

**SERSOL BERHAD**

Company No. 200201034397 (602062-X)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED  
30 JUNE 2022**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 JUNE 2022	Preceding Year Corresponding Quarter 30 JUNE 2021	Current Year To Date 30 JUNE 2022	Preceding Year Corresponding Period 30 JUNE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	3,868	3,601	8,206	7,963
Cost of sales	(2,923)	(2,394)	(6,099)	(5,452)
Gross Profit	945	1,207	2,107	2,511
Other operating income	123	20	162	70
Operating expenses	(2,048)	(1,213)	(3,600)	(2,356)
<b>(Loss) / Profit from operations</b>	<b>(980)</b>	<b>14</b>	<b>(1,331)</b>	<b>225</b>
Finance costs	(3)	-	(4)	(1)
<b>(Loss) / Profit before tax</b>	<b>(983)</b>	<b>14</b>	<b>(1,335)</b>	<b>224</b>
Income tax expense	5	4	19	9
<b>(Loss) / Profit for the period</b>	<b>(978)</b>	<b>18</b>	<b>(1,316)</b>	<b>233</b>
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign subsidiaries	(16)	34	6	55
<b>Total comprehensive (loss) / profit for the period</b>	<b>(994)</b>	<b>52</b>	<b>(1,310)</b>	<b>288</b>
(Loss) / Profit attributable to:				
Owners of the parent	(978)	18	(1,316)	233
(Loss) / Profit for the period	(978)	18	(1,316)	233
Total comprehensive (loss) / profit attributable to:				
Owners of the parent	(994)	52	(1,310)	288
Total comprehensive (loss) / profit for the period	(994)	52	(1,310)	288
(Loss) / Profit per share (sen)				
Basic (note B10)	(0.34)	0.01	(0.48)	0.11
Diluted (note B10)	(0.33)	0.01	(0.46)	0.10

**(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)**

**SERSOL BERHAD**

Company No. 200201034397 (602062-X)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Unaudited As At 30 JUNE 2022	Audited As At 31 DECEMBER 2021
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,731	6,373
Development expenditure	11,732	-
Right of Use Asset	1,490	62
	19,953	6,435
<b>Current assets</b>		
Inventories	7,347	5,620
Trade receivables	2,378	2,806
Other receivables, deposits and prepayments	5,281	3,082
Tax recoverable	20	24
Deposit, Cash and bank balances	6,027	8,027
	21,053	19,559
<b>TOTAL ASSETS</b>	41,006	25,994
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	34,671	21,308
Exchange translation reserve	105	100
Warrants reserve	6,742	7,253
Other reserve	(6,742)	(7,253)
Accumulated losses	(3,390)	(2,102)
Revaluation reserve	3,053	3,080
Equity attributable to owners of the parent	34,439	22,386
<b>TOTAL EQUITY</b>	34,439	22,386
<b>Non-current liabilities</b>		
Lease Liability	6	27
Hire purchases payables	878	-
Deferred tax liabilities	881	890
	1,765	917
<b>Current liabilities</b>		
Trade payables	3,310	2,071
Other payables and accruals	1,149	450
Hire purchases payables	196	-
Lease Liability	40	36
Taxation	107	134
	4,802	2,691
<b>TOTAL LIABILITIES</b>	6,567	3,608
<b>TOTAL EQUITY AND LIABILITIES</b>	41,006	25,994
Net assets per ordinary share attributable to owners of the parent (RM)	0.12	0.09

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD**Company No. 200201034397 (602062-X)  
(Incorporated in Malaysia)**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED  
30 JUNE 2022**

	Current Year To Date 30 JUNE 2022	Preceding Year Corresponding Period 30 JUNE 2021
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before tax	(1,335)	224
Adjustments for:-		
Non-cash items	258	149
Non-operating items	(90)	(27)
Operating (loss) / profit before changes in working capital	(1,167)	346
Net changes in current assets	(3,509)	(155)
Net changes in current liabilities	1,938	(767)
<b>CASH USED IN OPERATIONS</b>	(2,738)	(576)
Income tax refunded	5	-
Interest paid	(4)	(1)
Tax paid	(18)	(3)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(2,755)	(580)
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
Interest received	10	28
Development expenditure incurred	(11,732)	-
Proceed from disposal of property, plant and equipment	85	-
Purchase of plant and equipment	(947)	(97)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(12,584)	(69)
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceed from issuance of share capital	12,325	-
Proceed from conversion of warrants	1,038	-
Repayment of finance lease	(19)	(28)
Repayment of hire purchase payables	(16)	-
<b>NET CASH FROM / (USED IN) FINANCING ACTIVITIES</b>	13,328	(28)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(2,011)	(677)
Effect of changes in exchange rates	11	(51)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	8,027	6,586
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD*</b>	6,027	5,858
* Cash and cash equivalents included in the statement of cash flows comprise of the following:		
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	-	-
Cash and bank balances	6,027	5,858
	6,027	5,858
Less : Fixed Deposit Pledged to License Bank	-	-
	6,027	5,858

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD**

Company No. 200201034397 (602062-X)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FIRST QUARTER ENDED****30 JUNE 2022**

(The figures have not been audited)

	Attributable to Owners of the Parent						Total Equity RM'000
	←	Non-distributable Exchange	Revaluation reserve	Warrants reserve	Other reserve	Accumulated losses	
	Share capital RM'000	Translation reserve RM'000	RM'000	RM'000	RM'000	RM'000	
As at 1 January 2022	21,308	100	3,080	7,253	(7,253)	(2,102)	22,386
Loss for the financial year	-	-	-	-	-	(1,316)	(1,316)
Other comprehensive income for the financial year:							
Realisation of revaluation reserve	-	-	(28)	-	-	28	-
Foreign exchange translation reserve	-	6	-	-	-	-	6
Transactions with owners:							
Issuance of ordinary shares	12,325	-	-	-	-	-	12,325
Conversion of warrants	1,038	-	-	(511)	511	-	1,038
As at 30 June 2022	<u>34,671</u>	<u>106</u>	<u>3,052</u>	<u>6,742</u>	<u>(6,742)</u>	<u>(3,390)</u>	<u>34,439</u>
As at 1 January 2021	12,786	221	3,136	7,692	(7,692)	(355)	15,788
Profit for the financial year	-	-	-	-	-	233	233
Other comprehensive income for the financial year:							
Realisation of revaluation reserve	-	-	(28)	-	-	28	-
Foreign exchange translation reserve	-	(55)	-	-	-	-	(55)
As at 30 June 2021	<u>12,786</u>	<u>166</u>	<u>3,108</u>	<u>7,692</u>	<u>(7,692)</u>	<u>(94)</u>	<u>15,966</u>

(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD**

Company No. 200201034397 (602062-X)  
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**A. EXPLANATORY NOTES IN ACCORDANCE WITH MFRS 134****A1. Basis of Preparation**

The unaudited condensed interim financial statements for the financial period as at 31 March 2022 have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of Sersol Berhad (“the Company”) and its subsidiaries (collectively referred to as “the Group”) for the financial year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

As at the date of these interim financial statements, the following MFRSs, Amendments to MFRSs were issued but not yet effective and have not been applied by the Group:

**MFRSs, Amendments to MFRSs and IC Interpretation effective for financial periods beginning on or after 1 January 2022**

- |     |  |  |
|-----|--|--|
| 1.  | Amendments to MFRS 3                               | Reference to Conceptual Framework  |
| 2.  | Amendments to MFRS 116                             | Property, Plant and Equipment – Proceeds before Intended Use   |
| 3.  | Amendments to MFRS 137                             | Onerous Contracts – Cost of Fulfilling a Contract  |
| 4.  | Annual Improvements to MFRSs Standards 2018 – 2020 |  |
|     |  | <ul style="list-style-type: none"><li>• Amendments to MFRS 1</li><li>• Amendments to MFRS 9</li><li>• Amendments to MFRS 16</li><li>• Amendments to MFRS 141</li></ul> |
| 5.  | MFRS 17  | Insurance Contracts  |
| 6.  | Amendments to MFRS 17                              | Insurance Contracts  |
| 7.  | Amendments to MFRS 101                             | Current or Non-current Disclosures of Accounting Policies  |
| 8.  | Amendments to MFRS 108                             | Definition of Accounting Estimates   |
| 9.  | Amendment to MFRS 112                              | Deferred Tax related to Assets and Liabilities arising from a Single Transaction   |
| 10. | Amendment to MFRS10 and MFRS 128                   | Sales of Contribution of Assets between an investor and its Associates of Joint Venture  |

The Group intends to adopt the above MFRS when they become effective.

**A2. Seasonality or Cyclical Factors**

The Group’s interim operations for the quarter under review and financial period-to-date were not significantly affected by any seasonal or cyclical factors.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no other items affecting assets, liabilities, equity, net income or cash flows of the Group that are unusual because of their nature, size or incidence during the quarter under review and financial period-to-date.

**A4. Material Change in Estimates**

There were no changes in estimates amount reported as at to-date that would have a material effect on the results for the current quarter under review and financial period-to-date.

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**A5. Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review and financial period-to-date, except for the following:-

	<b>Ordinary Share</b>	
	<b>No of shares</b>	<b>RM</b>
	<b>'000</b>	<b>'000</b>
Share capital-issued and fully paid up as at 01.04.2022	269,648	28,466
Arising from exercise of Warrants	1,997	360
Issuance of share pursuant to Private Placement	<u>17,929</u>	<u>5,845</u>
Total Number of Issued Shares as at 30.06.2022	<u>289,574</u>	<u>34,671</u>

**A6. Dividend Paid**

There was no dividend paid during the quarter under review and financial period-to-date.

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**A7. Segmental Reporting**

Segmental reporting of the

(a) Primary Reporting Format - Geographical Segment:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Quarter</u>	<u>Preceding Year</u>	<u>Current Year To</u>	<u>Preceding Year</u>
		<u>Corresponding</u>		<u>Corresponding</u>
		<u>Quarter</u>		<u>Period</u>
<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>				
Malaysia	3,343	3,218	7,232	6,671
Thailand	1,186	938	2,450	2,279
Total including inter-segment sales	4,529	4,156	9,682	8,950
Eliminations of inter-segment sales	(661)	(555)	(1,476)	(987)
<b>Total Revenue</b>	<b>3,868</b>	<b>3,601</b>	<b>8,206</b>	<b>7,963</b>
<b>Profit Before Tax</b>				
Segment results				
Malaysia	(681)	(23)	(1,171)	72
Thailand	(339)	(35)	(234)	28
	(1,020)	(58)	(1,405)	100
Finance costs	(3)	-	(4)	(1)
Eliminations	40	72	74	125
<b>Total (Loss) / Profit Before Tax</b>	<b>(983)</b>	<b>14</b>	<b>(1,335)</b>	<b>224</b>
<b>At 30 June 2022</b>	<b>Malaysia</b>	<b>Thailand</b>	<b>Eliminations</b>	<b>Consolidated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Segment assets	65,389	2,460	(26,863)	40,986
Income tax assets	3	17	-	20
<b>Total assets</b>				<b>41,006</b>
Segment liabilities	40,858	1,072	(37,425)	4,505
Hire purchase payables	1,074	-	-	1,074
Income tax liabilities	988	-	-	988
<b>Total liabilities</b>				<b>6,567</b>
Other segment information				
Capital expenditure	509	438	-	947
Amortisation of right-of-use assets	52	-	11	63
Depreciation of property, plant and equipment	111	72	-	183

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**A7. Segmental Reporting (Con't)**

(b) Secondary Reporting Format - Business Segments:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<b>Revenue</b>				
Investment Holdings	-	14	-	28
Coatings Manufacturing	4,529	4,142	9,682	8,922
Eliminations	(661)	(555)	(1,476)	(987)
<b>Total Revenue</b>	<b>3,868</b>	<b>3,601</b>	<b>8,206</b>	<b>7,963</b>
<b>(Loss) / Profit Before tax</b>				
Segment results				
Investment Holdings	(443)	(144)	(712)	(205)
Coatings Manufacturing	(539)	86	(597)	304
Others	(38)	-	(96)	-
	(1,020)	(58)	(1,405)	99
Finance costs	(3)	-	(4)	(1)
Eliminations	40	72	74	126
<b>Total (Loss) / Profit Before Tax</b>	<b>(983)</b>	<b>14</b>	<b>(1,335)</b>	<b>224</b>

**A8. Material Events Subsequent to the End of the Quarter under Review**

There were no material events subsequent to the end of the quarter under review that has not been reflected in the interim financial statement.

**A9. Changes in the composition of the Group**

There were no changes in the composition of the Group during the period under review.

**A10. Changes in Contingent Liabilities or Contingent Assets**

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review and financial period-to-date.

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**B. ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF THE BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET****B1. PERFORMANCE REVIEW**

	Individual Period		Cumulative Period	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To-date	Preceding Year Corresponding Period
	30.06.22	30.06.21	30.06.22	30.06.21
	RM'000	RM'000	RM'000	RM'000
Revenue	3,868	3,601	8,206	7,963
(Loss) / Profit Before Interest and Tax ("LBIT" / "PBIT")	(980)	14	(1,331)	225
(Loss) / Profit Before Tax ("LBT" / "PBT")	(983)	14	(1,335)	224
(Loss) / Profit After Tax Profit / ("LAT" / "PAT")	(978)	18	(1,316)	233
(Loss) / Profit attributable to Ordinary Equity Holders of the Parent	(978)	18	(1,316)	233

**Review of results for the current quarter**

For the current quarter financial period ended 30 June 2022, the Group registered a revenue of RM3.87 million, LBIT and LBT of RM0.98 million respectively as compared to a revenue of RM3.60 million, PBIT and PBT of RM0.01 million in the preceding financial year's corresponding quarter.

**Commentary on revenue**

The Group recorded a higher revenue for the current quarter is due to higher demand of the Group's products.

**Commentary on LBIT / PBIT and LBT / PBT**

The Group recorded a LBIT and LBT of RM0.98 million for the current quarter 30 June 2022 compared to the preceding financial year's corresponding quarter of PBIT and PBT of RM0.01 million. This was mainly due to the higher raw material costs and expenses incurred on corporate exercise.

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**B2. COMMENTS ON MATERIAL CHANGE IN PROFIT BEFORE TAXATION**

	Current Quarter	Immediate Preceding Quarter
	30.06.22	31.03.22
	RM'000	RM'000
Revenue	3,868	4,338
Loss From Operations	(980)	(351)
Loss Before Tax	(983)	(352)
Loss After Tax	(978)	(338)
Loss attributable to Ordinary Equity Holders of the Parent	(978)	(338)

The Group recorded a higher LBT of RM0.98 million for the current quarter financial period ended 30 June 2022 as compared to LBT of approximately RM0.35 million for the immediate preceding quarter financial period ended 31 March 2022. This was mainly due to higher raw material costs and expenses incurred on corporate exercise.

**B3. Prospects of the Group**

The market remains volatile and is subject to various domestic and global uncertainties and challenges such as high inflation and foreign exchange rate fluctuations. The Group will take appropriate measures and strategies to mitigate the business risks, managing cost base and enhance operational efficiencies. The Group is positioning to improve its performance in view of the overall economic environment in Malaysia and Thailand as Malaysia and Thailand have moved to endemic phase of Covid-19.

**B4. Variance of Profit Forecast**

Not applicable as no profit forecast has been issued.

**B5. Tax Expense**

Tax expense comprises the following:

	Individual quarter ended		Cumulative quarter ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Taxation	-	-	9	-
Deferred taxation	5	4	10	9
	<hr/>	<hr/>	<hr/>	<hr/>
	5	4	19	9
	<hr/>	<hr/>	<hr/>	<hr/>

**SERSOL BERHAD**

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**B6. Status of Corporate Proposal Announced**

Saved as disclosed below, there were no other corporate proposals which had been announced by the Company and are pending for completion as of to date:

- a) 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, which is expected to be utilised in the following manner:

<b>Description</b>	<b>Proceeds raised (RM'000)</b>	<b>Actual utilisation (RM'000)</b>	<b>Balance unutilised (RM'000)</b>	<b>Expected time frame for the use of proceeds (from the date of listing of the Placement Shares)</b>
Purchase of machineries and equipment	390	26	364	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	11,232	1,984	Within 36 months
Expenses relating to the Private Placements	200	193	7	Immediately
<b>Total</b>	<b>15,565</b>	<b>12,773</b>	<b>2,792</b>	

- b) On 1 October 2021, Sersol Energy Sdn Bhd, a wholly-owned subsidiary of the Company entered into a Memorandum of Understanding ("MOU") with Aeroleum Sdn Bhd ("ASB") and Silicon Designs (M) Sdn Bhd with the intent to collaborate to produce greener and cleaner fuel for Malaysia using a proprietary technology known as Nano Activated Fuel Technology. The MOU will expire 6 months from the MOU date (i.e., 1 October 2021) ("Expiry Date") and may be further extended by mutual agreement by the parties. The Company is in the midst of negotiation with the other parties for the extension of time of the Expiry Date.
- c) On 8 October 2021, Sersol E-Solutions Sdn Bhd, a wholly-owned subsidiary of the Company entered into a MOU with Dronology Sdn. Bhd. ("DSB") with the intent to establish synergy in the development of a viable and sustainable business model and marketing program to commercially promote the products and services of DSB. DSB is principally involved in designing and manufacturing advanced unmanned systems such as unmanned aerial vehicle, unmanned ground vehicle and unmanned surface vehicles, most commonly known as drones. The MOU is valid for a period of 1 year commencing from 8 October 2021 and may be further extended by mutual agreement by the parties.

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### B6. Status of Corporate Proposal Announced (Con't)

- d) On 22 March 2022, the Company proposes to undertake the proposed bonus issue of up to 457,786,000 new ordinary shares in Sersol on the basis of 1 Bonus Share for every 1 existing Sersol Share held by the shareholders of Sersol whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined later and the proposed free warrants issue of up to 152,595,333 free warrants on the basis of 1 Warrant for every 6 existing Shares held by the shareholders of Sersol whose names appear in the Record of Depositors of the Company at the close of business on an entitlement date to be determined later.

On 12 April 2022, the Company has resolved to revise the proposals to the proposed bonus issue of up to 385,277,375 Bonus Shares on the basis of 7 Bonus Shares for every 8 existing Shares held by the Bonus Shares Entitled Shareholders on the Bonus Shares Entitlement Date and the proposed free warrants issue of up to 165,118,875 Warrants B on the basis of 1 Warrant B for every 5 existing Shares held by the Warrants Entitled Shareholders on the Warrants Entitlement Date.

Bursa Securities had, vide its letter dated 27 April 2022, resolved to approve the following:

- (i) listing and quotation of up to 385,277,375 Bonus Shares to be issued pursuant to the Proposed Bonus Issue of Shares;
- (ii) listing and quotation of up to 75,296,550 additional warrants 2013/2023 ("Adjustment Warrants A") to be issued pursuant to the adjustment arising from the Proposed Bonus Issue of Shares;
- (iii) listing and quotation of up to 75,296,550 new Sersol Shares to be issued pursuant to the exercise of the Adjustment Warrants A;
- (iv) admission to the Official List and listing and quotation of up to 165,118,875 Warrants B to be issued pursuant to the Proposed Free Warrants Issue; and
- (v) listing and quotation of up to 165,118,875 new Sersol Shares to be issued arising from the exercise of the Warrants B.

The Bonus Issue of Shares has been completed following the listing and quotation for 253,377,384 Bonus Shares and 73,740,323 additional Warrants A on the ACE Market of Bursa Securities on 5 July 2022.

- e) On 17 January 2022, the Company entered into a heads of agreement with SMTrack Berhad, Country Heights Holding Berhad, Jiankun International Berhad, Techna-X Berhad, MQ Technologies Berhad, AHB Holdings Berhad and 5G Infra Tech Solution Sdn. Bhd. to invest through redeemable convertible preference shares in 5G Infra Tech. The conditional period of the HOA is for a period of 3 months from the HOA date (i.e., 17 January 2022) or such other extended date as may be mutually agreed upon by the parties. The parties are in the midst of negotiation for the extension of time of the Conditional Period.
- f) On 30 June 2022, Sersol E-Solutions Sdn. Bhd., a wholly owned subsidiary of the Company had entered into a Memorandum of Understanding with Eminent Display Sdn. Bhd. ("Eminent") with the intention for Sersol e-Solutions to evaluate the business viability of Eminent prior to entering into a sale and purchase agreement for the acquisition of shares in Eminent. The MOU will expire 1 month from the MOU date (i.e., 30 June 2022) ("Expiry Date") and may be further extended by mutual agreement by the parties. The Company is in the midst of negotiation with the other parties for the extension of time of the Expiry Date.
- g) On 30 June 2022, the Company entered into a Heads of Agreement with MJets Limited with the intention to form a joint venture by becoming shareholders in private limited companies to be registered in Malaysia and Indonesia which will be in the business of private aviation, business aviation, aircraft handling, aircraft management, aircraft charter sales, private jet terminal and other aviation related activities. The Company is in the midst of setting up the joint venture company.

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**B7. Group Borrowings and Debt Securities**

The Group's borrowings, all repayable in Ringgit Malaysia, as at the end of the quarter under review are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b>Short Term Borrowings</b>			
Hire purchase payables	196	-	196
Lease Liability	40	-	40
	<u>236</u>	<u>-</u>	<u>236</u>
<b>Long Term Borrowings</b>			
Hire purchase payables	878	-	878
Lease Liability	6	-	6
	<u>884</u>	<u>-</u>	<u>884</u>
<b>Total</b>	<u><u>1,120</u></u>	<u><u>-</u></u>	<u><u>1,120</u></u>

**B8. Changes in Material Litigation Since the Last Quarterly Statement of Financial Position Date**

There were no changes in material litigation, including the status of pending material litigation since the date of issue of last report.

**B9. Dividend Proposed**

No dividend has been proposed during the quarter under review.

**B10. (Loss) / Profit Per Share****Basic (Loss) / Profit per share**

	Current quarter ended		Cumulative quarter ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Net (Loss) / Profit attributed to owners of the parent for the period (RM'000)	(978)	18	(1,316)	233
Weighted Average Number of shares in issue ('000)	287,523	215,349	273,140	215,349
Basic (Loss) / Profit per share (sen)	(0.34)	0.01	(0.48)	0.11

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**B10. (Loss) / Profit Per Share (Con't)****Diluted (loss) / profit per share**

Diluted (loss) / profit per share is equal to the basic profit / (loss) per share as there were no potential ordinary shares outstanding in both the previous and current financial period.

	Current quarter ended		Cumulative quarter ended	
	30 June 2022	30 June 2021	31 June 2022	31 June 2021
Net (Loss) / Profit attributed to owners of the parent for the period (RM'000)	(978)	18	(1,316)	233
Weighted Average Number of shares in issue ('000)	295,950	249,689	284,014	242,271
Diluted (Loss) / Profit per share (sen)	(0.33)	0.01	(0.46)	0.10

**B11. Auditors' Report of Preceding Annual Financial Statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2021 was not qualified.

**B12. Derivative Financial Instruments**

## (a) Disclosure of derivative financial instruments

As at 30 June 2022, the Group does not hold any derivative financial instruments.

## (b) Disclosure of gains/losses arising from fair value changes of financial liabilities

There were no gains/losses arising from fair value changes of financial liabilities reported by the Group during the financial period under review.

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**B13. (Loss) / Profit Before Tax**

The following items have been included in arriving at (loss) / profit before tax:

	Current quarter ended		Cumulative quarter ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	RM'000	RM'000	RM'000	RM'000
Depreciation	(89)	(76)	(183)	(147)
Gain on disposal of property, plant and equipment	85	-	85	-
Gain or (loss) on foreign exchange – Unrealised	(28)	5	(11)	32
Interest expense	(3)	-	(4)	(1)
Interest income	6	28	10	14
Amortisation of right of use asset	(54)	(22)	(63)	(11)

Saved as disclosed above and in the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, the other items under Appendix 9B, Part A (16) of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market are not applicable.