



**SERBA DINAMIK HOLDINGS BERHAD**  
(COMPANY NO: 201501042584 (1167905-P))  
INCORPORATED IN MALAYSIA

**QUARTERLY REPORT ON THE  
CONSOLIDATED RESULTS  
FOR THE QUARTER AND PERIOD ENDED  
31<sup>st</sup> DECEMBER 2022**

*(The Figures in this Quarterly Report have not been Audited)*

**1. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss for the quarter and period ended 31<sup>ST</sup> December 2022**

a. Consolidated Profit or Loss and Other Comprehensive Income

	Individual quarter		Changes %	Cumulative quarter		Changes %
	Quarter ended 31/12/22	Quarter ended 31/12/21		Period ended 31/12/22	Period ended 31/12/21	
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>	<b>105,802</b>	<b>177,141</b>	-40.3	<b>319,383</b>	<b>976,486</b>	-67.3
Cost of sales/services	(166,876)	(342,995)	-51.3	(416,877)	(1,073,419)	-61.2
<b>Gross loss</b>	<b>(61,074)</b>	<b>(165,854)</b>	-63.2	<b>(97,494)</b>	<b>(96,933)</b>	0.6
Other operating income	45	10,536	-99.6	538	11,063	-95.1
Administrative and other operating expenses	(12,546)	(79,724)	-84.3	(48,966)	(125,878)	-61.1
<b>Results from operating activities</b>	<b>(73,575)</b>	<b>(235,042)</b>	-68.7	<b>(144,049)</b>	<b>(211,748)</b>	-32.0
Finance income	46	736	-93.8	95	1,577	-94.0
Finance costs	(16,966)	(58,122)	-70.8	(46,106)	(117,300)	-60.7
<b>Net finance costs</b>	<b>(16,920)</b>	<b>(57,386)</b>	-70.5	<b>(46,011)</b>	<b>(115,723)</b>	-60.2
Share of results of equity accounted associates		(168)	-100.0	(4,098)	(4,140)	-1.0
<b>Loss before tax</b>	<b>(90,495)</b>	<b>(292,596)</b>	-69.1	<b>(194,158)</b>	<b>(331,611)</b>	-41.5
Tax expense	(211)	(566)	-62.7	(800)	(3,804)	-79.0
<b>Loss for the quarter/period</b>	<b>(90,706)</b>	<b>(293,162)</b>	-69.1	<b>(194,958)</b>	<b>(335,415)</b>	-41.9
<b>Items that may be reclassified subsequently to profit and loss:</b>						
Foreign currency translation differences for foreign operations	(45,589)	17,362	-362.6	(30,237)	6,811	-543.9
Share of other comprehensive income/(loss) of equity accounted associates	(118)	-		2,291	2,434	-5.9
<b>Total comprehensive loss for the quarter/period</b>	<b>(136,413)</b>	<b>(275,800)</b>	-50.5	<b>(222,904)</b>	<b>(326,170)</b>	-31.7
<b>Loss for the financial quarter/period attributable to:</b>						
Owners of the Company	(89,668)	(290,329)	-69.1	(194,268)	(332,442)	-41.6
Non-controlling interest	(1,038)	(2,833)	-63.4	(690)	(2,973)	-76.8
<b>Loss for the quarter/period</b>	<b>(90,706)</b>	<b>(293,162)</b>	-69.1	<b>(194,958)</b>	<b>(335,415)</b>	-41.9
<b>Total comprehensive loss for the quarter/period attributable to:</b>						
Owners of the Company	(130,340)	(272,531)	-52.2	(216,392)	(322,971)	-59.6
Non-controlling interest	(6,072)	(3,269)	-85.7	(6,514)	(3,199)	89.8
<b>Total comprehensive loss for the quarter/period</b>	<b>(136,413)</b>	<b>(275,800)</b>	-50.5	<b>(222,904)</b>	<b>(326,170)</b>	-31.7

b. Earnings per share

	Individual quarter		Cumulative quarter	
	Quarter ended 31/12/22	Quarter ended 31/12/21	Period ended 31/12/22	Period ended 31/12/21
<b>Basic (sen)</b>	<b>(2.41)</b>	<b>(7.43)</b>	<b>(2.81)</b>	<b>(8.79)</b>

Notes:

- i) The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income or Loss, Statement of Financial Position, Statement of Cash Flows, and Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial period ended 30<sup>th</sup> June 2022 and the accompanying notes to the interim financial statements.

2. **Condensed Consolidated Statement of Financial Position as at 31<sup>st</sup> De 2022**

	Unaudited	Audited
	At	At
	31/12/2022	30/06/22
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	1,814,257	1,994,499
Right-of-use assets	425,699	434,112
Investment in associates	108,020	127,190
Other investments	48,620	49,080
Intangible assets	145,156	33,211
Deferred tax assets	386	376
<b>Total non-current assets</b>	<b>2,542,138</b>	<b>2,638,468</b>
Inventories	1,517,091	1,589,201
Contract assets	441,860	443,152
Trade and other receivables	1,486,850	1,586,818
Deposits and prepayments	113,860	112,309
Current tax assets	5,910	9,258
Other investments	-	-
Cash and cash equivalents	33,224	57,491
<b>Total current assets</b>	<b>3,598,795</b>	<b>3,798,229</b>
<b>Total assets</b>	<b>6,140,933</b>	<b>6,436,697</b>
<b>Equity</b>		
Share capital	2,291,512	2,291,512
Treasury shares	(28,502)	(28,502)
Merger reserve	(434,709)	(434,709)
Foreign currency translation reserve	58,108	79,080
Other reserves	44,994	44,994
Retained earnings	(242,156)	(47,888)
<b>Total equity attributable to owners of the Company</b>	<b>1,689,247</b>	<b>1,904,487</b>
Non-controlling interest	(7,965)	3,028
<b>Total equity</b>	<b>1,681,282</b>	<b>1,907,515</b>
<b>Liabilities</b>		
Trade and other payables	-	-
Lease liabilities	-	3,799
Deferred tax liabilities	59,858	60,930
Loans and borrowings	779,411	2,141,230
Employee benefits	40	190
<b>Total non-current liabilities</b>	<b>839,310</b>	<b>2,206,149</b>
Trade and other payables	620,013	639,558
Lease liabilities	22,428	23,359
Contract liabilities	123,466	127,625
Loan and borrowings	2,834,515	1,507,718
Current tax payable	19,920	24,773
<b>Total current liabilities</b>	<b>3,620,342</b>	<b>2,323,033</b>
<b>Total liabilities</b>	<b>4,459,651</b>	<b>4,529,182</b>
<b>Total equity and liabilities</b>	<b>6,140,933</b>	<b>6,436,697</b>
<b>Net assets per share (RM)</b>	<b>0.45</b>	<b>0.51</b>

3. **Condensed Consolidated Statement of Cash Flows for the period ended 31<sup>st</sup> December 2022**

	<b>Audited</b>
	<b>30/06/22</b>
	<b>RM'000</b>
<b>Cash flow from operating activities</b>	
<b>Loss before tax</b>	<b>(1,091,778)</b>
Adjustment for:	
Depreciation of property, plant and equipment and right-of-use assets	<b>259,372</b>
Depreciation of Right of Use Assets	<b>17,282</b>
Net unrealised foreign exchange loss	1,964
Amortization of Intangible assets	<b>113,073</b>
Loss on disposal of Subsidiaries	<b>30,993</b>
Loss on disposal of Associates	<b>25,157</b>
Share of loss in equity-accounted associate, net of tax	4,140
Finance income	(1,577)
Finance costs	<b>197,175</b>
Employment benefits	319
Loss on disposal of trade receivables (factoring)	1,881
Share of other comprehensive loss in equity accounted associates, net of tax	(2,434)
Impairment of investment in subsidiary	1,124
Impairment of trade receivables	28,900
<b>Operating loss before changes in working capital</b>	<b>(37,320)</b>
<b>Changes in working capital:</b>	
Inventories	<b>(36,773)</b>
Trade and other receivables	(25,662)
Trade and other payables	<b>(9,268)</b>
Contract assets	<b>228,243</b>
Contract liabilities	<b>(5,191)</b>
<b>Cash generated from operations</b>	<b>(261,560)</b>
Profit or interest paid	<b>(2,566)</b>
Tax paid	<b>(9,023)</b>
<b>Net cash from operating activities</b>	<b>(273,149)</b>
<b>Cash flow from investing activities</b>	
Acquisition of property, plant and equipment	(7,444)
Profit or interest received	1,577
Dividend received from equity accounted associates	400
Changes in fixed deposits pledged to banks	<b>33,936</b>
Changes in other investments	<b>58,818</b>
Advance to an associate	(3,614)
<b>Net cash used in investing activities</b>	<b>93,378</b>
<b>Cash flow from financing activities</b>	
Profit or interest paid	<b>(100,901)</b>
Net repayment of loans and borrowings	<b>(122,919)</b>
Net repayment of lease liabilities	(4,229)
<b>Net cash from financing activities</b>	<b>(216,579)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(396,350)</b>
Effect of exchange rate fluctuation on cash held	<b>(4,561)</b>
Cash and cash equivalents at beginning of period	<b>434,955</b>
<b>Cash and cash equivalents at end of period</b>	<b>34,044</b>
Fixed deposits placed with licensed banks	85,326
Cash and bank balances	133,619
	218,945
Less: Bank overdrafts	(7,292)
Less: Fixed deposits pledged	(3,497)
	<b>208,156</b>

4. Condensed Consolidated Statement of Changes in Equity for the period ended 31<sup>st</sup> December 2022

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Non-distributable					Distributable			
	Share capital	Treasury shares	Merger reserve	Foreign currency translation reserve	Other reserves	Retained earnings			
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>At 30<sup>th</sup> June 2021</b>	<b>2,291,512</b>	<b>(28,502)</b>	<b>(434,709)</b>	<b>26,338</b>	<b>44,994</b>	<b>1,057,257</b>	<b>2,956,890</b>	<b>12,412</b>	<b>2,969,302</b>
Foreign currency translation differences for foreign operations	-	-	-	50,307	-	-	50,307	(592)	49,715
Share of other comprehensive income of an associate	-	-	-	2,435	-	-	2,435	-	2,435
Profit/ (Loss) for the period	-	-	-	-	-	(1,094,007)	(1,094,007)	(214)	(1,094,606)
Total comprehensive income for the period	-	-	-	52,742	-	(1,094,007)	(1,041,265)	(806)	(1,042,071)
Disposal of a subsidiary	-	-	-	-	-	(11,138)	(11,138)	(8,578)	(19,716)
<b>At 30<sup>th</sup> June 2022/1<sup>st</sup> July 2022</b>	<b>2,291,512</b>	<b>(28,502)</b>	<b>(434,709)</b>	<b>79,080</b>	<b>44,994</b>	<b>(47,888)</b>	<b>1,904,487</b>	<b>3,027</b>	<b>1,907,515</b>
Foreign currency translation differences for foreign operations	-	-	-	(19,934)	-	-	(19,934)	(10,303)	(30,237)
Share of other comprehensive income of an associate	-	-	-	(1,038)	-	-	(1,038)	-	-
Loss for the period	-	-	-	-	-	(194,268)	(194,268)	(690)	(194,958)
Total comprehensive (loss)/income for the year	-	-	-	(20,972)	-	(194,268)	(215,240)	(10,993)	(226,233)
<b>At 31<sup>st</sup> December 2022</b>	<b>2,291,512</b>	<b>(28,502)</b>	<b>(434,709)</b>	<b>58,108</b>	<b>44,994</b>	<b>(242,156)</b>	<b>1,735,783</b>	<b>(10,993)</b>	<b>1,737,773</b>



**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS PER MFRS 134**

**A1. Basis of Preparation**

The condensed interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the unaudited financial statements of Serba Dinamik Holdings Berhad and its subsidiaries ("**the Group**") for the financial period ended 30<sup>th</sup> June 2022.

**A2. Changes in accounting policies**

The accounting policies adopted by the Group in this interim financial statement are consistent with those adopted in the most recent audited financial statements for the financial period ended 30<sup>th</sup> June 2022 except for the newly-issued Malaysian Financial Reporting Standard ("MFRS") and amendments to standards to be applied by all Entities Other Than Private Entities.

For the financial period beginning on or after 1st January 2022: -

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018-2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018-2020)*

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS PER MFRS 134 (CONT'D)**

**A2. Changes in accounting policies (Cont'd)**

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group:

<b>MFRS/ Amendment/ Interpretation</b>	<b>Effective date</b>
MFRS 17, Insurance Contracts	1 <sup>st</sup> January 2023
Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 <sup>st</sup> January 2023
Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting policies	1 <sup>st</sup> January 2023
Amendments to MFRS 108, Accounting policies, Changes in Accounting estimates – Definition of Accounting Estimates	1 <sup>st</sup> January 2023
Amendments to MFRS 112, Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from Single Transaction	1 <sup>st</sup> January 2023
Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be confirmed

The Group plan to apply the abovementioned accounting standards, amendments, and interpretations:

- from the annual period beginning on 1st January 2023 for amendments that are effective for annual periods beginning on or after 1st January 2023, except for MFRS 17, Insurance Contracts which is not applicable to the Group.

The initial application for the abovementioned accounting standards, amendments or interpretations are not expected to have any material financial impacts to the financial statements of the Group.

**(a) Basis of measurement**

The interim financial statements have been prepared on the historical cost basis other than disclosed in the report.

**(b) Functional and presentation currency**

The individual financial statements of each entity in the Group are presented in the functional currency of the primary economic environment in which the entity operates, which is the functional currency. These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

**(c) Use of estimates and judgements**

The preparation of the interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS PER MFRS 134 (CONT'D)**

**A2. Changes in accounting policies (Cont'd)**

**(c) Use of estimates and judgements (Cont'd)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognized in the interim financial statements.

**A3. Auditors' report**

The auditor has expressed a disclaimer opinion on the basis of time limitations and occurrence of additional significant events impacting the completion of our audit.

The issues leading to the disclaimer opinion are among others due to matters arising from the previous financial period ended 30 June 2021 as well as due to going concern uncertainty as a result of the company being classified as a PN-17 Company. Furthermore, the auditors were unable to obtain sufficient appropriate audit evidence about whether any adjustments might have been necessary in the Group's and the Company's financial statements. Kindly refer to the Group's financial statement for more detail on auditors' report as well as the relevant Bursa Announcements relating to the Audit.

**A4. Seasonality and cyclicity of operations**

The Group's operations are not materially affected by any seasonal or cyclical factors.

**A5. Unusual items due to the nature, size and incidence**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows for the current financial quarter.

**A6. Changes in estimates**

There were no changes in estimates that have a material effect in the current financial quarter.

**A7. Debt and equity securities**

There were no unusual items affecting the debt and equity securities for the current financial period other than disclosed in Note B10.

**A8. Significant events during the financial period and subsequent events**

Other than disclosed in Note B10, there were no other significant events during the financial period and subsequent to financial period ended 31<sup>st</sup> December 2022.



**PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS PER MFRS 134 (CONT'D)**

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

There was no change in the composition of the Group during the current quarter.

**A10. Contingent assets and liabilities**

Other than disclosed in Note B10, there were no material changes in contingent assets or contingent liabilities arising since the last audited financial statements for the financial period ended 31<sup>st</sup> December 2022.

**A11. Capital commitments**

Capital commitments of the Group in respect of property, plant and equipment as 31<sup>st</sup> December 2022 are as follows: -

<b>Land and Building</b>	<b>RM'000</b>
Approved and contracted for	190,105

**A12. Tax expense**

Tax expense comprises the following:

	Individual quarter		Cumulative quarter	
	Quarter ended 31/12/22	Quarter ended 31/12/21	Period ended 31/12/22	Period ended 31/12/21
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense:</b>				
Malaysian taxation	211	566	800	2,933
Overseas taxation		-		-
<b>Total current tax expense</b>	<b>211</b>	<b>566</b>	<b>800</b>	<b>2,933</b>
Deferred tax expense	-	-	-	871
<b>Total tax expense</b>	<b>211</b>	<b>566</b>	<b>800</b>	<b>3,804</b>

The Group is subject to income tax at the applicable statutory tax rates in Malaysia and overseas with foreign subsidiaries. Domestic income tax is calculated at the Malaysian statutory tax rate of 24.0% of the estimated assessable profit for the period. Income tax for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The Group has few Labuan companies which are governed under Labuan Business Activity Act 1990 ("LBATA"). Based on Labuan Business Activity Tax (Amendment) Bill 2019 and clarification from Certified Tax Institute of Malaysia ("CTIM") through its memorandum on issues arising from Labuan Business Activity Tax (Amendment) Bill 2019 dated 18<sup>th</sup> December 2019, Labuan business activity which is not listed in the amended regulations will be taxed under the Income Tax Act 1967. As a result of this, some of the Group's Labuan companies that are not listed in the amended regulations will be taxed under the Income Tax Act 1967. The Group do not expect any material impact in relation to these changes.



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA**

**B1. Segment Information**

The Group has four reportable segments, as described below which are the Group's strategic business units. For each of the strategic business units, the Group Chief Executive Officer, reviews internal management report quarterly. The following described the operations in each of the Group's reportable segments.

- O&M - Operation and maintenance ("**O&M**") which include maintenance, repair and overhaul of rotating equipment ("**MRO**"), inspection, repair and maintenance of static equipment and structure ("**IRM**"), maintenance of process control and instrumentation and other related services.
- EPCC - Engineering, procurement, construction and commissioning ("**EPCC**") which include among others, piping systems, process control and instrumentation, equipment installation, power generation plant, gas compression plant, auxiliary power generation and firefighting system and other related services.
- ICT - Information and communication technology ("**ICT**") solutions and supply of products and parts which include customize software development, mobile applications solution, e-Commerce platform and digital theme park or virtual park.
- E&T - Education and training ("**E&T**") which includes technical training programme that can support our O&M, EPCC and ICT segments as well as involves in tertiary education.

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PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)

B2. Review of Performance

i) Current quarter vs Immediate preceding quarter

	Revenue		Gross profit/(loss)		Variance	
	Quarter ended		Quarter ended		Revenue	Gross profit/(loss)
	31/12/22	30/9/22	31/12/22	30/9/21		
	RM'000	RM'000	RM'000	RM'000	%	%
<b>Business Segments:</b>						
O&M	103,092	208,404	(60,784)	(89,033)	(27.3)	(31.7)
EPCC	-	2,559	-	(75,534)	(100.0)	(100.0)
ICT	889	580	(622)	(1,657)	(66.8)	(62.4)
E&T	1,821	2,038	332	370	(20.8)	(10.2)
<b>Group revenue/ Gross loss</b>	<b>105,802</b>	<b>213,581</b>	<b>(61,074)</b>	<b>(165,854)</b>	<b>(40.3)</b>	<b>(63.2)</b>
Corporate expenses and consolidation elimination			(29,421)	(126,742)		(76.8)
<b>Loss Before Tax</b>			<b>(90,495)</b>	<b>(292,596)</b>		<b>(69.1)</b>

For the quarter ended 31<sup>st</sup> December 2022 ("Q2FY23"), the Group recorded revenue of RM105.8 million with a gross loss of RM61.1 million. The composition of revenue is mainly contributed by activities from O&M segment with 97.4% contribution the remaining revenue was from ICT and E&T services while the EPCC segment recorded no revenue for the period. The Group recorded a loss before tax of RM90.5 million in Q2FY23.

The Group via ICT segment recorded RM0.9 million and RM0.6 million of revenue and gross loss respectively. While E&T segment contributed RM1.8 million in revenue and RM0.37 million of gross profit in the current quarter.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B2. Review of Performance (Cont'd)**

**ii) Current quarter vs Corresponding quarter in the previous year**

	Revenue		Gross profit/(loss)		Variance	
	Quarter ended		Quarter ended		Revenue	Gross profit/(loss)
	31/12/22	31/12/21	31/12/22	31/12/21		
	RM'000	RM'000	RM'000	RM'000	%	%
<b>Business Segments:</b>						
O&M	103,092	141,771	(60,784)	(89,033)	(27.3)	(31.7)
EPCC	-	30,391	-	(75,534)	(100.0)	(100.0)
ICT	889	2,681	(622)	(1,657)	(66.8)	(62.4)
E&T	1,821	2,298	332	370	(20.8)	(10.2)
<b>Group revenue/ gross profit/(loss)</b>	<b>105,802</b>	<b>177,141</b>	<b>(61,074)</b>	<b>(165,854)</b>	(40.3)	(63.2)
Corporate expenses and consolidation elimination			(29,421)	(126,742)		(76.8)
<b>Loss before tax</b>			<b>(90,495)</b>	<b>(292,596)</b>		(69.1)

For the quarter ended 31<sup>st</sup> December 2022, the Group recorded revenue of RM105.8 million, a decrease of 40.3% from the corresponding quarter in the previous year ("Q2FY22"). The reduction in revenue is mostly attributed to the reduction in activities across all segments. The most significant reduction is realised in the O&M and EPCC segments whereby the EPCC segment recorded no revenue during this quarter as compared to RM30.4 million in the corresponding quarter and a 27.3% reduction in O&M activities from RM141.8 million to RM103.1 million accordingly.

**iii) Current period (YTD) vs Corresponding period (YTD) of the preceding year**

	Revenue		Gross profit/(loss)		Variance	
	Period ended		Period ended		Revenue	Gross profit/(loss)
	31/12/22	31/12/21	31/12/22	31/12/21		
	RM'000	RM'000	RM'000	RM'000	%	%
<b>Business Segments:</b>						
O&M	311,496	884,663	(95,931)	(25,573)	(64.8)	275.1
EPCC	2,559	82,714	(1,478)	(71,214)	(96.9)	(97.9)
ICT	1,469	4,450	(739)	(1,311)	(67.0)	(43.6)
E&T	3,859	4,658	654	1,165	(17.2)	(43.8)
<b>Group revenue/ gross loss</b>	<b>319,383</b>	<b>976,485</b>	<b>(97,494)</b>	<b>(96,933)</b>	<b>(67.3)</b>	<b>0.6</b>
Corporate expenses and consolidation elimination			(265,529)	(234,678)		13.1
<b>Loss before tax</b>			<b>(418,367)</b>	<b>(331,611)</b>		<b>26.2</b>

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B2. Review of Performance (Cont'd)**

**iv) Segmental Revenue by countries**

	Individual quarter		Cumulative quarter	
	31/12/22	31/12/21	31/12/22	31/12/21
	RM'000	RM'000	RM'000	RM'000
Malaysia	10,512	44,099	45,276	260,773
Indonesia	-	19,893	696	34,304
<b>South-East Asia</b>	<b>10,512</b>	<b>63,992</b>	<b>45,972</b>	<b>295,077</b>
Turkmenistan	25,037	9,861	54,521	15,954
India	-	-	-	105
<b>Central and South Asia</b>	<b>25,037</b>	<b>9,861</b>	<b>54,521</b>	<b>16,059</b>
UAE	30,817	30,623	64,389	159,458
Qatar	36,925	58,802	146,839	474,558
Oman	-	-	-	13,287
Kingdom of Saudi Arabia	-	1,137	-	2,411
<b>Middle East</b>	<b>67,742</b>	<b>90,562</b>	<b>211,228</b>	<b>649,714</b>
<b>Tanzania</b>	<b>-</b>	<b>9,239</b>	<b>-</b>	<b>9,239</b>
United Kingdom	2,511	3,487	7,662	6,397
<b>Total</b>	<b>105,802</b>	<b>177,141</b>	<b>319,383</b>	<b>976,486</b>

On geographical segmentation, the Middle East region continued to be the highest revenue contributor for the Group at a regional level. Middle East contributed 64.0% of the overall revenue for the quarter or RM67.7 million. The revenue was mainly contributed from Qatar and followed by UAE. The revenue in the middle east reduced significantly as compared to the previous quarter mainly due to a reduction in the revenue in Qatar and the Kingdom of Saudi Arabia

Central and South Asia followed as the second major contributor by region to the Group's revenue, recording a total revenue of RM 25.0 million recorded from our activities in Turkmenistan.

Revenue in South East Asia dropped significantly due to a significant reduction in O&M activities in Malaysia and consequently a reduction in revenue by 76.2%.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA (CONT'D)**

**B3. (a) Commentary on prospects**

The Malaysian economy registered a strong growth of 7.0% in the fourth quarter of 2022. The high growth was underpinned by continued expansion in domestic demand, continuous investment activity and resilient demand for E&E activities and recovery in the tourism sector. Furthermore, Inflation averaged at 3.3% during the quarter due to a variety of factors such as lower energy inflation and the easing of global commodity and food inflation. Core inflation however did offset some of the previous reductions in inflation. Overall headline inflation dropped from 4.5% to 3.9% in Quarter 3 2022 and Quarter 4 2022 respectively.

On a global economic outlook, global growth is forecasted to fall to 2.9 percent in 2023 but rise to 3.1 percent in 2024. The 2023 forecast is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook but below the historical average of 3.8 percent. Rising interest rates and the war in Ukraine continue to weigh on economic activity. China's recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic levels.

Global oil demand in 2022 is estimated to have grown by 2.5 mb/d, y-o-y, supported by solid economic activity from OECD and non-OECD countries other than China which saw a decline in its yearly oil requirements. However, the lifting of China's zero-COVID-19 policy in December 2022 is expected to support its oil demand in 2023. Meanwhile, the OECD is forecast to see somewhat slower oil demand increases this year, leading to forecast global oil demand growth in 2023 at 2.3 mb/d, y-o-y.

The Group expected to increase its clients base as vendor for OEMs due to the establishment of its integrated facilities especially in Bintulu, Pengerang and Pasir Gudang which will focus on oil & gas and power generation industries. The group is currently working on improving its financial position through a series of streamlining activities that will form a part of the company's regularisation plan. This will improve the company's position moving forward and will assist in easing the financial difficulties that the company is facing.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B3. (a) Commentary on prospects (cont'd)**

The Board of Directors anticipates that the Group's operations will remain challenging going into 2023 due to the uncertainty of the global economy. The Group view that the O&M segment will remain its core competency and provide the fundamental of its operations. With the Group being classified as a PN17 company, the Board pledges to resolve the ongoing issue, including the restructuring and regularisation plan, in the best interests of stakeholders.

Sources:

- *BNM Quarterly Bulletin, Bank Negara Malaysia;*
- *World Economic Outlook Update October 2022, IMF;*
- *OPEC Monthly Oil Market Report October 2022, OPEC*

**B3. (b) Revenue or profit estimate, forecast, projection or internal targets**

The Company has not provided any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public document.

**B4. Status of corporate proposals announced**

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company on Bursa Malaysia Securities Berhad, the following transactions were /are undertaken by the Company:

**(i) Utilisation of Proceeds from Private Placement on 3 February 2021**

The gross proceeds from the Private Placement of RM508.6 million shall be utilised in the following manner:

<b>Details of utilisation of proceeds</b>	<b>Estimated timeframe for utilisation</b>	<b>RM '000</b>	<b>%</b>	<b>Actual Utilisation</b>	
				<b>RM '000</b>	<b>% Utilised</b>
Partial repayment of bank borrowings	Within 6 months	100,000	19.7	100,000	100.0
Capital expenditure	Within 24 months	100,000	19.7	45,613	45.6
Working capital	Within 12 months	296,223	58.2	296,223	100.0
Estimated private placement expenses	Immediately	<sup>(1)</sup> 12,390	2.4	12,390	100.0
<b>Total gross proceeds</b>		<b>508,613</b>	<b>100.0</b>	<b>454,226</b>	<b>89.3</b>

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B4. Status of corporate proposals announced (cont'd)**

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 5<sup>th</sup> January 2021.

Notes:

- (1) The actual expense in relation to the General Mandate Placement was RM7.54 million. The excess of RM4.85 million was reallocated and fully utilised for working capital requirement.

**B5. Other Operating Income**

The Group's other operating income for the quarter and period ended 31<sup>st</sup> December 2022 are as follows:

	Individual quarter		Cumulative quarter	
	31/12/22 RM'000	31/12/21 RM'000	31/12/22 RM'000	31/12/21 RM'000
Foreign Exchange gain	442	4,785	594	5,040
Rental Income	185	128	367	188
Others	183	5,623	342	5,835
<b>Total</b>	<b>810</b>	<b>10,536</b>	<b>1,303</b>	<b>11,063</b>

**B6. Financing/ Borrowings**

The Group's financing/borrowings as at 31<sup>st</sup> December are as follows:

In RM'000	As at 31 <sup>st</sup> December 2022					
	Long term		Short term		Total borrowings	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Secured	-	1,769	-	558,243	-	560,012
Unsecured	777,642	-	1,168,365	1,107,907	1,946,007	1,107,907
In RM'000	As at 31 <sup>st</sup> December 2021					
	Long term		Short term		Total borrowings	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Secured	-	360,082	1,080	336,309	1,080	696,391
Unsecured	1,200,286	731,022	1,090,170	221,005	2,290,456	952,027

Financing/ Borrowings denominated in foreign currency are as follows:

Currency	31/12/2022 RM'000	30/06/2022 RM'000
USD	1,946,007	2,240,941
IDR	-	918



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B6. Financing/ Borrowings (Cont'd)**

Currently, the Group does not have any hedging policy for foreign currency financing/ borrowings as these facilities are used to finance the Group's international business which is also denominated in foreign currency. The Group monitors the foreign currency movement and will take necessary steps to minimise the risk whenever deemed appropriate.

**B7. Significant related party transactions**

(a) The following transactions were with companies/corporations in which certain directors have or are deemed to have substantial interest.

Nature of transaction	Cumulative quarter	
	31/12/2022 RM'000	31/12/2021 RM'000
Professional service charges	-	883
Revenue from operation and maintenance	-	(15)

(b) The following transactions were with associates.

Nature of transaction	Cumulative quarter	
	31/12/2022 RM'000	31/12/2021 RM'000
Revenue from engineering, procurement, construction and commissioning project	-	(45,086)
Contract revenue	-	(21,914)

**B8. Foreign Exchange Exposure/Hedging Policy**

The Group revenue from overseas projects/contracts is typically denominated in USD. There is no hedging instrument being used in the Group's daily operation. Any cash inflows in a USD denominated bank account will be used to settle the cost of operations which is payable in USD. This provides a natural foreign currency hedge to the Group. Nonetheless, any unfavourable movements in the USD exchange rate may adversely affect the Group's profitability.

**B9. Material Impairment of Assets**

There is no material impairment of assets by the Group for the financial quarter/period 30<sup>th</sup> September 2022.



**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B10. Material litigation**

Save as disclosed below, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Directors have no knowledge of any proceeding pending or threatened or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial or business position of the Group as at the date of this report.

- i) On 22.6.2021, the Company had filed a Writ of Summon ("**WOS**") together with the Statement of Claim ("**SOC**") at the High Court of Malaya at Shah Alam against KPMG PLT.

Apart from the amount claimed by the Company and the corresponding legal costs, the WOS together with the SOC are not expected to have any other material adverse financial impact on the Company for the financial period 30<sup>th</sup> September 2022. Both WOS and SOC are not expected to have any business and operational impacts on the Company.

The trial dates for KPMG have been fixed on 14<sup>th</sup>, 15<sup>th</sup>, 16<sup>th</sup>, 17<sup>th</sup> November 2022, 1<sup>st</sup> and 2<sup>nd</sup> December 2022. Further, on 3<sup>rd</sup> August 2022, KPMG had filed an application for security for costs against Serba Dinamik Holdings Berhad i.e. seeking SDHB to pay RM500,000.00 as security for this suit. Serba Dinamik Holdings Berhad had filed to oppose the application on 25.8.2022.

- ii) On 3.11.2021, the Company had filed an Originating Summons ("**OS**") at the High Court of Malaya at Kuala Lumpur against Bursa Malaysia Securities Berhad ("**Bursa**") to, *inter alia*, challenge the decision of Bursa to compel the Company to appoint Ernst & Young Consulting Sdn Bhd ("**EY Consulting**") as a special auditor pursuant to paragraph 2.24 of the Main Market Listing Requirement. EYC is not a registered auditor and therefore do not satisfy the meaning of "auditor" within the Main Market Listing Requirement and the Companies Act 2016. The Company further challenged Bursa's decision to suspend the trading of the securities of the Plaintiff due to a purported non-compliance of Bursa's directive.

The OS was dismissed by the High Court of Malaya with costs awarded to Bursa. The Company filed an appeal against the said decision. On 20 December 2022, the Company announced that the Company has withdrawn the appeal without costs.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA  
MALAYSIA (CONT'D)**

**B10. Material litigation (Cont'd)**

- iii) On 5.11.2021, the Company had filed an OS at the High Court of Malaya at Kuala Lumpur against Ernst & Young Consulting Sdn Bhd ("EY Consulting") to seek a declaration that the appointment of EY Consulting as the special auditor of the Company is null and void.

The OS has been dismissed by the High Court of Malaya with costs awarded to EY Consulting. The Company has filed an appeal against the said decisions and the matter is now pending before the Court of Appeal.

Apart from the costs which may be awarded to EY Consulting and the corresponding legal costs, the appeal is not expected to have any other material financial impact on the Company for the financial period 31s December 2022. The appeals are not expected to have any business and operational impacts on the Company.

- iv) On 23.11.2021, Bursa filed an Originating Summons at the High Court of Malaya at Kuala Lumpur against the Company to compel the Company to announce a material which was prepared by EY Consulting. EY Consulting has not signed off the material till to-date. It is the Company's contention, *inter alia*, that the Company is not in the position to announce a third-party material.

The OS was allowed by the High Court of Malaya with costs awarded to Bursa. The Company filed an appeal against the said decision. On 20 December 2022, the Company announced that the Company has withdrawn the appeal without costs.

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B10. Material litigation (Cont'd)**

- v) On 26.4.2022, HSBC Amanah Malaysia Berhad, AmBank Islamic Berhad, Bank Islam Malaysia Berhad, MIDF Amanah Investment Bank Berhad, Standard Chartered Saadiq Berhad and United Overseas Bank (Malaysia) Bhd (collectively, "Syndicated Financiers") filed a winding up petition against the Company together with its wholly-owned subsidiaries, Serba Dinamik Group Berhad ("SDGB") and its wholly-owned subsidiaries, Serba Dinamik Sdn Bhd ("SDSB") and Serba Dinamik International Ltd ("SDIL") (SDGB, SDSB, SDIL are referred as "SD Subsidiaries") (collectively, "Winding Up Petitions". The Syndicated Financiers filed a summon in chambers to seek an appointment of Victor Saw Seng Kee of PricewaterhouseCoopers Advisory Services Sdn Bhd as the interim liquidator of the Company and SD Subsidiaries.

On 23.8.2022, it is the contention of the Syndicated Financiers that the Company is in breach of one of the terms of the consent order for failing to make payment on or before 12.8.2022. The High Court of Malaya allowed appointment of Victor Saw Seng Kee of PricewaterhouseCoopers Advisory Services Sdn Bhd as the interim liquidator of the Company, SDGB, SDSB and SDIL with cost.

On 6.1.2023, the Company applied for an adjournment of the hearing of the Winding Up Petitions on, amongst others, the basis that there was a proposed sale within the group of the Company that would be able to fetch a significant sale consideration.

On 10.1.2023, the High Court of Malaya entered a winding up Order against the Company and SD Subsidiaries, thereby dismissing the Company's application to adjourn the hearing of the Winding Up Petitions ("**HC 10.1.2023 Decisions**").

On 11.1.2023, the Company and SD Subsidiaries appealed against the HC 10.1.2023 Decisions.

On 27.1.2023, the Company and SD Subsidiaries filed an application to stay the execution of the Winding Up Order pending the appeals against the HC 10.1.2023 Decision.

On 10.2.2023, the High Court of Malaya allowed an Ad-Interim Stay of the Winding Up Order and Victor Saw Seng Kee of PricewaterhouseCoopers Advisory Services Sdn Bhd was re-appointed as the Interim Liquidator. The stay application was heard on 6.3.2023 and the decision was fixed on 16.3.2023.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B10. Material litigation (Cont'd)**

- vi) On 29.4.2022, Malaysia Trustees Berhad filed a Writ Summon at the High Court of Malaya at Kuala Lumpur against the Company for, inter alia, an order that the Company pays to Malaysian Trustee Berhad a sum of RM100,000,000.00 being the total outstanding amount under the relevant ICPs.

The matter is now pending before the High Court.

- viii) On 13.5.2022, the Company's wholly owned subsidiaries, Serba Dinamik Group Berhad ("SDGB") and its wholly-owned subsidiaries, Serba Dinamik Sdn Bhd ("SDSB") Serba Dinamik Development Sdn Bhd ("SD Dev") and SD Controls Sdn Bhd ("SD Controls") (SDGB, SDSB, SD Development and SD Controls are referred to as "SD Subsidiaries") filed an application under section 366 of the Companies Act 2016 to seek leave to convene a court-convened meeting of its creditors and for a restraining order to be granted over the SD Subsidiaries. Datuk Abdul Kadier Sahib, being a member of the Company, has also filed an application under section 366 of the Companies Act 2016 to seek leave for the Company to convene a court-convened meeting of its creditors, collectively ("Scheme Applications").

The Company and SD Subsidiaries have identified some assets for immediate sale to generate the cash flows required to the group liabilities. The Company and its subsidiaries would require a court-convened meeting of its creditors to consider and if thought fit, to approve a scheme of arrangement to be proposed between the Company and its creditors to restructure the debt obligations of the Company and its subsidiaries.

On 10.6.2022, the Company and SD Subsidiaries entered into a Consent Order with, amongst others, Syndicated Financiers to regulate the terms towards holding of the court convened meeting and the proposed scheme of arrangement. The Winding Up Petitions are stayed pending due compliance of the Scheme Applications.

The court convened meeting was held on 25.7.2022 and the proposed scheme of arrangement was approved by the requisite majority of creditors.

On 30.7.2022, the Company and SD Subsidiaries filed an application to seek sanction from the Court for the approved scheme of arrangement to be binding upon the Company, SD Subsidiaries and its respective scheme creditors.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B10. Material litigation (Cont'd)**

On 8.8.2022, Hong Kong and Shanghai Banking Corporation Limited ("HSBC Ltd") who act as Delegate of the holders of the 2022 Certificates and 2025 Certificates filed an application to intervene in the Company's application for sanction. The 2022 Certificates and 2025 Certificates was issued by SD International Sukuk Limited I and SD International Sukuk Limited II respectively. SDHB acts as a corporate guarantor to both 2022 Certificates and 2025 Certificates with aggregate value of around USD 500million.

Due to intervention of HSBC Ltd, the hearing of the Company's application for sanction has been adjourned several times and was eventually withdrawn on 9.11.2022.

On 11.8.2022, the High Court granted sanction for the approved scheme of arrangement of SD Subsidiaries.

**B11. Dividend**

There was no dividend proposed for the financial quarter/period 31<sup>st</sup> December 2022.

**B12. Earnings per ordinary share**

**Basic earnings per ordinary share**

The calculation of basic earnings per share at 31<sup>st</sup> December 2022 was based on the profit or loss attributable to ordinary shareholders and a weighted average number of ordinary share outstanding, calculated as follows:

	Individual quarter		Cumulative quarter	
	31/12/22	31/12/21	31/12/22	31/12/21
	RM'000	RM'000	RM'000	RM'000
Loss attributable to ordinary shareholders	(89,668)	(290,329)	(194,268)	(332,442)
Weighted average number of ordinary shares	3,727,187	3,709,624	3,727,187	3,709,624
<b>Basic earnings per ordinary share (sen)</b>	<b>(2.41)</b>	<b>(7.83)</b>	<b>(2.81)</b>	<b>(8.96)</b>

The Group has no dilutive ordinary shares at the end of the financial period as the Group's market price per ordinary share is lower than the warrant's exercise price, therefore diluted earnings per share will not be presented.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA (CONT'D)**

**B13. Profit or loss for the quarter/period**

This is arrived after (charging)/crediting

	<b>Individual quarter ended</b>	<b>Cumulative quarter</b>
	<b>31/12/22</b>	<b>31/12/22</b>
	<b>RM'000</b>	<b>RM'000</b>
Finance income	46	95
Finance expense	(16,966)	(46,106)
Depreciation and amortization	(16,920)	(46,011)

By order of the Board

Shah Alam, Selangor Darul Ehsan

6 March 2022