

MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))

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SERBA DINAMIK SAGA

TIME TO LIFT TRADING SUSPENSION?

It will allow minority shareholders to make informed investment decisions, says MSWG

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SERBA Dinamik Holdings Bhd could be in a better position if the trading suspension of its securities on Bursa Malaysia was lifted, said Minority Shareholders Watch Group (MSWG).

“The lifting of the suspension will enable price discovery to take place, while enabling the minority shareholders to make informed investment decisions,” said MSWG chief executive officer

Devanesan Evanson.

He said the move could also allow for the timely resolution of Serba Dinamik’s court cases.

The integrated oil and gas services provider has been under regulatory scrutiny ever since its then-external auditor KPMG raised concerns over the company’s accounts for the 12-month period ended Dec 31, 2020.

Serba Dinamik was last traded at 35 sen, giving it a market capitalisation of RM1.31 billion.

On Dec 28 and Dec 29, the Securities Commission (SC) charged Serba Dinamik, along

with its chief executive officer Datuk Mohd Abdul Karim Abdullah, executive director Datuk Syed Nazim Syed Faisal, group chief financial officer Azhan Azmi and vice-president of accounts and finance Muhammad Hafiz Othman for making a false statement in its financial report for the quarter and year ended Dec 31, 2020.

The alleged false statement was in relation to a revenue of RM6.014 billion in the quarterly report.

They have all claimed trial to the charge.

Public Investment Bank Bhd (PublicInvest) recently ceased its coverage on Serba Dinamik due to the prolonged trading suspension trading since Oct 22.

The research firm said it was unable to appropriately assess Serba Dinamik’s prospects in the near to medium term, given the heightened uncertainties resulted from accounting-related queries, legal challenges with auditors (both KPMG and Ernst & Young Consulting Sdn Bhd) and the regulator.

“With earnings visibility likely to be limited and given the need to re-deploy our resources internally, we are ceasing coverage on Serba Dinamik. Our last call is ‘neutral’ with a target price of 31 sen based on a 0.3 time multiple to its financial year 2021 book value of RM1.05,” it noted.

Meanwhile, Serba Dinamik said on Thursday an online news portal misquoted Abdul Karim

about working with Petroliam Nasional Bhd (Petronas) to jointly attract investors at the Expo 2020 Dubai.

“Serba Dinamik would like to further correct the statement made by *Free Malaysia Today* that Serba Dinamik is the premier sponsor for Malaysia Day in the Dubai Expo 2021.”

It added that lawyer Tan Sri Shafee Abdullah, who is representing Abdul Karim, never mentioned that Serba Dinamik was collaborating with Petronas for the expo.

“What was said is that Serba Dinamik is a sponsor to the event just like Petronas as means to emphasise the importance of the event to the honourable Sessions Court,” it added.