



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

**QUARTERLY REPORT ON THE
CONSOLIDATED RESULTS
FOR THE QUARTER AND PERIOD ENDED
31st March 2024**

(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 31st March 2024**

a. Consolidated Profit or Loss and Other Comprehensive Income

| | Individual quarter | | Changes % | Cumulative quarter | | Changes % |
|---|--------------------|------------------|--------------|--------------------|--------------------|---------------|
| | Quarter ended | Quarter ended | | Period ended | Period ended | |
| | 31/03/24 | 31/03/23 | | 31/03/24 | 31/03/23 | |
| | RM'000 | RM'000 | | RM'000 | RM'000 | |
| Revenue | 10,793 | 6,176 | 74.8 | 36,383 | 405,063 | -91.02 |
| Cost of sales/services | (70,694) | (68,810) | 2.7 | (235,323) | (543,716) | -56.72 |
| Gross loss | (59,901) | (62,634) | -4.4 | (198,941) | (138,653) | 43.48 |
| Other operating expense/income | (2,304) | 714 | -422.7 | 7,586 | 3,296 | 130.16 |
| Administrative and other operating expenses | (25,679) | (876,185) | -97.1 | (199,046) | (905,798) | -78.03 |
| Results from operating activities | (87,883) | (938,104) | -90.6 | (390,401) | (1,041,156) | -62.50 |
| Finance income | 52 | 60 | -14.0 | 169 | 184 | -8.21 |
| Finance costs | (31,823) | (33,416) | -4.8 | (71,125) | (125,889) | -43.50 |
| Net finance costs | (31,772) | (33,356) | -4.8 | (70,956) | (125,705) | -43.55 |
| Share of results of equity accounted associates | (334) | 790 | -142.2 | 1,780 | 3,186 | -44.13 |
| Loss before tax | (119,655) | (971,461) | -87.7 | (459,576) | (1,166,861) | -60.61 |
| Tax expense | (187) | - | | (187) | (589) | -68.32 |
| Loss for the quarter/period | (119,841) | (971,461) | -87.7 | (459,763) | (1,167,450) | -60.62 |
| Items that may be reclassified subsequently to profit and loss: | | | | | | |
| Foreign currency translation differences for foreign operations | (948) | 96 | -1087.4 | 1,511 | 574 | 163.32 |
| Share of other comprehensive income/(loss) of equity accounted associates | - | - | | - | - | -100.00 |
| Total comprehensive loss for the quarter/period | (120,790) | (971,364) | -87.6 | (458,252) | (1,166,876) | -60.62 |
| Loss for the financial quarter/period attributable to: | | | | | | 0.00 |
| Owners of the Company | (108,103) | (972,907) | -88.9 | (448,067) | (1,169,717) | -61.69 |
| Non-controlling interest | (11,738) | 1,447 | -911.2 | (11,696) | 2,267 | -613.88 |
| Loss for the quarter/period | (119,841) | (971,461) | -87.7 | (459,763) | (1,167,450) | -60.62 |
| Total comprehensive loss for the quarter/period attributable to: | | | | | | |
| Owners of the Company | (108,416) | (972,770) | -88.8 | (445,921) | (1,169,102) | -61.86 |
| Non-controlling interest | (12,373) | 1,405 | -980.7 | (12,331) | 2,226 | -653.94 |
| Total comprehensive loss for the quarter/period | (120,790) | (971,364) | -87.5 | (458,252) | (1,166,876) | -60.73 |

b. Earnings per share

| | Individual quarter | | Cumulative quarter | |
|--------------------|--------------------|----------------|--------------------|----------------|
| | Quarter ended | Quarter ended | Period ended | Period ended |
| | 31/03/24 | 31/03/23 | 31/03/24 | 31/03/23 |
| Basic (sen) | (2.90) | (26.10) | (12.02) | (31.38) |

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 year ended 30th June 2022 and the accompanying notes to the interim financial statements.

2. Condensed Consolidated Statement of Financial Position as at 31st March 2024

| | Unaudited | Unaudited |
|---|------------------|------------------|
| | At | At |
| | 31/03/24 | 30/06/23 |
| | RM'000 | RM'000 |
| Assets | | |
| Property, plant and equipment | 1,553,230 | 1,791,841 |
| Right-of-use assets | 412,784 | 422,332 |
| Investment in associates | 108,170 | 106,390 |
| Other investments | 48,619 | 48,619 |
| Intangible assets | 33,211 | 33,211 |
| Deferred tax assets | 376 | 376 |
| Total non-current assets | 2,156,390 | 2,402,769 |
| Inventories | 1,593,459 | 1,593,459 |
| Contract assets | 431,037 | 434,793 |
| Trade and other receivables | 629,671 | 754,477 |
| Deposits and prepayments | 51,377 | 51,076 |
| Current tax assets | 8,926 | 8,926 |
| Other investments | - | - |
| Cash and cash equivalents | 31,379 | 35,826 |
| Total current assets | 2,745,848 | 2,878,557 |
| Total assets | 4,902,238 | 5,281,326 |
| Equity | | |
| Share capital | 2,291,512 | 2,291,512 |
| Treasury shares | (28,502) | (28,502) |
| Merger reserve | (434,709) | (434,709) |
| Foreign currency translation reserve | 108,852 | 106,706 |
| Other reserves | 44,994 | 44,994 |
| Retained earnings | (1,796,955) | (1,348,888) |
| Total equity attributable to owners of the Company | 185,192 | 631,113 |
| Non-controlling interest | (7,374) | 4,957 |
| Total equity | 177,818 | 636,070 |
| Liabilities | | |
| Trade and other payables | - | - |
| Lease liabilities | 2,730 | 3,805 |
| Deferred tax liabilities | 55,347 | 55,347 |
| Loans and borrowings | 1,218,562 | 1,205,347 |
| Employee benefits | 183 | 183 |
| Total non-current liabilities | 1,276,822 | 1,264,682 |
| Trade and other payables | 634,315 | 614,759 |
| Lease liabilities | 23,960 | 23,960 |
| Contract liabilities | 127,416 | 127,416 |
| Loan and borrowings | 2,633,989 | 2,587,388 |
| Current tax payable | 27,918 | 27,052 |
| Total current liabilities | 3,447,598 | 3,380,574 |
| Total liabilities | 4,724,420 | 4,645,256 |
| Total equity and liabilities | 4,902,238 | 5,281,326 |
| Net assets per share (RM) | 0.05 | 0.17 |

3. Condensed Consolidated Statement of Cash Flows for the period ended 31st March 2024

| | Unaudited | Unaudited |
|--|------------------|--------------------|
| | 31/03/24 | 30/06/23 |
| | RM'000 | RM'000 |
| Cash flow from operating activities | | |
| Loss before tax | (459,576) | (1,297,730) |
| Adjustment for: | | |
| Depreciation of property, plant and equipment and right-of-use assets | 203,941 | 276,170 |
| Depreciation of ROU | 9,548 | 11,780 |
| Net unrealised foreign exchange loss | - | - |
| Amortization of Intangible assets | - | (9,553) |
| Loss on disposal of Subsidiaries | - | - |
| Loss on disposal of Associates | - | - |
| Share of loss in equity-accounted associate, net of tax | (1,780) | (3,186) |
| Finance income | (55) | (98) |
| Finance costs | 71,125 | 162,985 |
| Employment benefits | - | (7) |
| Loss on disposal of trade receivables (factoring) | - | - |
| Share of other comprehensive loss in equity accounted associates, net of tax | - | - |
| Gain on Disposal | - | 6,612 |
| Impairment of investment in subsidiary | - | - |
| Impairment of trade receivables | - | - |
| Operating loss before changes in working capital | (176,800) | (853,026) |
| Changes in working capital: | | |
| Inventories | - | (4,258) |
| Trade and other receivables | 125,107 | 771,108 |
| Trade and other payables | 19,556 | (24,799) |
| Contract assets | 3,756 | 8,359 |
| Contract liabilities | - | 601 |
| Cash generated from operations | (28,381) | (102,014) |
| Profit or interest paid | - | - |
| Tax paid | 679 | 1,358 |
| Net cash from operating activities | (27,702) | (100,656) |
| Cash flow from investing activities | | |
| Disposal/(Acquisition) of property, plant and equipment | 38,704 | (61,732) |
| Profit or interest received | 169 | 249 |
| Changes in fixed deposits pledged to banks | (4,120) | 216 |
| Changes in other investments | - | 461 |
| Advance to an associate | - | - |
| Net cash used in investing activities | 34,753 | (60,805) |
| Cash flow from financing activities | | |
| Profit or interest paid | - | - |
| Net repayment of loans and borrowings | (7,428) | 143,787 |
| Net repayment of lease liabilities | (1,075) | (5,792) |
| Net cash from financing activities | (8,503) | 137,995 |
| Net decrease in cash and cash equivalents | (1,452) | (23,467) |
| Effect of exchange rate fluctuation on cash held | 101 | 760 |
| Cash and cash equivalents at beginning of period | 11,337 | 34,044 |
| Cash and cash equivalents at end of period | 9,986 | 11,337 |
| Fixed deposits placed with licensed banks | 25,941 | 30,061 |
| Cash and bank balances | 5,438 | 5,765 |
| | 31,379 | 35,826 |
| Less: Bank overdrafts | (4,486) | (3,461) |
| Less: Fixed deposits pledged | (16,907) | (21,027) |
| | 9,986 | 11,337 |



4. **Condensed Consolidated Statement of Changes in Equity for the period ended 31st March 2024**

| | Attributable to owners of the company | | | | | | | | |
|---|---------------------------------------|-----------------|------------------|--------------------------------------|---------------|--------------------|------------------|--------------------------|------------------|
| | < -----Non distributable----- > | | | | | | Distributable | | |
| | Share capital | Treasury Shares | Merger reserve | Foreign currency translation reserve | Other reserve | Retained earnings | Total | Non-controlling interest | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 30th June 2022 | 2,291,512 | (28,502) | (434,709) | 79,080 | 44,994 | (47,888) | 1,904,487 | 3,027 | 1,907,514 |
| Foreign currency translation differences for foreign operations | - | - | - | 27,626 | - | - | 27,626 | 77 | 27,703 |
| Share of other comprehensive income of an associate | - | - | - | - | - | - | - | 1,852 | 1,852 |
| Profit/ (Loss) for the period | - | - | - | - | - | (1,301,000) | (1,301,000) | - | (1,301,000) |
| Total comprehensive income for the period | - | - | - | 27,626 | - | (1,301,000) | (1,273,374) | 1,929 | (1,271,445) |
| Disposal of a subsidiary | | | | | | | - | | |
| At 30th June 2023 / 1st July 2023 | 2,291,512 | (28,502) | (434,709) | 106,706 | 44,994 | (1,348,888) | 631,113 | 4,957 | 636,070 |
| Foreign currency translation differences for foreign operations | - | - | - | 2,146 | - | - | 2,146 | (635) | 1,511 |
| Share of other comprehensive income of an associate | - | - | - | - | - | - | - | - | - |
| Profit/ (Loss) for the period | - | - | - | - | - | (448,067) | (448,067) | (11,696) | (459,763) |
| Total comprehensive income for the period | - | - | - | 2,146 | - | (448,067) | (445,921) | (12,331) | (458,251) |
| At 31 March 2024 | 2,291,512 | (28,502) | (434,709) | 108,852 | 44,994 | (1,796,955) | 185,192 | (7,374) | 177,819 |

Note:

The new Companies Act 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

PART A: EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS PER MFRS
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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 account for the movements in balances of the company and its subsidiaries and associates and may not reflect movements for subsidiaries or associates which did not provide or did not prepare their financial statements.

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 30th 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 30th September 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)*

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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:

| MFRS/ Amendment/ Interpretation | Effective date |
|---|------------------------------|
| MFRS 17, Insurance Contracts | 1 st January 2023 |
| Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current | 1 st January 2023 |
| Amendments to MFRS 101, Presentation of Financial Statements – Disclosure of Accounting policies | 1 st January 2023 |
| Amendments to MFRS 108, Accounting policies, Changes in Accounting estimates – Definition of Accounting Estimates | 1 st January 2023 |
| Amendments to MFRS 112, Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from Single Transaction | 1 st 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 September 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 31st March 2024.

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 30th June 2022.

A11. Capital commitments

Capital commitments of the Group in respect of property, plant and equipment as at 31st March 2024 are as follows: -

| | |
|-----------------------------|---------------|
| Land and Building | RM'000 |
| Approved and contracted for | 190,105 |

A12. Tax expense

Tax expense comprises the following:

| | Individual quarter | | Cumulative quarter | |
|----------------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
| | Quarter ended 31/03/24 | Quarter ended 31/03/23 | Period ended 31/03/24 | Period ended 31/03/23 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax expense: | | | | |
| Malaysian taxation | 187 | - | 187 | (589) |
| Overseas taxation | - | - | - | - |
| Total current tax expense | 187 | - | 187 | (589) |
| Deferred tax expense | - | - | - | - |
| Total tax expense | 187 | - | 187 | (589) |

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 18th 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 Corresponding quarter of the preceding period

| | Revenue | | Gross profit/(loss) | | Variance | |
|--|---------------|--------------|---------------------|------------------|------------|---------------------|
| | Quarter ended | | Quarter ended | | Revenue | Gross profit/(loss) |
| | 31/03/24 | 31/03/23 | 31/03/24 | 31/03/23 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | % | % |
| Business Segments: | | | | | | |
| O&M | 9,615 | 5,000 | (60,482) | (61,674) | 92% | -2% |
| EPCC | - | 544 | - | (375) | NA | NA |
| ICT | - | 241 | - | (199) | -100% | -100% |
| E&T & Others | 1,178 | 389 | 581 | (386) | 203% | -251% |
| Group revenue/ Gross loss | 10,793 | 6,176 | (59,901) | (62,634) | 75% | -4% |
| Corporate expenses and consolidation elimination | | | (59,754) | (908,827) | | 36% |
| Loss Before Tax | | | (119,655) | (971,461) | | 12% |

O&M remained the highest revenue contributor to the group's revenue generating 89.1% of the total revenue while Education and Training generated the remaining 10.9% of the total revenue. EPCC and ICT segments recorded no revenue during the period mainly due to contract termination and cease of operations in some of the subsidiaries of the group.

In comparison, revenue increase by 75% in comparison to the corresponding quarter last year which is mainly a result of a 92% increase in O&M operations maintenance operations as well as an increase in revenue of 203% in Education & Training activities.

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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 (Cont'd)

ii) Current quarter vs Immediate preceding quarter

| | Revenue | | Gross profit/(loss) | | Variance | |
|--|---------------|---------------|---------------------|------------------|-------------|---------------------|
| | Quarter ended | | Quarter ended | | Revenue | Gross profit/(loss) |
| | 31/03/24 | 31/12/23 | 31/03/24 | 31/12/23 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | % | % |
| Business Segments: | | | | | | |
| O&M | 9,615 | 10,275 | (60,482) | (68,689) | -6% | -12% |
| EPCC | - | - | - | - | NA | NA |
| ICT | - | - | - | (17) | NA | -100% |
| E&T & others | 1,178 | 3,559 | 581 | (12,872) | -67% | -105% |
| Group revenue/ Gross loss | 10,793 | 13,834 | (59,901) | (81,578) | -22% | -27% |
| Corporate expenses and consolidation elimination | | | (59,754) | (182,178) | | -67% |
| Loss Before Tax | | | (119,655) | (263,756) | | -55% |

O&M remained the highest revenue contributor to the group's revenue generating 89.1% of the total revenue while Education and Training generated the remaining 10.9% of the total revenue. EPCC and ICT segments recorded no revenue during the period mainly due to contract termination and cease of operations in some of the subsidiaries of the group.

In comparison, revenue decreased by 22% in comparison to the previous quarter. The slight decrease is mostly arising from a decrease in O&M operations amounting to -6% or RM0.66 million coupled with a decrease of 67% or RM2.38 million.

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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 (Cont'd)

iii) Current period vs Corresponding period of the preceding year

| | Revenue | | Gross profit/(loss) | | Variance | |
|--|---------------|----------------|---------------------|------------------|-------------|---------------------|
| | Period ended | | Period ended | | Revenue | Gross profit/(loss) |
| | 31/03/24 | 31/03/23 | 31/03/24 | 31/03/23 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | % | % |
| Business Segments: | | | | | | |
| O&M | 30,345 | 398,853 | (185,428) | (136,527) | -92% | 36% |
| EPCC | - | 2,424 | - | (830) | -100% | -100% |
| ICT | 63 | 1,288 | 28 | (441) | -95% | -106% |
| E&T & others | 5,976 | 2,498 | (13,541) | (855) | 139% | 1484% |
| Group revenue/ Gross loss | 36,383 | 405,063 | (198,941) | (138,653) | -91% | 43% |
| Corporate expenses and consolidation elimination | | | (260,635) | (908,827) | | -71% |
| Loss Before Tax | | | (459,576) | (971,461) | | -56% |

O&M remained the highest revenue contributor to the group's revenue generating 89.1% of the total revenue while Education and Training generated the remaining 10.9% of the total revenue. The EPCC recorded no revenue during the period mainly due to contract termination and cease of operations in some of the subsidiaries of the group.

In comparison, revenue declined by 91% in comparison to the corresponding period. The decline is mostly a result of a 92% decline in O&M operations, and a cessation in EPCC operations.

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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 (Cont'd)

iii) Segmental Revenue by countries

| | Individual quarter | | Cumulative period | |
|-------------------------------|--------------------|--------------|-------------------|----------------|
| | 31/03/24 | 31/03/23 | 31/03/24 | 31/03/23 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 3,365 | 5,846 | 13,665 | 56,111 |
| Indonesia | 230 | 213 | 570 | 29,825 |
| South-East Asia | 3,595 | 6,059 | 14,235 | 85,936 |
| Turkmenistan | - | - | - | 54,280 |
| Central and South Asia | - | - | - | 54,280 |
| UAE | - | - | - | 64,093 |
| Qatar | - | - | - | 200,454 |
| Kingdom of Saudi Arabia | - | 117 | - | 300 |
| Middle East | - | - | - | 264,847 |
| Europe | 7,198 | - | 22,148 | - |
| Total | 10,793 | 6,176 | 36,383 | 405,063 |

Revenue in South-East Asia fell by 41% vis a vis the corresponding quarter of the previous financial year mainly due to a decline in local operations by 42%. No revenue was recorded from the middle east region during the period which led to a decline in revenue of 100%. Overall, the revenue of the group increases by 78% from RM6.05 million to RM10.7 million in the Quarter ended March 2024.

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**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 slower growth of 7.0% in the fourth quarter of 2022 (3Q 2022: 14.2%). The growth was underpinned by continued steadiness in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the growth declined by -2.6% (2Q 2022: 1.9%). Overall, the Malaysian economy expanded by 8.7%, in the first three quarters of 2022. The expansion was seen in all economic sectors such as the services sector, manufacturing sector, construction sector, and commodities sector.

On a global economic outlook, growth is projected to slow from 6.0% in 2021 to only 3.2% this year and a further reduction in 2023 to 2.7% mainly contributed by US GDP contraction in the first half of 2022, prolonged COVID-19 outbreaks and lockdowns in China with a growing property sector crisis. One-third of the world economy faces two consecutive quarters of negative growth while global inflation is expected to rise to 8.8% in 2022. Upside inflation surprises have been most widespread among advanced economies, with greater variability in emerging markets and developing countries.

In the oil and gas sector, Crude oil spot from the mid \$100s to low \$80s with a sharp rise in oil supply from Russia estimated at about 230tb/d. Crude Oil Price Movements OPEC Monthly Oil Market Report – May 2023 1 Crude Oil Price Movements The OPEC reference Basket (ORB) was higher on average m-o-m in April. This was amid firm gains in related crude benchmarks and higher official selling prices (OSP) of all medium and heavy components exported to Asia and Europe markets. In April, the ORB increased by \$5.68, or 7.2%, to settle at \$84.13/b. Crude oil futures prices rebounded in April from the low levels seen in March as the heavy selloffs in futures markets eased and market confidence improved. Short covering from money managers that rushed to cover their bearish positions also contributed to pushing oil prices higher.

The Board of Directors anticipates that the Group's operations will remain challenging going into 2023 due to the uncertainty of the global economy as well as the current challenges the company is facing from a liquidity perspective. 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 May 2023, OPEC*

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

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:

| Details of utilisation of proceeds | Estimated timeframe for utilisation | Estimated timeframe for utilisation | | Actual Utilisation | |
|--------------------------------------|-------------------------------------|-------------------------------------|--------------|--------------------|-------------|
| | | RM '000 | % | RM '000 | % Utilised |
| 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 | (⁽¹⁾ 12,390) | 2.4 | 12,390 | 100.0 |
| Total gross proceeds | | 508,613 | 100.0 | 454,226 | 89.3 |

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 5th 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 31st March 2024 are as follows:

| | Individual quarter | | Cumulative quarter | |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| | 31/03/24 RM'000 | 31/03/23 RM'000 | 31/03/24 RM'000 | 31/03/23 RM'000 |
| Foreign Exchange gain | 0.4 | - | 1,602 | 47 |
| Rental Income | 1,382 | 84 | 1,830 | 1,744 |
| Others | (3,687) | 630 | 5,755 | 1,505 |
| Total | (2,304) | 714 | 7,586 | 3,296 |

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

B6. Financing/ Borrowings

The Group's financing/borrowings as at 31st March 2024 are as follows:

| In RM'000 | As at 31st March 2024 | | | | | |
|-----------|-----------------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|
| | Long term | | Short term | | Total borrowings | |
| | Foreign Currency RM'000 | Local Currency RM'000 | Foreign Currency RM'000 | Local Currency RM'000 | Foreign Currency RM'000 | Local Currency RM'000 |
| Secured | 73 | - | 883 | 458,372 | 956 | 458,372 |
| Unsecured | 1,218,489 | - | 1,132,756 | 1,041,978 | 2,351,245 | 1,041,978 |
| In RM'000 | As at 31 ST March 2023 | | | | | |
| | Long term | | Short term | | Total borrowings | |
| | Foreign Currency | Local Currency | Foreign Currency | Local Currency | Foreign Currency | Local Currency |
| Secured | 99 | - | 678 | 520,201 | 777 | 520,201 |
| Unsecured | 1,140,521 | - | 1,103,068 | 958,962 | 2,243,589 | 958,962 |

Financing/ Borrowings denominated in foreign currency are as follows:

| Currency | 31/03/24 RM'000 | 31/03/23 RM'000 |
|----------|-----------------|-----------------|
| USD | 2,351,318 | 2,243,688 |
| IDR | 883 | 678 |

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 | |
|--|--------------------|-----------------|
| | 31/03/24 RM'000 | 31/03/23 RM'000 |
| Professional service charges | - | - |
| Revenue from operation and maintenance | - | - |

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

B7. Significant related party transactions

(b) There were no transactions with associates during the quarter.

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

No material impairment of Assets was taken up during the quarter.

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**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 June 2021, the Company had filed a Writ of Summons together with the Statement of Claim 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 Writ of Summons together with the Statement of Claim are not expected to have any other material adverse financial impact on the Company for the financial period 30 September 2022. Both Writ of Summons and Statement of Claim are not expected to have any business and operational impacts on the Company.

On 3 August 2022, KPMG had filed an application for security for costs against the Company i.e. seeking the Company to pay RM500,000 as security for this suit. The Company filed to oppose the application on 25 August 2022. The High Court Judge allowed KPMG's application for security for costs against the Company for the sum of RM250,000. The security was paid and a contributory of SDHB has since taken carriage of the legal proceedings.

The trial dates that were fixed for on 1-5 April 2024 and 29-30 April 2024 were vacated and new trial dates have been fixed for 22-23 May 2025 and 26-29 May 2025.

- ii) On 23 November 2021, Bursa Malaysia Securities Berhad ("**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 Ernst & Young Consulting Sdn Bhd ("**EY Consulting**"). EY Consulting has not signed off the material to-date. It is the Company's contention, *inter alia*, that the Company is not in the position to announce a third-party material.

On 7 February 2022, the Originating Summons 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.

On 13 April 2022, Bursa filed an *ex parte* leave for committal application against the Company and its directors for alleged failures to comply with the terms of the Order dated 7 February 2022. The next case management date is fixed for 31 July 2024.

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

B10. Material litigation

- iii) 5 November 2021, the Company filed an Originating Summons at the High Court of Malaya at Kuala Lumpur against EY Consulting to seek a declaration that the appointment of EY Consulting as the special auditor of the Company is null and void. The Company also filed an application for an interim injunction that EY Consulting be restrained from releasing information and documents on the Company and the Group.

The Originating Summons and the interim injunction application have been dismissed by the High Court of Malaya with costs awarded to EY Consulting. The Company had filed two appeals against the said decisions. Subsequently on 29 March 2023, the Company withdrew the appeals.

- iv) On 26 April 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 as the interim liquidator of the Company and SD Subsidiaries.

On 23 August 2022, it is the contention of the Syndicated Financiers that the Company was in breach of one of the terms of the consent order for failing to make payment on or before 12 August 2022. The High Court of Malaya allowed the appointment of Victor Saw Seng Kee as the interim liquidator of the Company, SDGB, SDSB and SDIL with costs.

On 6 January 2023, the Company, SDGB, SDSB and SDIL 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 January 2023, the High Court of Malaya granted winding up Orders against the Company, SDGB, SDSB and SDIL, thereby dismissing the said applications filed by the Company, SDGB, SDSB and SDIL to adjourn the hearing of the Winding Up Petitions ("**HC 10 January 2023 Decisions**").

On 11 January 2023, the respective directors of the Company, SDGB and SDSB appealed against the HC 10 January 2023 Decisions. On 20 January 2023, the directors for SDIL also filed an appeal against the HC 10 January 2023 Decision in respect of SDIL.

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

B10. Material litigation (Cont'd)

- iv) (cont'd) On 27 January 2023, the Company SDGB, SDSB and SDIL filed an application to stay the execution of the Winding Up Order pending the appeals against the HC 10 January 2023 Decisions.

On 10 February 2023, the High Court of Malaya allowed an Ad-Interim Stay of the Winding Up Order and Victor Saw Seng Kee was re-appointed as the Interim Liquidator. On 16 March 2023, the stay application was subsequently dismissed by the High Court.

The Company's, SDGB's, SDSB's and SDIL's appeals in the Court of Appeal against the HC 10 January 2023 Decisions are fixed for hearing on 25 June 2024.

- v) On 29 April 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 Islamic Commercial Papers ("**ICPs**").

The matter is now pending before the High Court and with the next case management date fixed on 27 June 2024, after the Company's and the SD Subsidiaries' appeal at the Court of Appeal against the HC 10 January 2023 Decisions hearing on 25 June 2024.

- vi) On 11 May 2022, Izin Budi Sdn Bhd ("**IBSB**") filed a claim against SDSB and SDGB. IBSB's claim arises from, among other allegations, the alleged breaches of:

1. a Joint Venture Agreement and a Supplementary Joint Venture Agreement between SDSB and IBSB (collectively referred to as the "**JVA**") to collaboratively develop an integrated industrial, commercial and residential project ("**Project**") on land located at Pengerang, Johor Darul Takzim ("**Land**").
2. a Power of Attorney executed by IBSB in favour of SDSB to develop the Land in accordance with the JVA ("**POA**").
3. an irrevocable and unconditional undertaking given by SDGB to guarantee the payment of a Guaranteed Return from SDSB to IBSB based on the payment milestones in the JVA ("**Letter of Undertaking**" or "**LOU**").

IBSB is seeking, amongst others, compensation of RM5,000,000.00 equivalent to the 5th Guaranteed Return under the JVA and other declaratory and injunctive reliefs.

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

B10. Material litigation (Cont'd)

- vi) (cont'd) On 19 May 2022, IBSB filed an injunction application to, among others, restrain SDSB and SDGB from entering, remaining, occupying or interfering with IBSB's possession of the Land and from dissipating and/or disposing the Land.

On 9 August 2022, SDSB and SDGB filed their Defence and Counterclaim. Amongst others, SDSB and SDGB are seeking for some declaratory and injunctive reliefs and an order for restitution in the counterclaim.

On 21 March 2023, IBSB obtained leave of Court under section 471 of the Companies Act 2016 to continue proceedings against SDSB and SDGB.

On 31 October 2023, Serba Dinamik Development Sdn Bhd ("**SDDSB**"), an indirect wholly owned subsidiary of SDHB filed an application for leave to intervene in and be added as a party to the legal proceedings.

On 8 November 2023, SDGB, SDSB and IBSB also entered into a consent order, for amongst others, agree that, until the disposal of the action or such further Order by the Court, the parties by themselves, their agents or servants or workers or anyone else claiming a right or interest or title thereunder be restrained from dissipating and/or disposing in any manner whatsoever the Land and IBSB's injunction application be withdrawn with no order as to costs.

On 21 May 2024, the Court allowed SDDSB's application for leave to intervene and granted the order. The next case management date is set for 23 July 2024.

- vii) On 11 May 2022, Perisind Samudra Sdn Bhd ("**PSSB**") filed a claim against SDSB and SDGB. PSSB's claim arises from, among other allegations, the following alleged breaches:

1. a Joint Venture Agreement and several Supplemental Joint Venture Agreements between SDSB and PSSB (collectively referred to as the "**JVA**") to collaboratively develop an integrated industrial, commercial and residential project ("**Project**") on land located at Pengerang, Johor Darul Takzim ("**Land**").
2. a Power of Attorney executed by PSSB in favour of SDSB to develop the Land in accordance with the JVA ("**POA**").
3. an irrevocable and unconditional undertaking given by SDGB to guarantee the payment of a Guaranteed Return from SDSB to PSSB based on the payment milestones in the JVA ("**Letter of Undertaking**" or "**LOU**").
4. an Agreement on the Infrastructure & Utilities Cost" ("**AIUC**") where PSSB was to carry out general and common utilities and infrastructure works for the proposed development of the project.

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

B10. Material litigation (Cont'd)

- vii) (cont'd) PSSB is seeking, amongst others, compensation of RM15,062,545.20 equivalent to the 5th Guaranteed Return under the JVA and RM6,316,918.31 equivalent to the amount of certified claims due under the AIUC to PSSB together with other declaratory and injunctive reliefs.

On 19 May 2022, PSSB filed an injunction application to, among others, restrain SDSB and SDGB from entering, remaining, occupying or interfering with PSSB's possession of the land and from dissipating and/or disposing the Land.

On 9 August 2022, SDSB and SDGB filed their Defence and Counterclaim. Amongst others, SDSB and SDGB are seeking for some declaratory and injunctive reliefs and an order for restitution in their counterclaim.

On 21 March 2023, PSSB obtained leave of Court under section 471 of the Companies Act 2016 to continue proceedings against SDSB and SDGB.

On 31 October 2023, SDDSB filed an application for leave to intervene in and be added as a party to the legal proceedings.

On 8 November 2023, SDGB, SDSB and PSSB also entered into a consent order, for among other orders, that, until the disposal of the action or such further Order by the Court, the parties by themselves, their agents or servants or workers or anyone else claiming a right or interest or title thereunder be restrained from dissipating and/or disposing in any manner whatsoever the Land and PSSB's injunction application be withdrawn with no order as to costs.

On 21 May 2024, the Court allowed SDDSB's application for leave to intervene and granted the order. The next case management date is set for 23 July 2024.

- viii) On 15 February 2023, Public Islamic Bank Berhad ("**PIBB**") filed an Originating Summons against SDSB. PIBB sought for an order for sale in respect of 3 parcels of properties owned by SDSB following a default in payment of 3 facilities of RM14,102,026.48, which is the sum owing up to 10 January 2023.

The 3 parcels of properties charged to PIBB are as follows:

1. H.S. (D) 492990, PT No. PTD 208310, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim
2. H.S. (D) 486572, PT No. PTD 205913, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim (collectively "the Johor Properties"); and
3. H.S. (D) 151567, No. PT 69951, Mukim of Kapar, District of Klang, State of Selangor Darul Ehsan ("Klang Property").

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

B10. Material litigation (Cont'd)

viii) (cont'd) On 13 April 2023, the Court granted the order for sale for PIBB. On 4 and 5 July 2023, the Court fixed an auction date for all 3 parcels of properties on 28 August 2023.

On 11 August 2023, SDSB filed Notice of Applications to stay the auctions on 28 August 2023. PIBB withdrew the application for the auction of the Klang Property. The High Court allowed the auctions for the Johor Properties to proceed on 28 August 2023.

On 28 August 2023, H.S. (D) 492990, PT No. PTD 208310, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim was sold via a public auction. The sale was not completed.

The auction for the Johor Property H.S. (D) 486572, PT No. PTD 205913, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim on 28 August 2023 was unsuccessful.

Subsequently on 7 September 2023, PIBB filed a further application for auction directions to set a second auction date for H.S. (D) 486572, PT No. PTD 205913, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim. A second auction date was set for 2 January 2023. The auction was unsuccessful.

PIBB has further filed applications for auction directions for the 2 parcels of properties charged to PIBB. The High Court has fixed the hearing for PIBB's applications on 30 May 2024 and 5 June 2024 respectively.

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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)

- ix) On 20 March 2023, Public Bank Berhad ("**PBB**") filed an Originating Summons against SDSB applying for an order for sale of 5 parcels of property. PBB sought for an order for sale in respect of 5 parcels of properties owned by SDSB following a default in payment of an overdraft facility of RM528,215.91, which is the sum owing up to 10 January 2023.

The 5 parcels of properties charged to PBB are located at Lot No. 374, Seksyen 11, Bandar Shah Alam, District of Petaling, State of Selangor Darul Ehsan, details of which are as follows:

1. PN9405/M1/1/14, Parcel No. 14, Floor No.1, Building no. M1, Accessory Parcel No. A27
2. PN9405/M1/2/33, Parcel No. 33, Floor No.2, Building no. M1, Accessory Parcel No. A28
3. PN9405/M1/3/53, Parcel No. 53, Floor No.3, Building no. M1, Accessory Parcel No. A29
4. PN9405/M1/4/73, Parcel No. 73, Floor No.4, Building no. M1, Accessory Parcel No. A30
5. PN9405/M1/5/93, Parcel No. 93, Floor No.5, Building no. M1, Accessory Parcel No. A31

On 13 June 2023, the Court granted the order for sale to PBB. On 3 October 2023, PBB filed an application for auction directions.

On 17 January 2024, the High Court fixed an auction date in respect of the 5 properties located at Lot No. 374, Seksyen 11, Bandar Shah Alam, District of Petaling, State of Selangor Darul Ehsan on 27 March 2024. The auction was unsuccessful. On 16 April 2024, PBB filed another application for auction directions. The hearing is set for 12 June 2024.

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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)

- x) On 8 September 2022, MBSB filed an Originating Summons against SDGB applying for an order for sale against parcels of land owned by SDGB together with the buildings erected on these parcels in Johor, details of which are as follows:
1. H.S (D) 7794, PTD 502, Mukim Pantai Timur, Daerah Kota Tinggi, Negeri Johor;
 2. H.S (D) 14211, PTD 412A, Mukim Pantai Timur, Daerah Kota Tinggi, Negeri Johor;
 3. PN 39537, Lot 1684, Mukim Pantai Timur, Daerah Kota Tinggi, Negeri Johor; and
 4. PN 72316, Lot 1683, Mukim Pantai Timur, Daerah Kota Tinggi, Negeri Johor.
(collectively known as "Project Land")

On 13 October 2022, the Court granted the order for sale to MBSB. On 20 March 2023 and 3 July 2023, the auctions for the sale of the Project Land took place. However, both auctions were unsuccessful.

On 20 July 2023, MBSB filed a further application for auction directions. On 28 August 2023, the Court granted MBSB's application for third auction directions. The third auction is set for 2 January 2024. MBSB appealed to the Judge in the High Court against the third auction date set for 2 January 2024, but the appeal was dismissed. The auction date of 2 January 2024 was maintained. The auction on 2 January 2024 for the sale of the Project Land was unsuccessful.

On 16 January 2023, MBSB filed a further application for auction directions. On 21 February 2024, the Court granted MBSB's application for fourth auction directions. The fourth auction is set for 21 May 2024. The auction was unsuccessful.

- xi) On 10 April 2023, Bank Pembangunan Malaysia Berhad ("**BPMB**") filed an Originating Summons against SDSB. Prior to the filing of the Originating Summons, BPMB had on 28 February 2023 obtained leave of Court under section 471 of the Companies Act 2016 to commence the present proceedings against SDSB.

BPMB alleges that pursuant to a Tawarruq Financing facility ("**TWQ facility**") dated 29 May 2020 between Greenerth Landmark Sdn Bhd ("**GLSB**") and BPMB, several security documents had been executed in favour of BPMB, amongst others, requiring GLSB or SDSB to make an Islamic Term Deposit for disbursements under the TWQ facility. BPMB alleges that on 22 February 2021, a deposit of RM31,002,450.00 was made by SDSB into its account ("**Deposit**") and the said Deposit was charged and assigned to BPMB as security for the TWQ facility. BPMB alleges that SDSB had allegedly acted in breach of trust and in breach of the terms of the charge and security agreements, by uplifting and withdrawing the Deposit without BPMB's knowledge and consent.

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

B10. Material litigation (Cont'd)

- xi) (cont'd) On 26 July 2023, BPMB filed an application for discovery against SDSB. On 3 November 2023, the High Court of Malaya at Kuala Lumpur granted BPMB's application for discovery and production of documents against SDSB.

On 21 November 2023, the sealed order dated 3 November 2023 was served on SDSB's solicitors. The case management date is fixed for 31 May 2024.

- xii) On 17 August 2023, the Court granted the winding-up petition filed by Orient Arotek Engineering & Trading Sdn Bhd against Serba Dinamik Development Sdn Bhd ("**SDDSB**"), which is an indirect wholly owned subsidiary of the Company. The High Court granted that Victor Saw Seng Kee be appointed as Liquidator of SDDSB.

- xiii) On 3 May 2024, the Court granted the winding-up petition filed by Kawalan Keselamatan Prestasi Mewah Sdn Bhd against SDMAX Sdn. Bhd. ("**SDMAX**"), which is an indirect wholly owned subsidiary of the Company. The High Court granted that Victor Saw Seng Kee be appointed as Liquidator of SDMAX.

- xiii) On 19 June 2023, Cekap Air Sdn Bhd filed the originating summons to apply for a Fortuna Injunction to restrain SDSB from presenting a winding up petition against CASB, alleging, amongst others, that the debt of RM38,387,845.79 is disputed.

On 3 October 2023, the Court granted the Fortuna Injunction to CASB. On 12 October 2023, SDSB filed an appeal against the said decision. The case management for the appeal is fixed for 25 June 2024.

- xiv) On 25 March 2022, HSBC commenced legal proceedings against SDGB and SDSB vide Originating Summons No. WA-24M-2-03/2022 ("**OS**") in relation to an indebtedness arising from a term facility of RM100,000,000 granted by HSBC to SDGB.

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

B10. Material litigation (Cont'd)

- xiv) (Cont'd) On 30 May 2022, the Court allowed the OS and amongst others, made the following orders ("Order"):
1. A declaration that HSBC is the equitable chargee of the shares amounting to 40% shareholding in Konsortium KAJV Sdn Bhd ("KAJV") acquired by SDSB under the Share Purchase Agreement dated 20 February 2017 ("Target Shares") as security for the facility extended by HSBC to SDGB from the date of the acquisition of the Target Shares until 18 March 2022 which is the date of registration of Mirmas Holding Sdn Bhd as the owner of the Target Shares.
 2. A declaration that the said Target Shares and/or the proceeds are held by SDSB as constructive trustee for HSBC; and
 3. An order that SDSB within 14 days from the date of the service of the Order to remit RM6,073,983.97 together with an interest at 5% per annum calculated from 25 March 2022 until the date of full settlement to HSBC.

HSBC's solicitors had written to the Liquidator's solicitors on the Order and SDSB's compliance with the order.

By way of a letter dated 16 January 2024, the Liquidator's solicitors replied and stated the following:

1. SDSB is unable to ascertain whether any of the sale proceeds of the Target Shares remained in SDSB's accounts due to the volume of transactions in the accounts; and
2. In order to claim for the payment of RM6,073,983.97 and with interest accrued at 5% per annum from 25 March 2022 up to the winding up order against SDSB, HSBC is required to file a proof of debt form .

HSBC is seeking, amongst others the following reliefs:

1. That the decision of the Liquidator of SDSB, conveyed in his solicitor's letter dated 16 January 2024 wherein HSBC is required to file a proof of debt form for the payment of RM6,073,983.97 together with interest at 5% per annum calculated from 25 March 2022 until date of full settlement as the Liquidator is unable to ascertain whether any of the sale proceeds of the Target Shares remains in the SDSB's accounts be reversed/ set aside;

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

B10. Material litigation (Cont'd)

2. That SDSB through the Liquidator be ordered and/ or directed to remit RM6,073,983.97 together with interest to HSBC from funds available to or in SDSB in priority to the unsecured creditors of SDSB whether from the realization of the assets of SDSB or recovery or payment received or howsoever in the course of liquidation, upon there being surplus or sufficient funds to meet and/ or satisfy RM6,073,983.97 together with interest or partially after deducting statutory preferential payments and liquidation expenses;
3. Such other relief as the Court deems fit and just; and
4. Cost of the Application to be borne by SDSB.

On 19 April 2024, the Liquidator filed its Affidavit in Reply to oppose the Application. On 7 May 2024, the Liquidator filed its Affidavit in Reply No.2. During the case management on 13 May 2024, the Court directed for HSBC to file its Affidavit in Reply by 4 June 2024. The next case management has been fixed on 5 June 2024.

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

B11. Dividend

There was no dividend proposed for the financial quarter/period 31st March 2024.

B12. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per share at 31st March 2024 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 | |
|--|--------------------|----------------|--------------------|----------------|
| | 31/03/24 | 31/03/23 | 31/03/24 | 31/03/23 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit attributable to ordinary shareholders | (108,103) | (972,907) | (448,067) | (1,169,717) |
| Weighted average number of ordinary shares | 3,727,187 | 3,727,187 | 3,727,187 | 3,727,187 |
| Basic earnings per ordinary share (sen) | (2.90) | (26.10) | (12.02) | (31.38) |

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.

B13. Profit or loss for the quarter/period

This is arrived after (charging)/crediting

| | Individual quarter ended | Cumulative quarter |
|-------------------------------|--------------------------|--------------------|
| | 31/03/24 | 31/03/24 |
| | RM'000 | RM'000 |
| Finance income | 52 | 169 |
| Finance expense | (31,823) | (71,125) |
| Depreciation and amortization | (67,472) | (256,204) |

By order of the Board

Shah Alam, Selangor Darul Ehsan

31 May 2024