

**SERSOL BERHAD**

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2024**

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	Current Quarter 30 SEPTEMBER 2024	Preceding Year Corresponding Quarter 30 SEPTEMBER 2023	Current Year To Date 30 SEPTEMBER 2024	Preceding Year Corresponding Period 30 SEPTEMBER 2023
	RM'000	RM'000	RM'000	RM'000
Revenue	3,448	3,448	3,448	-
Cost of sales	(2,460)	(2,804)	(2,460)	-
<b>Gross Profit</b>	<b>988</b>	<b>644</b>	<b>988</b>	<b>-</b>
Other operating income	24	27	24	-
Operating expenses	(1,833)	(8,572)	(1,833)	-
<b>Loss from operations</b>	<b>(821)</b>	<b>(7,901)</b>	<b>(821)</b>	<b>-</b>
Finance costs	(10)	(13)	(10)	-
<b>Loss before tax</b>	<b>(831)</b>	<b>(7,914)</b>	<b>(831)</b>	<b>-</b>
Income tax expense	5	5	5	-
<b>Loss for the period</b>	<b>(826)</b>	<b>(7,909)</b>	<b>(826)</b>	<b>-</b>
<b>Other comprehensive income, net of tax</b>				
Exchange differences on translation of foreign subsidiaries	(4)	(10)	(4)	-
Revaluation of land and building	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b>(830)</b>	<b>(7,919)</b>	<b>(830)</b>	<b>-</b>
Loss attributable to:				
Owners of the parent	(826)	(7,909)	(826)	-
Loss for the period	(826)	(7,909)	(826)	-
Total comprehensive Loss attributable to:				
Owners of the parent	(830)	(7,919)	(830)	-
Total comprehensive Loss for the period	(830)	(7,919)	(830)	-
Loss per share (sen)				
Basic	(0.11)	(1.08)	(0.11)	-
Diluted	(0.11)	(1.08)	(0.11)	-

**(The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.)**

**As announced on 29 November 2023, the financial year end has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the preceding year corresponding period.**

**SERSOL BERHAD**

Company No. 200201034397 (602062-X)  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2024**

	Unaudited As At 30 SEPTEMBER 2024	Audited As At 30 JUNE 2024
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,225	10,443
Right of use assets	979	1,057
	11,204	11,500
<b>Current assets</b>		
Other investments	2,499	3,025
Inventories	3,145	2,974
Trade receivables	2,583	2,768
Other receivables	4,666	138
Tax recoverable	68	8
Cash and bank balances	1,719	6,467
	14,680	15,380
<b>TOTAL ASSETS</b>	25,884	26,880
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	52,502	52,502
Exchange translation reserve	138	142
Accumulated losses	(35,784)	(34,972)
Revaluation reserve	4,466	4,480
Equity attributable to owners of the parent	21,322	22,152
<b>TOTAL EQUITY</b>	21,322	22,152
<b>Non-current liabilities</b>		
Lease liabilities	533	589
Deferred tax liabilities	1,434	1,439
	1,967	2,028
<b>Current liabilities</b>		
Trade payables	1,808	1,719
Other payables	431	602
Lease liabilities	279	280
Tax payable	77	99
	2,595	2,700
<b>TOTAL LIABILITIES</b>	4,562	4,728
<b>TOTAL EQUITY AND LIABILITIES</b>	25,884	26,880
Net assets per ordinary share attributable to owners of the parent (RM)	0.03	0.03

(The unaudited condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 JUNE 2024 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD**

Company No. 200201034397 (602062-X)  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED  
30 SEPTEMBER 2024**

	Current Year To Date 30 SEPTEMBER 2024	Preceding Year Corresponding Period 30 SEPTEMBER 2023
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(831)	-
Adjustments for:-		
Non-cash items	883	-
Non-operating items	(15)	-
	<hr/>	<hr/>
Operating loss profit before changes in working capital	37	-
Net changes in current assets	(4,543)	-
Net changes in current liabilities	(85)	-
	<hr/>	<hr/>
CASH USED IN OPERATIONS	(4,591)	-
Tax paid	(82)	-
	<hr/>	<hr/>
NET CASH USED IN OPERATING ACTIVITIES	(4,673)	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>		
Interest received	15	-
Purchase of property, plant and equipment	(6)	-
Purchase of ROU	(14)	-
	<hr/>	<hr/>
NET CASH USED IN INVESTING ACTIVITIES	(5)	-
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Repayment of lease liability	(66)	-
	<hr/>	<hr/>
NET CASH FROM FINANCING ACTIVITIES	(66)	-
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
	(4,744)	-
Effect of changes in exchange rates	(4)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	6,467	-
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD*	1,719	-
	<hr/>	<hr/>
* Cash and cash equivalents included in the consolidated statement of cash flows comprise of the following:		
	<b>RM'000</b>	<b>RM'000</b>
Fixed deposits	-	-
Cash and bank balances	1,719	-
	<hr/>	<hr/>
	<u>1,719</u>	<u>-</u>

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.)

As announced on 29 November 2023, the financial year end has been changed from 31 December to 30 June. As such, there will be no comparative financial information available for the preceding year corresponding period.

**SERSOL BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR FIRST QUARTER ENDED  
30 SEPTEMBER 2024**

	Attributable to Owners of the Parent						Total equity RM'000
	Share capital RM'000	Non - distributable Exchange Translation reserve RM'000	Revaluation reserve RM'000	Warrants reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	
As at 1 July 2024	52,502	142	4,480	-	-	(34,972)	22,152
Loss for the financial year	-	-	-	-	-	(826)	(826)
Other comprehensive income for the financial year:							
Realisation of revaluation reserve	-	-	(14)	-	-	14	-
Foreign exchange translation reserve	-	(4)	-	-	-	-	(4)
As at 30 September 2024	<u>52,502</u>	<u>138</u>	<u>4,466</u>	<u>-</u>	<u>-</u>	<u>(35,784)</u>	<u>21,322</u>
As at 1 January 2023 (Audited)	39,022	127	4,562	6,093	(6,093)	(22,364)	21,347
Conversion of warrants	13,480	-	-	(6,093)	6,093	-	13,480
Loss for the financial year	-	-	-	-	-	(12,690)	(12,690)
Other comprehensive income for the financial year:							
Realisation of revaluation reserve	-	-	(82)	-	-	82	-
Foreign exchange translation reserve	-	15	-	-	-	-	15
As at 30 June 2024 (Audited)	<u>52,502</u>	<u>142</u>	<u>4,480</u>	<u>-</u>	<u>-</u>	<u>(34,972)</u>	<u>22,152</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 30 June 2024 and the accompanying explanatory notes attached to the interim financial statements.)

**SERSOL BERHAD**

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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 2024 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 30 June 2024. 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 30 June 2024.

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 July 2024**

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

The adoption of the above standards did not give rise to significant effects on the financial statements of the Group.

**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>
Total Number of Issued Shares as at 30.09.2024	<u>731,449</u>	<u>52,502</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>	
	Current Quarter 30 September 2024 RM'000	Preceding Year Corresponding Quarter 30 September 2023 RM'000	Current Year To Date 30 September 2024 RM'000	Preceding Year Corresponding Period 30 September 2023 RM'000
<b>Revenue</b>				
Malaysia	3,058	3,060	3,058	-
Thailand	1,343	950	1,343	-
Total including inter-segment sales	4,401	4,010	4,401	-
Eliminations of inter-segment sales	(953)	(562)	(953)	-
<b>Total Revenue</b>	<b>3,448</b>	<b>3,448</b>	<b>3,448</b>	<b>-</b>
<b>Loss Before Tax</b>				
Segment results				
Malaysia	(806)	(7,600)	(806)	-
Thailand	82	(65)	82	-
	(724)	(7,665)	(724)	-
Finance costs	(10)	(12)	(10)	-
Eliminations	(97)	(237)	(97)	-
<b>Loss Before Tax</b>	<b>(831)</b>	<b>(7,914)</b>	<b>(831)</b>	<b>-</b>
<b>At 30 September 2024</b>	<b>Malaysia RM'000</b>	<b>Thailand Thailand</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
Segment assets	42,978	2,062	(19,224)	25,816
Income tax assets	68	-	-	68
<b>Total assets</b>				<b>25,884</b>
Segment liabilities	36,664	1,614	(35,227)	3,051
Income tax liabilities	1,511	-	-	1,511
<b>Total liabilities</b>				<b>4,562</b>
Other segment information				
Capital expenditure	6	-	-	6
Amortisation of right-of-use assets	84	-	9	93
Depreciation of property, plant and equipment	219	5	-	224

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

(b) Secondary Reporting Format - Business Segments:-

	<u>INDIVIDUAL QUARTER</u>		<u>CUMULATIVE QUARTER</u>	
	<u>Current Quarter</u>	<u>Preceding Year Corresponding Quarter</u>	<u>Current Year To Date</u>	<u>Preceding Year Corresponding Period</u>
	<u>30 September 2024</u>	<u>30 September 2023</u>	<u>30 September 2024</u>	<u>30 September 2023</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>				
Coatings Manufacturing	4,401	4,010	4,401	-
Others	-	-	-	-
Eliminations	(953)	(562)	(953)	-
<b>Total Revenue</b>	<u>3,448</u>	<u>3,448</u>	<u>3,448</u>	<u>-</u>
<b>Loss Before tax</b>				
Segment results				
Coatings Manufacturing	(484)	(2,820)	(484)	-
Others	(240)	(4,844)	(240)	-
	<u>(724)</u>	<u>(7,664)</u>	<u>(724)</u>	<u>-</u>
Finance costs	(10)	(13)	(10)	-
Eliminations	(97)	(237)	(97)	-
<b>Loss Before Tax</b>	<u>(831)</u>	<u>(7,914)</u>	<u>(831)</u>	<u>-</u>

**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
	30.09.24	30.09.23	30.09.24	30.09.23
	RM'000	RM'000	RM'000	RM'000
Revenue	3,448	3,448	3,448	-
Loss Before Interest and Tax ("LBIT")	(821)	(7,901)	(821)	-
Loss Before Tax ("LBT")	(831)	(7,914)	(831)	-
Loss After Tax ("LAT")	(826)	(7,909)	(826)	-
Loss attributable to Ordinary Equity Holders of the Parent	(826)	(7,909)	(826)	-

**Review of results for the current quarter**

For the current quarter financial period ended 30 September 2024, the Group registered a revenue of RM3.448 million and LBT of RM0.831 million. The LBT is mainly due to fair value loss on other investments amounting to RM0.526 million

The financial year end of the Group has been changed from 31 December to 30 June. As such, there is no comparative financial information available for the preceding year corresponding period.

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

	Current Quarter	Immediate Preceding Quarter
	30.09.24	30.06.24
	RM'000	RM'000
Revenue	3,448	3,382
Profit/(Loss) From Operations	(821)	4,845
Profit/(Loss) Before Tax	(831)	4,835
Profit/(Loss) After Tax	(836)	4,833
Profit/(Loss) attributable to Ordinary Equity Holders of the Parent	(836)	4,833

The Group recorded a LBT of RM0.831 million for the current quarter financial period ended 30 September 2024 as compared to PBT of RM4.835 million for the immediate preceding quarter financial period ended 30 June 2024. The PBT reported in the immediate preceding quarter financial period is mainly due to reversal of depreciation amounting to RM0.751 million while the deposits written off amounting to RM4.707 million are restated in financial year 2022.

**B3. Prospects of the Group**

The Group will continue to focus on growth within its core business segments and remains steadfast in implementing cost optimisation and pricing strategies for its products to maintain competitiveness in the market.

The Group has expanded the product range to include high-quality protective coatings and specialised paints, including the IRR and NIRr for the military, marine and navy vehicles.

**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 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:-				
Taxation	-	-	-	-
Deferred taxation	5	5	5	-
	<u>5</u>	<u>5</u>	<u>5</u>	<u>-</u>

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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:

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:

Description	Proceeds raised (RM'000)	Actual utilisation (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	-	Within 36 months
Expenses relating to the Private Placements	200	200	-	Immediately
<b>Total</b>	<b>15,565</b>	<b>15,517</b>	<b>48</b>	

The Private Placement I was completed on 18 October 2022 and the Company has raised a total proceeds of RM3.829 million, which is expected to be utilised in the following manner:

Description	Proceeds raised (RM'000)	Actual utilisation (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	460	-	460	Within 36 months
Payment to trade creditors	1,500	1,500	-	Within 36 months
Investment in R&D activities	563	563	-	Within 36 months
Working capital	1,291	1,291	-	Within 36 months
Expenses relating to the Private Placements	15	15	-	Immediately
<b>Total</b>	<b>3,829</b>	<b>3,369</b>	<b>460</b>	

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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:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b>Short Term Borrowings</b>			
Lease Liability	279	-	279
	<b>279</b>	<b>-</b>	<b>279</b>
<b>Long Term Borrowings</b>			
Lease Liability	533	-	533
	<b>533</b>	<b>-</b>	<b>533</b>
<b>Total</b>	<b>812</b>	<b>-</b>	<b>812</b>

**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.

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**B10. Loss Per Share****Loss per share**

	Current quarter ended		Cumulative quarter ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Loss attributed to owners of the parent for the period (RM'000)	(826)	-	(826)	-
Weighted Average Number of shares in issue ('000)	731,449	-	731,449	-
Basic Loss per share (sen)	(0.11)	-	(0.11)	-

**Diluted loss per share**

The diluted profit per share for current financial quarter and financial period to-date are computed as follows.

	Current quarter ended		Cumulative quarter ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Net Loss attributed to owners of the parent for the period (RM'000)	(826)	-	(826)	-
Weighted Average Number of shares in issue ('000)	731,449	-	731,449	-
Diluted Loss per share (sen)	(0.11)	-	(0.11)	-

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

The auditors' report on the audited financial statements for the financial year ended 30 June 2024 was not qualified.

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**B12. Derivative Financial Instruments**

(a) Disclosure of derivative financial instruments

As at 30 September 2024, 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.

**B13. Profit Before Tax**

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

	Current quarter ended		Cumulative quarter ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
	RM'000	RM'000	RM'000	RM'000
Depreciation	(224)	(469)	(224)	-
Loss on foreign exchange – Unrealised	(30)	(67)	(30)	-
Interest expense	(10)	(13)	(10)	-
Interest income	15	-	15	-
Amortisation of right of use asset	(93)	(73)	(93)	-
Deposits and prepayments written off	-	(7,400)	-	-
Fair value (loss)/gain on quoted investments	(526)	339	(526)	-

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.

**B14. Authorisation for use**

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 November 2024.