

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

MINUTES OF THE TWENTY-FIFTH ANNUAL GENERAL MEETING (“25TH AGM”) OF THE COMPANY HELD AT LEVEL 2, LOT PTD 6019 (LOT 8804), JALAN PERINDUSTRIAN 1, KAWASAN PERINDUSTRIAN, BUKIT BAKRI, MUKIM BAKRI, 84200 MUAR, JOHOR DARUL TAKZIM ON FRIDAY, 21 NOVEMBER 2025 AT 11:00 A.M.

PRESENT

Members – The Shareholders and proxies are as per the attendance list.

DIRECTORS

- | | | |
|---|---|-------------------------|
| Mr Onn Kien Hoe (“Mr Onn”)
(Chairman cum <i>Independent Non-Executive Director</i>) | - | Chairman of the Meeting |
| Mr Low Peng Sian @ Chua Peng Sian
(<i>Managing Director</i>) | - | Also a Shareholder |
| Ms Teh Su-Ching
(<i>Independent Non-Executive Director</i>) | | |
| Mr Chua Oou Chuan
(<i>Independent Non-Executive Director</i>) | | |
| Mr Seow Jing Hui
(<i>Independent Non-Executive Director</i>) | | |
| Loo Eng Hua (“Mr Loo”)
(<i>Non-Independent Non-Executive Director</i>) | - | Also a Shareholder |
| Mr Lee Shen Wang
(<i>Executive Director</i>) | - | Also a Shareholder |
| Ms Siah Chew Peng
(<i>Executive Director</i>) | | |

IN ATTENDANCE

- | | | |
|-------------|---|-------------------|
| Ms Ng Sally | - | Company Secretary |
|-------------|---|-------------------|

BY INVITATION

- | | | |
|---|-----|---|
| Ms Tang Choon Yen | - | Chief Financial Officer |
| Ms Yuki Chong Yek Kee | - | Representative of TMF Administrative Services Malaysia Sdn. Bhd. |
| Mr Zulkernaen Abdul Samad
Kok Wen Tek | } - | Representatives of Boardroom Share Registrars Sdn. Bhd., the Share Registrar & Poll Administrator |
| Mr Amy Lu Yan Fen | - | Representatives of Messrs BDO PLT, the External Auditors |
| Ms Ong Ee Wen
Mr Pang Wen Xuan
Ms Lim Szee Ying | } - | Representatives of Messrs BDO PLT, the External Auditors
Independent Scrutineer |

1. CHAIRMAN

Mr Onn Kien Hoe presided as the Chairman of the Meeting, and he welcomed all present at the Twenty-Fifth Annual General Meeting (“25th AGM”) of the Company.

The Chairman introduced the Board of Directors to the Members and informed the Meeting that pursuant to Paragraph 70 of the Company’s Constitution, no business shall be transacted at any general meeting unless a quorum of Members was presented at the time when the meeting proceeds to business. He then informed the Meeting that two (2) Members present in person or by proxy shall be a quorum.

2. QUORUM

The Secretary confirmed that a quorum was present pursuant to Paragraph 70 of the Constitution of the Company.

With the requisite quorum being present, the Chairman called the Meeting to order at 11:00 a.m.

3. NOTICE OF MEETING

The Chairman informed the Members that the Share Registrar of the Company had been tasked to e-mail and post the Notification Letter of the 25th AGM to all members on 22 October 2025. The Notice of 25th AGM had been announced to Bursa Malaysia Securities Berhad, and the same was also advertised in The New Straits Times within the prescribed period.

With the consent of the Members, the Notice convening the Meeting was taken as read.

The Chairman highlighted that it was mandatory for all listed issuers to conduct poll voting on all proposed resolutions set out in the notice of general meeting.

As such, Boardroom Share Registrars Sdn. Bhd. was appointed to act as the Poll Administrator whilst Ms Lim Szee Ying was appointed to act as the independent scrutineer to validate the poll results of the 25th AGM.

He added that the results of the votes would be announced at the conclusion of the 25th AGM, stating the total number of votes cast on the poll (together with the percentage) in favour of and against each and every resolution.

4. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

The Audited Financial Statements (“AFS”) for the financial year ended 30 June 2025 together with the Reports of the Directors and Auditors thereon, having been circulated to all the Members of the Company within the prescribed period, were tabled before the Meeting.

The Chairman informed the Meeting that the AFS were meant for discussion only, as it did not require shareholders’ approval in accordance with Section 248(1) and Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda item would not be put for voting.

The Chairman invited questions from the floor. As there was no question raised from the floor, the Chairman declared that the Audited Financial Statements for the financial year ended 30 June 2025 together with the Reports of the Directors and the Auditors thereon, be received and the Meeting proceeded to the next item on the Agenda of the Meeting.

**5. ORDINARY RESOLUTION 1
RE-ELECTION OF DIRECTOR – MR CHUA OOU CHUAN**

The Chairman informed the Meeting that Mr Chua Oou Chuan, Ms Seow Jing Hui and Mr Loo Eng Hua were subject to retirement in accordance with Paragraph 97 of the Company's Constitution and being eligible, had offered themselves for re-election.

The Chairman proceeded to table the motion on the re-election of Mr Chua Oou Chuan as a Director of the Company, who was retiring pursuant to Paragraph 97 of the Company's Constitution and being eligible, had offered himself for re-election as Director.

The Chairman invited questions from the floor. As there was no question raised from the floor, the Chairman proceeded to the next item on the agenda.

**6. ORDINARY RESOLUTION 2
RE-ELECTION OF DIRECTOR – MS SEOW JING HUI**

The Chairman continued with the proposed Ordinary Resolution 2 on the re-election of Ms Seow Jing Hui as a Director of the Company, who was retiring pursuant to Paragraph 97 of the Company's Constitution and being eligible, had offered herself for re-election as Director.

The Chairman invited questions from the floor. As there was no question raised from the floor, the Chairman proceeded to the next item on the agenda.

**7. ORDINARY RESOLUTION 3
RE-ELECTION OF DIRECTOR – MR LOO ENG HUA**

The Chairman continued with the proposed Ordinary Resolution 3 on the re-election of Mr Loo Eng Hua as a Director of the Company, who was retiring pursuant to Paragraph 97 of the Company's Constitution and being eligible, had offered herself for re-election as Director.

The Chairman invited questions from the floor. As there was no question raised from the floor, the Chairman proceeded to the next item on the agenda.

**8. ORDINARY RESOLUTION 4
DIRECTORS' FEES AMOUNTING UP TO RM800,000.00 FOR THE FINANCIAL YEAR
ENDING 30 JUNE 2026**

The Chairman informed the Meeting that the next proposed resolution was to approve the payment of Directors' Fees amounting to RM800,000.00 for the financial year ending 30 June 2026.

The Chairman invited questions from the floor. As there was no question raised from the floor, the Chairman proceeded to the next item on the agenda.

**9. ORDINARY RESOLUTION 5
DIRECTORS' REMUNERATION (EXCLUDING DIRECTORS' FEES) UP TO AN AMOUNT
OF RM2,800,000.00 FOR THE PERIOD FROM 1 JANUARY 2026 UNTIL 31 DECEMBER
2026**

The Meeting noted that the next proposed resolution was to approve the payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries up to an amount of RM2,800,000.00 for the period from 1 January 2026 until 31 December 2026.

He highlighted that according to Section 230 of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries should be approved at a general meeting. Payment of Directors' Remuneration would be made by the Company on a monthly basis and/or as and when incurred, if approved by the Members.

The Chairman invited questions from the floor.

As there was no further question raised from the floor, the Chairman proceeded to the next item on the agenda.

**10. ORDINARY RESOLUTION 6
RE-APPOINTMENT OF AUDITORS**

The Meeting then proceeded to consider the re-appointment of Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.

The Chairman added that the retiring Auditors, Messrs BDO PLT had indicated their willingness to continue in office.

The Chairman invited questions from the floor. As there was no question raised from the floor, the Chairman proceeded to the next item on the agenda.

**11. SPECIAL BUSINESS – ORDINARY RESOLUTION 7
WAIVER OF STATUTORY PRE-EMPTIVE RIGHTS OF THE SHAREHOLDERS AND
AUTHORITY TO ISSUE SHARES**

The Meeting proceeded to consider the motion on the authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016. The Chairman explained to the Members that the proposed resolution, if passed, would give the authority to the Board to issue new shares as and when necessary, up to a maximum of ten per centum (10%) of the issued share capital of the Company, subject to the approvals of all the relevant governmental/regulatory bodies and that the authorisation would expire at the conclusion of the next AGM of the Company, unless being revoked or varied by the Company in general meeting.

It was noted that the rationale for this motion was to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate and to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated with the convening of such meeting(s).

The general mandate would provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placement of shares, for the purpose of future investment project(s), working capital and/or acquisition.

The Meeting noted that no shares had been issued and allotted by the Company pursuant to the general mandate obtained from its shareholders at the last Annual General Meeting held on 22 November 2024.

It was noted that the details of the proposal had been clearly set out in the Notice of the 25th AGM dated 22 October 2025, as below: -

“THAT subject always to the Companies Act 2016, Constitution of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot not more than ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time upon any such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016 to be read together with Regulation 54 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered with new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares in the Company pursuant to this mandate

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares.”

The Chairman then invited questions from the floor. As there was no question raised from the floor, the Chairman proceeded to the next item on the agenda.

The Chairman then invited the Poll Administrator to take the Members through the procedures of polling.

Thereafter, the Members proceeded to cast their votes and the Poll Administrator collected all the poll forms.

The Chairman announced that the Meeting would be adjourned for 15 minutes or until the Poll Administrator had completed counting of the votes casted and requested the shareholders/proxies to return to the hall after 15 minutes.

Ms Teh Su-Ching, the Independent Non-Executive Director of the Company and Chairperson of the Audit Committee was invited to present the Company’s reply in relation to the Minority Shareholders Watch Group’s questions to all attendees, a copy of which was attached for identification purpose as Appendix A.

The Chairman then invited questions from the floor, and there were no questions raised.

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After the counting of the votes casted, the Chairman called the Meeting to order and announced the poll results as detailed hereunder: -

RESOLUTIONS	FOR			AGAINST		
	No. of Shareholders	No. of Votes	Percentage of Voted Shares (%)	No. of Shareholders	No. of Votes	Percentage of Voted Shares (%)
<u>Ordinary Resolution 1</u> To re-elect Mr Chua Oou Chuan, who is retiring in accordance with Paragraph 97 of the Company's Constitution.	38	662,511,555	100%	0	0	0
<u>Ordinary Resolution 2</u> To re-elect Ms Seow Jing Hui, who is retiring in accordance with Paragraph 97 of the Company's Constitution.	38	662,511,555	100%	0	0	0
<u>Ordinary Resolution 3</u> To re-elect Mr Loo Eng Hua, who is retiring in accordance with Paragraph 97 of the Company's Constitution.	38	662,511,555	100%	0	0	0
<u>Ordinary Resolution 4</u> To approve the payment of Directors' Fees amounting up to RM800,000.00 for the financial year ending 30 June 2026.	38	662,511,555	100%	0	0	0
<u>Ordinary Resolution 5</u> To approve the payment of Directors' Remuneration (excluding Directors' Fees) payable to the Board of the Company and its subsidiaries up to an amount of RM2,800,000.00 for the period from 1 January 2026 until 31 December 2026.	38	662,511,555	100%	0	0	0

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RESOLUTIONS	FOR			AGAINST		
	No. of Shareholders	No. of Votes	Percentage of Voted Shares (%)	No. of Shareholders	No. of Votes	Percentage of Voted Shares (%)
Ordinary Resolution 6 To re-appoint Messrs BDO PLT as auditors of the Company	38	662,511,555	100%	0	0	0
Ordinary Resolution 7 Proposed Waiver of Statutory Pre-Emptive Rights of the Shareholders and Authority to issue shares	38	662,511,555	100%	0	0	0

Thereafter, the Chairman declared the results as follows: -

Resolutions	Outcome of Poll Results
Ordinary Resolution 1	Carried
Ordinary Resolution 2	Carried
Ordinary Resolution 3	Carried
Ordinary Resolution 4	Carried
Ordinary Resolution 5	Carried
Ordinary Resolution 6	Carried
Ordinary Resolution 7	Carried

12. CONCLUSION

There being no other business, the Chairman, the Meeting then concluded at 11.40 a.m. with a vote of thanks to the Chair.

CONFIRMED AS CORRECT RECORD
OF THE PROCEEDINGS THEREAT



ONN KIEN HOE
CHAIRMAN

Dated: 1 December 2025



SERN KOU RESOURCES BERHAD 200001016496 (519103-X)

Lot Ptd 6019 (Lot 8804), Jalan Perindustrian 1, Kawasan Perindustrian Bukit Bakri,
Mukim Bakri, 84200 Muar, Johor, West Malaysia.

Tel: +606-9865562 Fax : +606-9865570

21 November 2025

The Chief Executive Officer
Badan Pengawas Pemegang Saham Minoriti Berhad
Level 23, Unit 23-2, Menara AIA Sentral,
No. 30, Jalan Sultan Ismail,
50250 Kuala Lumpur.

Dear Sir,

25th Annual General Meeting (“AGM”) of Sern Kou Resources Berhad (“Sern Kou” or the “Group”) to be held on Friday, 21 November 2025

We refer to your letter dated 13 November 2025. Kindly find your issues raised in the interest of minority shareholders and all other stakeholders of Sern Kou and our management replies hereunder.

A. OPERATIONAL & FINANCIAL MATTERS

1. For the financial year under review, the Group recorded revenue at RM486.7 million, marginally lower than the all-time high of RM493.8 million posted in FY2024. This was chiefly attributed to lower contribution from the processing and trading of wood segment resulted from the severe floods in Kelantan in the 2nd quarter of FY2025, which disrupted timber supply.

The Company's bottom-line performance was impacted by cost pressures. However, through close cost management efforts, the loss for FY2025 reduced to RM7.0 million from RM15.2 million in FY2024 (Page 5 and Page 118 of the Annual Report (AR) 2025).

- a) Apart from the abovementioned local incident, what are the strategies in place to drive top-line growth in the future, particularly in light of the highly competitive and fragmented market (Page 6 of AR 2025)?
- b) As the Group recorded a positive bottom-line variance of more than 50%, what is the prospect of achieving a turnaround in its bottom-line performance in FY2026 or the following year?

REPLY:

- a) Given ongoing market volatility and global trade uncertainties, short-term revenue growth remains challenging to predict. The Group aims to maintain revenue at least in line with FYE2025 while monitoring market conditions and preparing for recovery when circumstances stabilise.
- b) The Group remains focused on narrowing losses and will continue to refine its strategies to support performance and cushion the impact of unforeseen factors.

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2. A recent ruling by the US Supreme Court on the legitimacy of certain tariff implementations has also intensified debate and added another layer of complexity to global trade dynamics (Page 7 of AR 2025).

In light of the newly imposed 19% U.S. tariff, to what extent does this impact the Company's business directly and indirectly, especially the margins and competitiveness?

REPLY:

The 19% U.S. tariff is now a confirmed element of global trade dynamics. To navigate these challenges, the Group is enhancing resilience by diversifying our customer base, including engaging new buyers, optimising our product mix, and working closely with partners to improve cost efficiencies. At the same time, we are reinforcing customer engagement to support order replenishment. These initiatives, coupled with prudent resource planning, will strengthen our operational resilience and position the Group to mitigate potential impacts while benefitting when demand improves.

3. The Group's selling and distribution expenses increased significantly from RM3.7 million in FY2024 to RM6.6 million in FY2025. While, the Group's other operating expenses also increased significantly from RM17,996 in FY2024 to RM777,766 in FY2025 (Page 118 of AR 2025).
- a) While it is understood that the Group's business faces cost pressures, are there ways to reduce or mitigate these expenses moving forward? If so, what measures are being considered to reduce these expenses? What is the outlook for selling and distribution costs in FY2026 relative to the Group's revenue?
- b) What were the key factors contributing to the sharp increase in other operating expenses in FY2025?

REPLY:

- a) The increase in selling and distribution expenses in FY2025 was mainly due to higher transportation and logistics costs. This was driven by plywood exports to the China market and by increased domestic deliveries to sawmill customers located in other states, which required longer delivery routes. These expenses were incurred on a reimbursement basis and were either recovered from customers or embedded into selling prices, resulting in minimal net impact to the Group. The outlook for FY2026 will be influenced by the order flow from both plywood customers and sawmill customers located in other states.
- b) The increase in other operating expenses in FY2025 was primarily due to foreign exchange losses arising from the depreciation of the US Dollar against the RM by approximately 6.8% (FY2025: RM4.3769, FY2024: RM4.6978).

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4. Workforce shortage and retention of skilled workers are perennial issues within the industry. This scarcity poses a risk to the Group's production and operational efficiency, potentially impacting its financial performance. To address this, the Group has been proactively integrating automation into its production processes to reduce reliance on manual labour and ensure smoother operations. For instance, the Group invested in new machines and equipment with greater levels of automation for its furniture manufacturing segment (Page 6 of AR 2025).
- a) What is the latest automation-to-manual labour ratio, and what is the targeted optimal level or timeframe for achieving greater automation efficiency?
 - b) For the automation-related capital investments, what is the expected Return on Investment over the useful life of the machines and equipment, the Internal Rate of Return relative to the Group's Cost of Capital, and the Payback Period for these investments?

REPLY:

- a) Approximately 50% of the production activities are currently automated. The automation level will be managed flexibly, and may be adapted depending on operational and business requirements.
- b) Considering the financial performance of the furniture manufacturing segment and the ongoing efficiency initiatives, the Segment's evaluation of automation investments focuses on their ability to enhance operational efficiency, reduce reliance on manual labour, and strengthen long-term competitiveness.

Please feel free to contact our Company Secretary should you require further clarification.

Thank you.

Yours faithfully,

Sern Kou Resources Berhad



Low Peng Sian @ Chua Peng Sian
Group Managing Director