 1 July/1 January/30 June	<u>5,486,372</u>	<u>5,486,372</u>

Details of the subsidiary companies are as follows:

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
Direct subsidiary companies				
Multi Square Sdn. Bhd.	Malaysia	100	100	Manufacture and sale of paints, chemical solvent, industrial chemicals, aluminium and metal products.
Sersol Healthcare Sdn. Bhd.	Malaysia	100	100	Provision of distribution and trading of medical goods or devices.
Sersol Energy Sdn. Bhd. (“SESBB”)	Malaysia	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Name of Company	Place of incorporation	Effective equity interest		Principal activities
		2025 %	2024 %	
Direct subsidiary companies (Cont'd)				
Sersol E-Solutions Sdn. Bhd.	Malaysia	100	100	Dormant
Falcon Esplanade Sdn. Bhd.	Malaysia	100	100	Dormant
Happy Capital Sdn. Bhd.	Malaysia	100	-	Money lending
Held through Multi Square Sdn. Bhd.				
Sersol Marketing Sdn. Bhd.	Malaysia	100	100	Painting service contractor and distribution of coating paints.
Multi Square Coating (Thailand) Co. Ltd.*	Thailand	100	100	Manufacture and sale of coatings, thinners and industrial chemicals.
Held through Sersol Energy Sdn. Bhd.				
Sersol Takuni (M) Sdn. Bhd.^	Malaysia	-	100	Dormant

* *Subsidiary company not audited by Morison LC PLT.*

^ *Subsidiary company strike off during the year.*

(a) Strike off of a subsidiary company

During the financial year

On 24 March 2025, Sersol Takuni (M) Sdn. Bhd., a 100%-owned subsidiary of SESB had been struck off from the register of the Companies Commission of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(b) Acquisition of subsidiary company

During the financial year

On 16 February 2024, the Company entered into a Sale and Purchase Agreement (“SPA”) with two individuals to acquire 2,000,000 ordinary shares in Happy Capital Sdn. Bhd. (“HCSB”), representing 100% of HCSB’s issued and paid-up share capital, for a purchase price of RM44,000. The completion of the SPA is subject to the successful renewal of a valid Moneylender License under the Moneylenders Act 1951 for HCSB by these two individuals.

On 9 August 2024, HCSB successfully renewed the license, and the Company made full payment of the consideration. Consequently, HCSB has become the wholly owned subsidiary of the Company.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Net cash outflows arising from acquisition of subsidiary company

	Group 2025 RM
Purchase consideration settled in cash	44,000
Less: Cash and cash equivalents of a subsidiary company acquired	-
	<u>44,000</u>

Goodwill

	Group 2025 RM
Fair value of consideration transferred	44,000
Fair value of identifiable assets acquired and liabilities assumed	<u>14,049</u>
Goodwill	<u>58,049</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

16. LOAN AND TRADE RECEIVABLES

		Group	
	Note	2025 RM	2024 RM
Loan receivables	(a)		
Non-current		8,950,000	-
Current		102,366	-
		9,052,366	-
Less: Accumulated impairment losses		(150,000)	-
		8,902,366	-
Trade receivables	(b)		
Current		2,544,752	2,959,153
Less: Accumulated impairment losses		(171,483)	(190,701)
		2,373,269	2,768,452
		11,275,635	2,768,452
Presented as:			
Non-current		8,800,000	-
Current		2,475,635	2,768,452
		11,275,635	2,768,452

(a) Loan receivables

Loan receivables represent unsecured loans extended to third parties, bearing interest at 8% (2024: Nil) per annum with a tenure of three years (2024: Nil).

The maturity structure of the loans is as follows:

	Group	
	2025 RM	2024 RM
Within one year	102,366	-
Between two years to five years	8,950,000	-
	9,052,366	-
Less: Accumulated impairment losses	(150,000)	-
Net impaired loans	8,902,366	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The movement of allowance for impairment during the financial year/period is as follows:

	Group	
	2025	2024
	RM	RM
At 1 July/1 January	-	-
Impairment losses recognised	<u>150,000</u>	<u>-</u>
At 30 June	<u>150,000</u>	<u>-</u>

The aged analysis of loan receivables at the end of the reporting period:

	Gross amount RM	Loss allowances RM	Net amount RM
Group			
2025			
Neither past due nor impaired	<u>9,052,366</u>	<u>(150,000)</u>	<u>8,902,366</u>

(b) Trade receivables

The credit period granted to customers ranges from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

The Group does not hold any collateral or other credit enhancements over trade receivable balances.

The movement of allowance for impairment during the financial year/period is as follows:

	Group	
	2025	2024
	RM	RM
At 1 July/1 January	190,701	177,364
Impairment losses recognised	136,453	166,957
Impairment losses reversed	(155,745)	(153,648)
Foreign currency translation differences	<u>74</u>	<u>28</u>
At 30 June	<u>171,483</u>	<u>190,701</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The loss allowance account for trade receivables is maintained to record expected credit losses. Amounts that are assessed as irrecoverable are written off directly against the receivable balance when the Group concludes that recovery is no longer probable. Reversal of an impairment loss amounting to RM155,745 (2024: RM153,648) is recognised due to the recovery of previously impaired amount.

The aged analysis of trade receivables at the end of the reporting period:

	Gross amount RM	Loss allowances RM	Net amount RM
Group			
2025			
Neither past due nor impaired	1,103,456	(10,112)	1,093,344
Past due but not impaired:			
- Less than 30 days	967,474	(11,923)	955,551
- 31 to 60 days	258,049	(2,827)	255,222
- 61 to 90 days	65,137	(2,503)	62,634
- More than 90 days	9,627	(3,109)	6,518
	<u>1,300,287</u>	<u>(20,362)</u>	<u>1,279,925</u>
	<u>2,403,743</u>	<u>(30,474)</u>	<u>2,373,269</u>
Credit impaired:			
More than 90 days past due:			
Individually impaired	<u>141,009</u>	<u>(141,009)</u>	<u>-</u>
	<u>2,544,752</u>	<u>(171,483)</u>	<u>2,373,269</u>
2024			
Neither past due nor impaired	1,240,588	(2,671)	1,237,917
Past due but not impaired:			
- Less than 30 days	1,089,767	(3,139)	1,086,628
- 31 to 60 days	340,065	(6,753)	333,312
- 61 to 90 days	104,864	(1,122)	103,742
- More than 90 days	12,773	(5,920)	6,853
	<u>1,547,469</u>	<u>(16,934)</u>	<u>1,530,535</u>
	<u>2,788,057</u>	<u>(19,605)</u>	<u>2,768,452</u>
Credit impaired:			
More than 90 days past due:			
Individually impaired	<u>171,096</u>	<u>(171,096)</u>	<u>-</u>
	<u>2,959,153</u>	<u>(190,701)</u>	<u>2,768,452</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 June 2025, trade receivables of RM1,279,925 (2024: RM1,530,535) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM141,009 (2024: RM171,096), related to customers that are in financial difficulties, have defaulted on payments or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

17. OTHER INVESTMENTS

	Group	
	2025	2024
	RM	RM
Fair value through profit or loss:		
Quoted shares in Malaysia	<u>-</u>	<u>3,024,862</u>

Fair value of the above quoted shares was determined by reference to the published quoted price in an active market as at the reporting date. The fair value of the quoted shares was classified under Level 1 of the fair value hierarchy.

18. INVENTORIES

	Group	
	2025	2024
	RM	RM
At cost		
Raw materials	<u>2,652,499</u>	<u>2,800,116</u>
At net realisable value		
Finished goods	<u>3,539</u>	<u>173,492</u>
	<u>2,656,038</u>	<u>2,973,608</u>
Recognised in profit or loss:		
Inventories recognised at cost of sales	6,787,424	12,911,800
Inventories written down	230,007	137,975
Reversal of inventories written down	<u>(423)</u>	<u>(2,032)</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Write down of inventories to net realisable value as well as any reversals of such write down is presented in cost of sales.

The reversal of inventories written down was made when the related inventories were sold above their carrying amount.

19. OTHER RECEIVABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other receivables	30,313	1,657,869	4,829	4,829
Less: Accumulated impairment losses	(4,829)	(4,829)	(4,829)	(4,829)
Less: Bad debt written off	-	(1,638,000)	-	-
	<u>25,484</u>	<u>15,040</u>	<u>-</u>	<u>-</u>
Deposits	85,146	112,789	13,700	2,100
Prepayments	<u>52,466</u>	<u>10,800</u>	<u>-</u>	<u>5,000</u>
	<u>163,096</u>	<u>138,629</u>	<u>13,700</u>	<u>7,100</u>

The movement of allowance for impairment during the financial year/period is as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
At 1 July/1 January	4,829	60,606	4,829	-
Impairment losses reversed	-	(60,606)	-	-
Impairment losses recognised	<u>-</u>	<u>4,829</u>	<u>-</u>	<u>4,829</u>
At 30 June	<u>4,829</u>	<u>4,829</u>	<u>4,829</u>	<u>4,829</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The loss allowance account for other receivables is maintained to record expected credit losses. If the Group determines that recovery of a receivable is unlikely, the irrecoverable amount is written off directly against the receivable.

In the previous financial period ended 30 June 2024, the Group wrote off bad debts amounting to RM1,638,000, as disclosed in Note 7(a) to the financial statements.

20. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2025	2024
	RM	RM
Amount due from subsidiary companies	27,352,855	29,158,098
Less: Accumulated impairment losses	<u>(14,641,679)</u>	<u>(13,924,709)</u>
	<u><u>12,711,176</u></u>	<u><u>15,233,389</u></u>

The amount is unsecured, non-trade in nature, non-interest bearing and repayable on demand.

Movements in the allowance for impairment losses of amount due from subsidiary companies are as follows:

	Company	
	2025	2024
	RM	RM
At 1 July/1 January	13,924,709	12,402,344
Impairment losses recognised	3,536,676	1,522,365
Impairment losses reversed	<u>(2,819,706)</u>	<u>-</u>
At 30 June	<u><u>14,641,679</u></u>	<u><u>13,924,709</u></u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

21. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
Issued and fully paid share				
At 1 July/1 January	731,449,393	596,648,209	52,502,426	39,022,308
Issuance of ordinary shares:				
- warrants	-	134,801,184	-	13,480,118
Share capital reduction	-	-	(35,500,000)	-
At 30 June	<u>731,449,393</u>	<u>731,449,393</u>	<u>17,002,426</u>	<u>52,502,426</u>

On 3 June 2025, the Company completed a reduction of its issued share capital from RM52,502,426 to RM17,002,426 pursuant to Section 117 of the Companies Act 2016, following the special resolution dated 27 March 2024 which was approved and executed. The reduction was effected by offsetting accumulated losses of RM35,500,000 against the issued share capital.

In the previous financial period, the Company increased its issued and paid-up ordinary share capital from RM39,022,308 to RM52,502,426 through the issuance of 134,801,184 new ordinary shares arising from the exercise of warrants at an exercise price of RM0.10 per warrant, in accordance with the Deed Poll dated 15 March 2013 for a total cash consideration of RM13,480,118.

The ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

22. RESERVES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Non-distributable reserves				
Revaluation reserve (Note a)	4,424,394	4,479,306	-	-
Foreign currency translation reserve (Note b)	146,507	142,169	-	-
Accumulated losses	<u>(2,832,932)</u>	<u>(34,971,645)</u>	<u>(2,741,877)</u>	<u>(35,669,125)</u>
	<u>1,737,969</u>	<u>(30,350,170)</u>	<u>(2,741,877)</u>	<u>(35,669,125)</u>

The nature of reserves of the Group are as follows:

(a) Revaluation reserve

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's land and buildings and is non-distributable.

	Group	
	2025	2024
	RM	RM
At 1 July/1 January	4,479,306	4,561,674
Realisation of revaluation reserve	<u>(54,912)</u>	<u>(82,368)</u>
At 30 June	<u>4,424,394</u>	<u>4,479,306</u>

The revaluation reserve represents increase in the fair value of land and buildings, and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

23. WARRANTS

(i) Warrant A 2013/2023

On 19 April 2013, the Company allotted and issued 96,351,000 new ordinary shares together with 96,351,000 free new detachable warrants ("Warrants A) on the basis of one (1) rights share together with one (1) Warrant A for every one (1) existing Company's ordinary share held at issue price of RM0.10 per rights share.

The Warrants A are valid for exercise for a period of 10 years from its issue date and will expire on 18 April 2023. During this period, each Warrant A entitles the registered holder to subscribe for one new ordinary share in the Company at any time during the exercise period at an exercise price of RM0.18 per Warrant A in accordance with the Deed Poll dated on 15 March 2013. Any Warrants Any Warrant A not exercised by its expiry date will lapse thereafter and cease to be valid for any purposes.

In the previous financial year, the exercise price and the number of Warrant A have been adjusted in accordance with the provisions of the Deed Poll as a result of the Bonus Issue. The exercise price was adjusted from RM0.18 to RM0.10.

The movement in the Company's Warrant A 2013/2023 are as follows:

	Number of Warrant A 2013/2024	
	2025 Units	2024 Units
At 1 July/1 January	-	152,788,498
Exercised during the financial year/period	-	(134,801,184)
Lapsed during the financial year/period	-	(17,987,314)
At 30 June	-	-

As at 30 June 2024, a total of 134,801,184 Warrants A were exercised, resulting in the issuance of 134,801,184 new ordinary shares. The remaining 17,987,314 unexercised Warrants A lapsed after their expiry date on 18 April 2023 and are no longer valid for any purpose.

(ii) Warrant B 2022/2027

On 16 November 2022, the Company issued 118,517,279 free warrants ("Warrant B") pursuant to the Bonus Issue on the basis of one Warrant B for every five ordinary shares held in the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Each Warrant B entitles the holder to subscribe for one new ordinary share in the Company at an exercise price of RM0.10 per share at any time within five years from the issue date, in accordance with the Deed Poll dated 27 October 2022. The Warrants B will expire on 15 November 2027, after which any unexercised warrants will lapse and become invalid.

As at 30 June 2025, a total of 118,517,279 Warrants B remained unexercised.

24. LEASE LIABILITIES

	Group	
	2025	2024
	RM	RM
At 1 July/1 January	868,179	1,125,205
Additions	174,056	-
Payments	(639,556)	(257,322)
Foreign exchange translation differences	(4,940)	296
	<u>397,739</u>	<u>868,179</u>
At 30 June	<u>397,739</u>	<u>868,179</u>
Presented as:		
Non-current	110,311	588,336
Current	<u>287,428</u>	<u>279,843</u>
	<u>397,739</u>	<u>868,179</u>

The maturity analysis of lease liabilities of the Group at the end of the reporting period:

	Group	
	2025	2024
	RM	RM
Not later than one year	168,468	314,723
Later than one year but not later than five years	<u>260,002</u>	<u>618,326</u>
	428,470	933,049
Less: Future finance charges	<u>(30,731)</u>	<u>(64,870)</u>
Present value of lease payments	<u>397,739</u>	<u>868,179</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The Group leases motor vehicles and hostel. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rates implicit in the hire purchase arrangements range from 1.93% to 3.3% (2024: 2.1% to 3.3%) per annum. The hire purchase payables are secured by charges over the related motor vehicles as disclosed in Note 13 to the financial statements.

For lease liabilities relating to the hostel, the Group applied incremental borrowing rates ranging from 2.75% to 3% (2024: 2.75% to 3%) per annum.

25. DEFERRED TAX LIABILITIES

	Group	
	2025	2024
	RM	RM
At 1 July/1 January	1,439,319	1,034,402
Recognised in profit or loss (Note 8)	41,076	(261,346)
(Over)/Under provision in prior period/year (Note 8)	<u>(59,364)</u>	<u>666,263</u>
At 30 June	<u>1,421,031</u>	<u>1,439,319</u>

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follow:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Deferred tax liabilities	1,825,549	2,171,627	-	15,036
Deferred tax assets	<u>(404,518)</u>	<u>(732,308)</u>	<u>-</u>	<u>(15,036)</u>
	<u>1,421,031</u>	<u>1,439,319</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The components and movements of deferred tax liabilities/(assets) prior to offsetting are as follows:

Deferred tax liabilities

	Property, plant and equipment RM	Revaluation reserve RM	Right-of use-assets RM	Total RM
Group				
2025				
At 1 July	981,941	959,950	229,736	2,171,627
Recognised in profit or loss	<u>67,003</u>	<u>(192,703)</u>	<u>(220,378)</u>	<u>(346,078)</u>
At 30 June	<u>1,048,944</u>	<u>767,247</u>	<u>9,358</u>	<u>1,825,549</u>
2024				
At 1 January	416,431	888,922	-	1,305,353
Recognised in profit or loss	(100,172)	(31,050)	(121,525)	(252,747)
Under provision in prior years	<u>665,682</u>	<u>102,078</u>	<u>351,261</u>	<u>1,119,021</u>
At 30 June	<u>981,941</u>	<u>959,950</u>	<u>229,736</u>	<u>2,171,627</u>
			Company	
			2025	2024
			RM	RM
Accelerated capital allowances				
At 1 July/1 January			15,036	16,404
Recognised in profit or loss			<u>(15,036)</u>	<u>(1,368)</u>
At 30 June			<u>-</u>	<u>15,036</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Deferred tax assets

	Unabsorbed capital allowances RM	Unutilised tax losses RM	Lease liabilities RM	Provision RM	Total RM
Group					
2025					
At 1 July	148,137	250,759	184,129	149,283	732,308
Recognised in profit or loss	(147,594)	(11,280)	(174,842)	(35,878)	(297,838)
Over provision in prior period	<u>(543)</u>	<u>(29,409)</u>	<u>-</u>	<u>-</u>	<u>(29,952)</u>
At 30 June	<u>-</u>	<u>210,070</u>	<u>9,287</u>	<u>185,161</u>	<u>(404,518)</u>
2024					
At 1 January	83,020	187,931	-	-	270,951
Recognised in profit or loss	42,010	11,280	(83,187)	38,496	8,599
Under provision in prior years	<u>23,107</u>	<u>51,548</u>	<u>267,316</u>	<u>110,787</u>	<u>452,758</u>
At 30 June	<u>148,137</u>	<u>250,759</u>	<u>184,129</u>	<u>149,283</u>	<u>732,308</u>
			Company		
			2025 RM	2024 RM	
Unabsorbed capital allowances					
At 1 July/1 January			15,036	16,404	
Recognised in profit or loss			<u>(15,036)</u>	<u>(1,368)</u>	
At 30 June			<u>-</u>	<u>15,036</u>	

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days) depending on the terms of the contracts. Other credit terms are assessed and approved on a case-by-case basis.

27. OTHER PAYABLES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables	2,155,489	152,083	-	-
Accruals	682,787	383,524	277,220	153,335
Sales and services tax ("SST") payable	64,400	66,624	-	-
	<u>2,902,676</u>	<u>602,231</u>	<u>277,220</u>	<u>153,335</u>

As disclosed in Note 35 to the financial statements, the other payables amounting to RM2,000,000 were offset against 2,000,000 redeemable non-convertible preference shares ("RNCPS") issued by the subsidiary on 8 October 2025.

28. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	At 1 July/ 1 January RM	New lease RM	Financing Cash flows RM	Foreign currency translation differences RM	At 30 June RM
Group					
2025					
Lease liabilities (Note 24)	<u>868,179</u>	<u>174,056</u>	<u>(639,556)</u>	<u>(4,940)</u>	<u>397,739</u>
2024					
Lease liabilities					

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

29. RELATED PARTY DISCLOSURE

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and to the Company if the Group and Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include Executive Directors of the Company.

(b) Significant related party transactions and balances

Amount due from subsidiary companies which arose mainly from advances, is unsecured, interest-free and receivable on demand.

(c) Compensation of key management personnel

Directors' remuneration of the Group and of the Company during the financial year/period is as follows:

	Group		Company	
	1.7.2024	1.1.2023	1.7.2024	1.1.2023
	to	to	to	to
	30.6.2025	30.6.2024	30.6.2025	30.6.2024
	(12 months)	(18 months)	(12 months)	(18 months)
	RM	RM	RM	RM
Salaries, wages and other emoluments	716,119	1,252,822	294,750	372,407
Social security contributions	18,360	2,879	7,440	-
Defined contribution plans	1,392	108,614	696	-
	<u>735,871</u>	<u>1,364,315</u>	<u>302,886</u>	<u>372,407</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

30. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on the 2 main geographical segments as follows:

- (a) Malaysia
 - (i) Manufacture and sales of coatings, thinners and industrial chemical;
 - (ii) Investment holding and provision of management services; and
 - (iii) Trading of architectural coating and wall surface finishing materials.
- (b) Thailand
 - (i) Manufacture and sales of coatings, thinners and industrial chemicals.

Except as indicated above, no geographical segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the geographical segments are presented under unallocated items. Unallocated items comprise mainly loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Malaysia RM	Thailand RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Group						
2025						
Revenue						
External revenue		7,496,497	5,538,800	13,035,297	-	13,035,297
Inter-segment revenue		3,164,194	-	3,164,194	(3,164,194)	-
Total revenue		10,660,691	5,538,800	16,199,491	(3,164,194)	13,035,297
Results						
Finance income		15,306	-	15,306	-	15,306
Finance costs		(37,551)	(595)	(38,146)	(2,640)	(40,786)
Amortisation of right-of-use assets		274,657	36,653	311,310	-	311,310
Depreciation of property, plant and equipment		875,882	21,369	897,251	-	897,251
Other material items	(a)	(1,344,430)	(34,455)	(1,378,885)	(58,049)	(1,436,934)
Taxation		(387,291)	-	(387,291)	-	(387,291)
Segment (loss)/profit after tax		(494,491)	560,381	65,890	(3,482,089)	(3,416,200)
Segments assets		38,252,416	2,311,988	40,564,404	(15,578,305)	24,986,099
Segment liabilities		33,077,866	1,389,276	34,467,143	(28,221,438)	6,245,705
Assets						
Capital expenditure		29,476	2,504	31,980	-	31,980

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Malaysia RM	Thailand RM	Total segments RM	Adjustments and eliminations RM	Consolidated RM
Group						
2024						
Revenue						
External revenue		15,294,524	6,566,461	21,860,985	-	21,860,985
Inter-segment revenue		4,706,580	-	4,706,580	(4,706,580)	-
Total Revenue		20,001,104	6,566,461	26,567,565	(4,706,580)	21,860,985
Results						
Finance income		16,670	-	16,670	-	16,670
Finance costs		(72,705)	-	(72,705)	(102)	(72,807)
Amortisation of right-of-use assets		(526,414)	-	(526,414)	(33,239)	(559,653)
Depreciation of property, plant and equipment		(1,244,224)	(130,330)	(1,374,554)	-	(1,374,554)
Other material items	(a)	(7,403,505)	(26,772)	(7,430,277)	(45,492)	(7,475,769)
Taxation		(433,770)	-	(433,770)	-	(433,770)
Segment loss after tax		(2,871,785)	(521,742)	(3,393,527)	(9,305,340)	(12,698,867)
Segments assets		43,950,644	1,820,092	45,770,736	(18,890,391)	26,880,345
Segment liabilities		39,084,393	1,450,182	40,534,575	(35,806,486)	4,728,089
Assets						
Capital expenditure		695,456	11,312	706,768	-	706,768

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

- (a) Other material income/(expense) consists of the following items as presented in the respective notes to financial statements:

	Group	
	1.7.2024 to 30.6.2025 (12 months) RM	1.1.2023 to 30.6.2024 (18 months) RM
Reversal of inventories written down	423	2,032
Reversal of impairment losses on trade receivables	155,745	153,648
Reversal of impairment losses on other receivables	-	60,606
Unrealised loss on foreign exchange	(34,165)	(6,066)
Bad debts written off	-	(1,638,000)
Deposits written off	-	(5,556,000)
Prepayment written off	-	(72,837)
Impairment losses on trade receivables	(286,453)	(166,957)
Impairment losses on other receivables	-	(4,829)
Impairment losses on goodwill on consolidation	(58,049)	-
Inventories written down	(230,007)	(137,975)
Lease expenses relating to short-term leases	(28,043)	(64,698)
Gain on disposal of property, plant and equipment	48,444	37,173
Loss on disposal of right-of-use assets	(48,731)	-
Property, plant and equipment written off	-	(14,028)
Fair value loss on other investments	(956,099)	(67,838)
	<u>(1,436,934)</u>	<u>(7,475,769)</u>

- (b) Major customers

The following are major customers with revenue equal to or more than 10% Group's total revenue:

	Segment	Revenue	
		1.7.2024 to 30.6.2025 (12 months) RM	1.1.2023 to 30.6.2024 (18 months) RM
Customer A	Thailand	2,392,239	2,378,720
Customer B	Malaysia	1,856,812	2,868,939
		<u>4,249,051</u>	<u>5,247,659</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

31. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 to the financial statements describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial assets				
<i><u>Fair value through profit or loss</u></i>				
Other investments	-	3,024,862	-	-
<i><u>At amortised cost</u></i>				
Loan and trade receivables	11,275,635	2,768,452	-	-
Other receivables	110,630	127,829	13,700	2,100
Amount due from subsidiary companies	-	-	12,711,176	15,233,389
Cash and bank balances	757,137	6,466,608	61,386	103,956
Financial liabilities				
<i><u>At amortised cost</u></i>				
Trade payables	1,406,080	1,719,321	-	-
Other payables	2,838,276	535,607	277,220	153,335
Lease liabilities	397,739	868,179	-	-

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, loan receivables and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from advances to subsidiary companies and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to prior periods.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The credit granting to loan receivables is individually underwritten and risk-rated through the use of an external credit risk rating scoresheet. The credit approving authorities have the responsibility to ensure that credit risk is properly assessed and all crucial credit information of the customer is included in the customer's loan application. The Group monitors loan receivables continuously throughout the tenure of each loan.

At each reporting date, the Group and the Company assess whether any receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

The Group's credit risk exposures are concentrated mainly on 5 loan debtors (2024: 5 debtors), which accounted for 79% (2024: 24%) of the total loan and trade receivables as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The significant exposure of credit risk for trade and other receivables (including amount due from subsidiary companies) by geographical region is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	24,084,838	1,413,411	12,724,876	15,240,489
Thailand	1,019,412	1,072,772	-	-
Others	-	420,898	-	-
	<u>25,104,250</u>	<u>2,907,081</u>	<u>12,724,876</u>	<u>15,240,489</u>

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Weighted average effective interest rate %	On demand or within 1 year RM	1 to 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2025					
Non-interest bearing:					
Trade payables		1,406,080	-	1,406,080	1,406,080
Other payables		2,838,276	-	2,838,276	2,838,276
Interest bearing:					
Lease liabilities	1.93 to 3.32	168,468	260,002	428,470	397,739
		<u>4,412,824</u>	<u>260,002</u>	<u>4,672,826</u>	<u>4,642,095</u>
2024					
Non-interest bearing:					
Trade payables		1,719,321	-	1,719,321	1,719,321
Other payables		536,607	-	536,607	536,607
Interest bearing:					
Lease liabilities	2.08 to 3.32	314,723	618,326	933,049	868,179
		<u>2,570,651</u>	<u>618,326</u>	<u>3,188,977</u>	<u>3,124,107</u>

The Company's financial liabilities at the end of the reporting period are either repayable on demand or mature within 1 year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Thailand Baht ("THB") and others.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in				Total RM
	USD RM	SGD RM	THB RM	Others RM	
Group					
2025					
Trade receivables	130,096	290,849	989,392	-	1,410,327
Other receivables	-	-	70,262	-	70,262
Cash and bank balances	30,561	3,802	262,543	2,114	299,020
Trade payables	-	-	(239,757)	-	(239,757)
Other payables	-	-	(130,660)	-	(130,660)
	<u>160,647</u>	<u>294,651</u>	<u>951,780</u>	<u>2,114</u>	<u>1,409,192</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Denominated in				Total RM
	USD RM	SGD RM	THB RM	Others RM	
Group					
2024					
Trade receivables	175,640	339,485	1,013,833	-	1,528,958
Other receivables	-	-	58,939	-	58,939
Cash and bank balances	117,146	539,287	66,411	2,444	725,288
Trade payables	(133,465)	-	(158,754)	-	(292,219)
Other payables	-	-	(99,772)	-	(99,772)
	<u>159,321</u>	<u>878,772</u>	<u>880,657</u>	<u>2,444</u>	<u>1,921,194</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's loss before tax to a reasonably possible change in the USD, SGD, THB and other exchange rates against RM, with all other variables held constant.

Group				
2025		2024		
	Change in currency rate %	Effect on loss before tax RM	Change in currency rate %	Effect on loss before tax RM
USD	Strengthened 5%	8,032	Strengthened 5%	7,966
	Weakened 5%	(8,032)	Weakened 5%	(7,966)
SGD	Strengthened 5%	14,733	Strengthened 5%	43,939
	Weakened 5%	(14,733)	Weakened 5%	(43,939)
THB	Strengthened 5%	47,589	Strengthened 5%	44,033
	Weakened 5%	<u>(47,589)</u>	Weakened 5%	<u>(44,033)</u>

(a) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debt portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

Group	
30.6.2025	30.6.2024
RM	RM
Fixed rate instrument	
Financial liability	
Lease liabilities	
<u>397,739</u>	<u>868,179</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Fair value sensitivity analysis for fixed rate instruments

The Group do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

The fair value of non-current loan and borrowing for disclosure purposes is estimated by discounting the expected future cash flow at market lending rates for similar types of lending as at the end of the reporting year. The estimated fair value of this non-current loan receivables approximates its carrying amount.

32. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Lease liabilities	397,739	868,179	-	-
Less: Cash and bank balances	(757,137)	(6,466,608)	(61,386)	(103,956)
Net cash	<u>(359,398)</u>	<u>(5,598,429)</u>	<u>(61,386)</u>	<u>(103,956)</u>
Total equity	<u>18,740,395</u>	<u>22,152,256</u>	<u>14,260,549</u>	<u>16,833,301</u>
Debt-to-equity ratio (%)	<u>#</u>	<u>#</u>	<u>^</u>	<u>^</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Gearing ratio not applicable to the Group as the cash and bank balances as at 30 June 2025 and 30 June 2024 is sufficient to cover the entire borrowing obligations.

^ Gearing ratio not applicable as the Company has no loans and borrowings as at 30 June 2025 and 30 June 2024.

There were no changes in the Group's approach to capital management during the financial year.

33. COMPARATIVE INFORMATION

In the previous financial year, the financial year end of the Company had changed from 31 December to 30 June. Accordingly, the financial statements of the Company for the previous financial year are drawn up for a period of eighteen months from 1 January 2023 to 30 June 2024, whereas current year amounts are presented for a period of twelve months from 1 July 2024 to 30 June 2025.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Acquisition of Happy Capital Sdn. Bhd.

On 16 February 2024, the Company entered into a Sale and Purchase Agreement ("SPA") with two individuals to acquire 2,000,000 ordinary shares in Happy Capital Sdn. Bhd. ("HCSB"), representing 100% of HCSB's issued and paid-up share capital, for a purchase price of RM44,000. The completion of the SPA is subject to the successfully renewal of a valid Moneylender License under the Moneylenders Act 1951 for HCSB by these two individuals.

During the financial year end, HCSB has successfully renewed the license, and the Company made full payment of the consideration on 9 August 2024. Consequently, HCSB has become the wholly owned subsidiary of the Company.

35. SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

Proposed Private Placement

On 9 April 2024, the Company proposed to undertake a private placement of up to 84,996,600 new ordinary shares, representing not more than 10% of its total issued shares. Approval for the listing and quotation of the new shares was obtained from Bursa Malaysia Securities Berhad ("Bursa Securities") on 6 December 2024.

Bursa Securities had, via its letter dated 10 July 2025, granted the Company an extension of time until 5 December 2025 to complete the implementation of the private placement. The private placement is currently pending implementation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Issuance of Redeemable Non-convertible Preference Shares ('RNCPS')

On 8 October 2025, Happy Capital Sdn. Bhd. ("HCSB"), a subsidiary of the Company, allotted and issued 2,000,000 redeemable non-convertible preference shares ("RNCPS") for a total consideration of RM2,000,000 to an individual and a substantial shareholder. The subscription consideration was settled through an offset against other payables owed to the subsidiary company.

The RNCPS are redeemable after three years from the date of subscription at the option of the Company, with no fixed maturity date. The redemption shall be made out of profits, proceeds from a new issue of shares, or the capital of the subsidiary. The RNCPS carry a fixed non-cumulative dividend rate of 6% per annum and rank pari passu among themselves in all respects, while ranking in priority to the subsidiary's ordinary shares in respect of dividend payments and return of capital.

LIST OF PROPERTY

AS AT 30 JUNE 2025

Registered Owner	Title / Location/ Address	Description/ Existing Use	Tenure / Date of Expiry of Leasehold Land	Approximate Age of Building (years)	Total Land Area (square feet)	Total Built Up Area (square feet)	Net Book Value 30.06.2025	Year of Acquisition/ Date of Revaluation
Multi Square Sdn. Bhd.	No. 28 Jalan Canggih 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram, Johor	Office, warehouse & factory	Freehold	29	52,894	35,416	7,484,375	2002/ 30.12.2022

ANALYSIS OF SHAREHOLDINGS

AS AT 30 SEPTEMBER 2025

SHARE CAPITAL

Issued and Fully Paid-up Capital : 731,449,393 ordinary shares

Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

SHAREHOLDING DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Shareholders	Size of Shareholdings	No. of Shares Held	Percentage (%)
301	Less than 100	15,300	0.00*
180	100 to 1,000	71,401	0.01
638	1,001 to 10,000	3,826,266	0.52
1,094	10,001 to 100,000	42,452,020	5.80
320	100,001 to less than 5% of issued shares	365,712,694	50.00
4	5% and above of the issued shares	319,371,712	43.66
2,537	TOTAL	731,449,393	100.00

Remarks : *Less than 0.01%

LIST OF SUBSTANTIAL SHAREHOLDERS (BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

No.	Name of Substantial Shareholders	No. of Shares Held			
		Direct	Percentage %	Indirect	Percentage %
1.	Ice Age Property Sdn. Bhd.	100,000,000	13.67	-	-
2.	Dato' Mohamed Suffian bin Awang	-	-	*100,000,000	13.67

Remark: * Deemed interest in shares by virtue of Ice Age Property Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

LIST OF DIRECTORS' SHAREHOLDINGS (BASED ON THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

No.	Name of Directors	No. of Shares Held			
		Direct	Percentage %	Indirect	Percentage %
1.	Dato' Mohamed Suffian bin Awang	-	-	*100,000,000	13.67
2.	Toh Boon Hsing	-	-	-	-
3.	Leong Lup Yan	-	-	-	-
4.	Tan Su Ning	-	-	-	-
5.	Alan Ling Sie Kiong	-	-	-	-
6.	Tan Tong Lang	-	-	-	-

Remark: * Deemed interest in shares by virtue of Ice Age Property Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS (Cont'd)

AS AT 30 SEPTEMBER 2025

LIST OF 30 LARGEST SECURITIES ACCOUNT HOLDERS (BASED ON THE RECORD OF DEPOSITORS)
(Without aggregating securities from different securities account belonging to the same person)

No.	Name of Shareholders	No. of Shares Held	Percentage %
1.	ICE AGE PROPERTY SDN. BHD.	100,000,000	13.67
2.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD.	96,653,300	13.21
3.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS VICKERS SECURITIES (SINGAPORE) PTE. LTD. (CLIENTS)	70,841,712	9.69
4.	M & A NOMINEE (TEMPATAN) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	51,876,700	7.09
5.	ATTRACTIVE VENTURE SDN. BHD.	34,093,800	4.66
6.	UOBM NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED	32,000,000	4.37
7.	BOTANICAL DISTRIBUTION SDN. BHD.	30,000,000	4.10
8.	AE MULTI INDUSTRIES SDN. BHD.	29,300,050	4.01
9.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	27,170,400	3.71
10.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD. (66581 T CL)	17,756,812	2.43
11.	UNIK MAKMUR SDN. BHD.	16,209,512	2.22
12.	M & A NOMINEE (TEMPATAN) SDN. BHD. FOR ORIENTED MEDIA HOLDINGS LIMITED	12,000,000	1.64
13.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. DBS VICKERS SECS (S) PTE. LTD. FOR KGI SECURITIES (SINGAPORE) PTE. LTD.	11,000,000	1.50
14.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. BASKARAN A/L GOVINDA NAIR	8,589,587	1.17
15.	UOBM NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED	6,000,000	0.82
16.	M & A NOMINEE (ASING) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	5,100,000	0.70
17.	JADI CHEMICALS SDN. BHD.	4,714,800	0.64
18.	BASKARAN A/L GOVINDA NAIR	4,627,687	0.63
19.	ONG CHIN HONG	4,200,000	0.57
20.	YIN YIT FUN	3,900,000	0.53
21.	LAI THIAM POH	3,720,000	0.51
22.	CUBETECH ASIA SDN. BHD.	3,058,200	0.42
23.	CHEN KOK WONG	3,025,450	0.41
24.	TOH SUSAN	2,600,000	0.36
25.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR MURALITHARAN A/L P.SUBRAMANIAM (PB)	2,500,050	0.34
26.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SIEW YUEN WAI	2,260,000	0.31
27.	GOI BOON GIAP	2,000,000	0.27
28.	LEE YEAN CHING	1,964,100	0.27
29.	LAW KOK WAH	1,890,800	0.26
30.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR VINCENT PHUA CHEE EE	1,800,000	0.25
Total		590,852,960	80.78

ANALYSIS OF WARRANT B HOLDINGS

AS AT 30 SEPTEMBER 2025

WARRANTS B

No. of Warrants B holders	:	1,788
Exercise Price of Warrants B	:	RM0.10
Exercise Period of Warrants B	:	16 November 2022 to 15 November 2027
No. of Warrants B	:	118,517,279
Voting Rights in the meeting of warrants B holders	:	One vote per warrant holder on a show of hand

WARRANTS B HOLDINGS DISTRIBUTION SCHEDULE (BASED ON THE RECORD OF DEPOSITORS)

No. of Warrants B Holders	Size of Warrants B Shareholdings	No. of Warrants B Held	Percentage (%)
441	Less than 100	18,317	0.02
277	100 to 1000	135,505	0.11
718	1,001 to 10,000	2,933,046	2.47
292	10,001 to 100,000	9,586,325	8.09
57	100,001 to less than 5% of warrants B	60,219,949	50.81
3	5% and above of the warrants B	45,624,137	38.50
1,788	TOTAL	118,517,279	100.00

LIST OF DIRECTORS' WARRANTS B HOLDINGS (BASED ON THE REGISTER OF DIRECTORS' WARRANTS B HOLDINGS)

No.	Name of Director	No. of Warrants B Held			
		Direct	Percentage %	Indirect	Percentage %
1.	Dato' Mohamed Suffian bin Awang	-	-	-	-
2.	Toh Boon Hsing	-	-	-	-
3.	Leong Lup Yan	-	-	-	-
4.	Tan Su Ning	-	-	-	-
5.	Alan Ling Sie Kiong	-	-	-	-
6.	Tan Tong Lang	-	-	-	-

ANALYSIS OF WARRANT B HOLDINGS (Cont'd)

AS AT 30 SEPTEMBER 2025

LIST OF 30 LARGEST WARRANTS B HOLDERS (BASED ON THE RECORD OF DEPOSITORS)

(Without aggregating securities from different securities account belonging to the same person)

No.	Name of Warrants B Holders	No. of Warrants B Held	Percentage %
1.	M & A NOMINEE (TEMPATAN) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	20,167,375	17.02
2.	UOBM NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED	18,750,000	15.82
3.	M & A NOMINEE (ASING) SDN. BHD. EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	6,706,762	5.66
4.	PERUSAHAAN SAUDEE SDN. BHD.	5,665,100	4.78
5.	ATTRACTIVE HOLDINGS SDN. BHD.	5,362,500	4.52
6.	UNIK MAKMUR SDN. BHD.	4,831,237	4.08
7.	AT PRECISION TOOLING SDN. BHD.	4,800,000	4.05
8.	AE MULTI INDUSTRIES SDN. BHD.	4,770,750	4.03
9.	M & A NOMINEE (TEMPATAN) SDN. BHD. FOR ORIENTED MEDIA HOLDINGS LIMITED	4,687,500	3.96
10.	KONG KOK KEONG	4,312,500	3.64
11.	PASUKHAS PROPERTIES SDN. BHD.	4,125,000	3.48
12.	AMSEC NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR KGI SECURITIES (SINGAPORE) PTE. LTD. (66581 T CL)	3,551,362	3.00
13.	PASUKHAS PROPERTIES SDN. BHD.	1,200,000	1.01
14.	SAMSURI BIN DAUD	1,175,500	0.99
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR PIONG YON WEE (6000652)	1,111,025	0.94
16.	WANG YIN CHAI	986,500	0.83
17.	CHU WAN CHEK	984,410	0.83
18.	BASKARAN A/L GOVINDA NAIR	925,537	0.78
19.	UNIK MAKMUR SDN. BHD.	789,282	0.67
20.	LAI YEE LING	777,412	0.66
21.	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. BASKARAN A/L GOVINDA NAIR	675,000	0.57
22.	LIM CHENG CHAI	670,000	0.57
23.	HENG YEE NAM	646,400	0.55
24.	YONG PUI YEN	642,300	0.54
25.	MERCSEC NOMINEES (ASING) SDN. BHD. GENERAL RESERVE OF DIGITAL ASSETS LIMITED	408,700	0.34
26.	SIVAGUKAN A/L THAMBIRAJAH	407,500	0.34
27.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH POH CHIN (MY2715)	400,000	0.34
28.	CHAM LI JUN	395,425	0.33
29.	ANG YOKE CHING	378,275	0.32
30.	WONG SWEE KEE	350,000	0.30
Total		100,653,352	84.93

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second (22nd) Annual General Meeting (AGM) of **SERSOL BERHAD** (the Company) will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 25 November 2025 at 10.30 a.m.** or at any adjournment thereof for the purpose of considering and, if thought fit, passing the following resolutions with or without any modifications:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2025 (FYE 30 June 2025) together with the Directors and Auditors Reports thereon. **(Explanatory Note 1)**
2. To approve the payment of Directors' fees to the Non-Executive Directors of the Company and its subsidiaries of up to RM322,000.00 for the period from 26 November 2025 until the conclusion of the next AGM of the Company. **(Ordinary Resolution 1)**
3. To approve the payment of Directors' benefits comprised of meeting allowance to the Non-Executive Directors of the Company of up to RM36,000.00 for the period from 26 November 2025 until the conclusion of the next AGM of the Company. **(Ordinary Resolution 2)**
(Explanatory Note 2)
4. To re-elect the following Directors who retire as Director under Clause 95 of the Company's Constitution:
 - (i) Dato' Mohamed Suffian bin Awang; and **(Ordinary Resolution 3)**
 - (ii) Mr. Alan Ling Sie Kiong **(Ordinary Resolution 4)**
(Explanatory Note 3)
5. To re-elect Ms. Tan Su Ning who retires as Director pursuant to Clause 98 of the Company's Constitution. **(Ordinary Resolution 5)**
(Explanatory Note 3)
6. To re-appoint Messrs. Morison LC PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution:

7. **Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (CA 2016) (Proposed General Mandate)** **(Ordinary Resolution 7)**
(Explanatory Note 4)

"THAT subject always to Sections 75 and 76 of the CA 2016, the Company's Constitution, the ACE Market Listing Requirements (AMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) and the approval of any governmental and/or regulatory authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company at the time of issuance and such authority under this resolution shall continue in force until the conclusion of the next AGM or when it is required by law to be held, whichever is earlier, **AND THAT** the Directors be and are empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities.

THAT the existing shareholders of the Company hereby waive their pre-emptive rights to be offered new shares ranking equally to the existing issued shares in the Company pursuant to Section 85 of the CA 2016 read together with Clause 59 of the Company's Constitution arising from any issuance of new shares of the Company pursuant to Sections 75 and 76 of the CA 2016.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (Cont'd)

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

8. To transact any other ordinary business for which due notice shall have been given in accordance with the Company's Constitution and the CA 2016.

BY ORDER OF THE BOARD SERSOL BERHAD

WONG YUET CHYN (MAICSA 7047163)
(SSM PC No. 202008002451)
ADELINE TANG KOON LING (LS 0009611)
(SSM PC No. 202008002271)
Company Secretaries

Selangor Darul Ehsan
31 October 2025

Notes:

- (i) A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- (ii) A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
- (iii) A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
- (iv) Where a member is an Authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, shall be deposited at the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or e-mail to shareereg@prosec.com.my or fax to 03-3008 1124 not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned meeting as the case may be, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll, and in default the instrument of proxy shall not be treated as valid.
- (vi) An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
- (vii) In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2025, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- (viii) Pursuant to Rule 8.31A(1) of the AMLR of Bursa Securities, all the resolutions set out in this Notice will be put to vote by way of poll.
- (ix) The members are encouraged to refer the Administrative Guide on registration and voting process for the general meeting.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (Cont'd)

Explanatory Notes on Ordinary Business

1. Audited Financial Statements for FYE 30 June 2025

The audited financial statements are laid in accordance with Section 340(1)(a) of the CA 2016 for discussion only under Agenda 1. They do not require the shareholders' approval and hence, it will not be put for voting.

2. Proposed Directors' Benefits

The proposed Ordinary Resolution 2, if passed, will authorise and approve the payment of Directors' Benefits comprised of meeting allowances payable to the Directors, where applicable, for their attendance of Board and Committee Meetings for the period from 26 November 2025 until the conclusion of the next AGM of the Company, pursuant to the requirements of Section 230 of CA 2016.

3. Re-election of Directors

The Proposed Ordinary Resolutions 3, 4 and 5, if passed, will allow Dato' Mohamed Suffian bin Awang (Dato' Suffian), Mr. Alan Ling Sie Kiong (Mr. Alan) and Ms. Tan Su Ning (Ms. Tan) to be re-elected and continued acting as Directors of the Company. Dato' Suffian, Mr. Alan and Ms. Tan being eligible, have offered themselves for re-election at this AGM pursuant to Clause 95 and 98 of the Company's Constitution respectively. The profiles of Dato' Suffian, Mr. Alan and Ms. Tan are set out in the Directors' Profile section of the Annual Report 2025.

The Board (with exception of the retiring Directors who abstained) recommended the retiring directors be re-elected as Directors of the Company as they have character, experience, integrity, competence and time to effectively discharge their role as a Director of the Company.

The Board (with exception of the retiring Directors who abstained) was further satisfied that Ms. Tan has complied with the criteria of independence based on the Listing Requirements and remain her independence in exercising her judgement and carry out her roles as Independent Non-Executive Director.

Explanatory Note on Special Business

4. Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the CA 2016

The proposed Ordinary Resolution 7 is proposed for the purpose of renewing the general mandate for issuance of shares by the Company under Sections 75 and 76 of the CA 2016. The Ordinary Resolution 7, if passed, will give the Directors of the Company authority to allot and issue shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the total number of issued shares of the Company.

The Proposed General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently during this challenging time, to meet its funding requirements including but not limited to funding future investment project(s), working capital and/or acquisitions.

By approving the allotment and issue of the Company's shares pursuant to the Proposed General Mandate which will rank the equally with the existing issued shares in the Company, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85 of the CA 2016 and Clause 59 of the Company's Constitution to be first offered the Company's Shares which will result in a dilution to their shareholdings percentage in the Company.

As at the date of this notice, no shares had been allotted and issued since the general mandate granted to the Directors at the last AGM held on 3 December 2024 and this authority will lapse at the conclusion of the 22nd AGM of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Group, is of the opinion that the general mandate is in the best interests of the Company and its shareholders.

NOTICE OF TWENTY-SECOND ANNUAL GENERAL MEETING (Cont'd)

5. Personal Data Privacy

By registering for the meeting and/or submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company: (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (which includes any adjournments thereof); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively "the Purpose"); (ii) warrants that he/she has obtained such proxy(ies)' and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies)' and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.



SERSOL BERHAD
Registration No. 200201034397 (602062-X)
(Incorporated in Malaysia)

TWENTY-SECOND (22ND) ANNUAL GENERAL MEETING (AGM)

ADMINISTRATIVE GUIDE

<u>Date</u>	<u>Time</u>	<u>Broadcast Venue</u>
Tuesday, 25 November 2025	10.30 a.m.	Lot 4.1, 4th Floor, Menara Lien Hoe No. 8, Persiaran Tropicana Tropicana Golf & Country Resort 47410 Petaling Jaya Selangor Darul Ehsan

REGISTRATION AT THE 22ND AGM

- (a) Registration will commence at 9.30 a.m. (or if earlier as may be determined by the Company) and will end at a time as directed by the Chairman of the Meeting.
- (b) Kindly present your original MyKad or Passport (for Non-Malaysian) to the registration personnel at the registration counter for verification.
- (c) Upon verification, you are required to sign the Attendance List and will be given a wristband for entry to the meeting venue. There will be no replacement of wristband in the event you lose or misplace the wristband.
- (d) Registration on behalf of another person even with his/her original MyKad or Passport is strictly **NOT ALLOWED**.
- (e) If you are attending the 22nd AGM as a shareholder as well as proxy, you will be registered once and will only be given one wristband.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only members whose names appear on the Record of Depositors as of 17 November 2025 shall be eligible to participate in the 22nd AGM or appoint proxy(ies) or corporate representative(s) or attorney(s) and/or the Chairman of the Meeting to participate and vote on his/her behalf.

The hard copy of the Form of Proxy and/or document(s) relating to the appointment of proxy(ies) or corporate representative(s) or attorney(s) for the 22nd AGM shall be deposited at the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan no later than **Sunday, 23 November 2025 at 10.30 a.m.** The procedures and requisite documents to be submitted by the respective members are summarised below:

(I) For Individual Members

If an individual member is unable to participate in the 22nd AGM, he/she is encouraged to appoint proxy(ies) or the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

(II) For Corporate Members

Corporate members through the appointment of corporate representative(s) or proxy(ies) who wish to participate and vote at the 22nd AGM is required to deposit the following documents to the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan no later than **Sunday, 23 November 2025 at 10.30 a.m.:**

- (a) Certificate of appointment of its Corporate Representative or Form of Proxy under the seal of the corporation;
- (b) Copy of the Corporate Representative's or proxy's MyKad (front and back)/Passport; and
- (c) Corporate Representative's or proxy's email address and mobile phone number.

If a corporate member through the appointment of corporate representative(s) or proxy(ies) is unable to participate in the 22nd AGM, the corporate member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

(III) For Institutional Members

The beneficiaries of the shares under a Nominee Company's CDS account (Institutional Member(s)) who wish to participate and vote at the 22nd AGM may request its Nominee Company to appoint him/her as a proxy to participate and vote at the 22nd AGM. The Nominee Company is required to deposit the following documents to the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan no later than **Sunday, 23 November 2025 at 10.30 a.m.:**

- (a) Form of Proxy under the seal of the Nominee Company;
- (b) Copy of the proxy's MyKad (front and back)/Passport; and
- (c) Proxy's email address and mobile phone number.

If an Institutional Member is unable to participate in the 22nd AGM, the Institutional Member is encouraged to appoint the Chairman of the Meeting as its proxy and indicate the voting instructions in the Form of Proxy in accordance with the notes and instructions printed therein.

REVOCATION OF PROXY

Please note that if a shareholder has submitted his/her Form of Proxy prior to the 22nd AGM and subsequently decides to personally participate in the 22nd AGM, the shareholder must contact the Share Registrar to revoke the appointment of his/her proxy no later than Sunday, 23 November 2025 at 10.30 a.m.

VOTING AT MEETING

The voting at the 22nd AGM will be conducted by way of poll in accordance with Rule 8.31A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities). The Company has appointed Prosec Share Registration Sdn. Bhd. as the Poll Administrator and SharePolls Sdn. Bhd. as Scrutineers to verify the poll results.

Shareholder(s)/proxy(ies)/corporate representative(s) can proceed to vote on the resolution before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the voting session announced by the Chairman of the Meeting.

The Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolution tabled for voting is duly passed or otherwise.

RESULTS OF THE VOTING

The resolution proposed at the 22nd AGM and the results of the voting for the same will be announced at the 22nd AGM and subsequently via an announcement made by the Company through Bursa Securities at www.bursamalaysia.com.

NO RECORDING OR PHOTOGRAPHY

By participating at the 22nd AGM, you agree that no part of the 22nd AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

NO DOOR GIFTS OR VOUCHERS

There will be NO distribution of door gifts or vouchers.

OTHER INFORMATION FOR ATTENDEES AT THE 22ND AGM

- (a) Parking bays are available at Menara Lien Hoe. Kindly use either Touch 'n Go (with minimum RM 20.00 card balance), debit or credit card to enter the parking bay as it is a cashless payment system.
- (b) All attendees are required to register with the security personnel at the lobby of the building before you access to the meeting venue.
- (c) Although the wearing of face mask in an enclosed area is now optional, you are encouraged to wear your face mask throughout the meeting session.

ENQUIRY

If you have any enquiry on the above, please contact the following officers during office hours from 9.00 a.m. to 6.00 p.m. on Monday to Friday (except public holidays):

Prosec Share Registration Sdn. Bhd.

Name : Mr. Vemalan a/l Naraynan/ Mr. Tee Yee Loon
Telephone : 03-3008 1123/ 012-766 8921
Email: : sharereg@prosec.com.my

**SERSOL BERHAD**Registration No. 200201034397 (602062-X)
(Incorporated in Malaysia)

CDS Account No.

No. of Shares Held

PROXY FORMI/We, _____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./Registration No./Passport No.) _____

of _____
(FULL ADDRESS)

Email Address _____ Contact No. _____

being a member/members of **SERSOL BERHAD** (the Company), hereby appoint

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented
Address		
Email Address	Contact No.	

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	% of Shareholdings to be Represented
Address		
Email Address	Contact No.	

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the Twenty-Second (22nd) Annual General Meeting (AGM) of the Company to be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on **Tuesday, 25 November 2025 at 10.30 a.m.** for or at any adjournment thereof.

ORDINARY RESOLUTIONS		FOR	AGAINST
1.	Approval of the payment of Directors' Fees for the period from 26 November 2025 until the conclusion of the next AGM of the Company		
2.	Approval of the payment of Directors' Benefits for the period from 26 November 2025 until the conclusion of the next AGM of the Company		
3.	Re-election of Dato' Mohamed Suffian bin Awang		
4.	Re-election of Mr. Alan Ling Sie Kiong		
5.	Re-election of Ms. Tan Su Ning		
6.	Re-appointment of Auditors		
7.	Authority to allot and issue shares under Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this ____ day of _____ 2025

Signature(s) of member(s)**NOTES:**

- A member of the Company entitled to attend, and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
- A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the members shareholdings to be represented by each proxy, failing which, the appointments shall be invalid.
- A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
- Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account) there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the registered office at DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan or e-mail to sharereg@prosec.com.my or fax to 03-3008 1124 not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned meeting as the case may be, or in the case of a poll, not less than twenty-four (24) hours before the time appointed for taking the poll, and in default the instrument of proxy shall not be treated as valid.
- An instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 17 November 2025, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice will be put to vote by way of poll.
- The members are encouraged to refer the Administrative Guide on registration and voting for the meeting.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 31 October 2025.

Fold this flap for sealing

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AFFIX
STAMP

The Company Secretaries
SERSOL BERHAD
Registration No. 200201034397 (602062-X)
DF2-09-02, Level 9, Persoft Tower
6B, Persiaran Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan

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SERSOL BERHAD

200201034397 (602062-X)

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**THAILAND
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