

SERN KOU RESOURCES BERHAD
[Registration No. 200001016496 (519103-X)]
(Incorporated in Malaysia)

SUMMARY OF KEY MATTER(S) DISCUSSED AT THE TWENTIETH ANNUAL GENERAL MEETING (“20TH AGM”) HELD ON 25 NOVEMBER 2020

Q1 What is the latest progress of the 2 new additional sawmill lines? Please update on the timeline and expected contribution.

Mr Loo Eng Hua (“Mr Loo”), the Executive Director of the Company, replied that the installation for the 2 additional sawmill lines were expected to be completed within 3 to 4 months, due to the Conditional Movement Control Order (“CMCO”) which was enforced by the Malaysian government.

He further informed the Meeting that the Company anticipated the additional sawmill lines, upon completion, would contribute positively to the financial performance of the Group for the financial year ending 30 June 2021.

Q2 Can we expect a better earnings and better financial year ahead? What is the prospect for the loss-making furniture division?

Mr Loo informed the Meeting that the Company anticipated a better earning prospect for the financial year ending 30 June 2021 for the furniture segment. He explained that the Company had recorded a comprehensive income of RM16.7 million for the financial year ended 30 June 2020.

With reference to page 120 of the Annual Report 2020, Mr Loo added that the Manufacturing segment had recorded a segment loss before profit and tax of RM1.2 million. Nonetheless, with the consolidated contribution from Kiln-drying lamination, the sawmill segment as well as processing and trading segment, the Company had recorded a segmental profit before tax of RM22.4 million.

Further, he added that the Company would continue its concerted efforts across all segments and expected better performance achieved for the financial year ending 30 June 2021.