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## CORPORATE

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**PETALING JAYA:** Serba Dinamik Holdings Bhd says it will go ahead with the motion to change its external auditor KPMG despite calls to stop it from doing so.

Chief financial officer Azhan Azmi said the outcome of the resolution, which requires the approval of a simple majority, is expected by the end of next month.

“With regards to this, we received a request from our shareholder for a change, so what we are doing as management is to pursue the motion by bringing it up at an EGM,” he told the media and analysts at a virtual briefing on Saturday.

Earlier in the day, the Minority Shareholders Watch Group (MSWG) had called for minority shareholders of Serba Dinamik to vote against attempts to replace KPMG as the company’s external auditors.

“As part of good governance, KPMG should be allowed to complete their work and report to Serba Dinamik’s shareholders at the forthcoming AGM,” MSWG said in a statement posted on its website.

The issue of a change in auditors came about as the engineering solutions provider for the oil and gas industry said earlier last week that it was informed by its external auditors, KPMG, on “some matters pertaining to statutory audit.”

The matters in question include those related to sales transactions and trade receivables involving a sum of more than RM3.5bil.

Serba Dinamik said it would be appointing an independent firm to commence a special independent review to “to assess the veracity and accuracy of the matters.”

Consequently on Friday night, the company said it had received a special notice from its

# Serba Dinamik plans to change auditors

## This is despite MSWG’s call to vote against proposal

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Datuk Mohd Abdul Karim Abdullah

non-independent non-executive director, Datuk Haji Abdul Kadier Sahib, requesting for an EGM to remove the existing auditors and to appoint new auditors namely those from BDO PLT.

Abdul Kadier is the company’s second largest shareholder after group managing director and chief executive officer Datuk Mohd Abdul Karim Abdullah, who has close to a 27% stake in Serba Dinamik.

The other two largest shareholders are the Employees Provident Fund and Kumpulan Wang Persaraan (Diperbadankan) or KWAP.

Meanwhile, Serba Dinamik non-inde-

pendent executive director Datuk Syed Nazim Syed Faisal said the board had already wanted KPMG to resign prior to Abdul Kadier’s proposal.

“The board actually requested for KPMG to resign, however, they had refused to do so,” he said, adding that although the company had already replied to KPMG’s earlier queries, the auditors had yet to respond to its explanations.

Abdul Karim said he believed that Serba Dinamik has done “nothing wrong.”

“We are firm in the facts that we have put forward.”

He said that it was something “very peculiar” and “abnormal” in that independent directors were the first to be approached by KPMG when the issues had surfaced.

“As I mentioned, when these issues had been found, the management by right should have been the party to address them first but the external auditors went to the independent directors first and briefed them.

“They are not involved in the day-to-day operations and will not be able to explain,” he said.

He said Serba Dinamik’s management had engaged shareholders and stakeholders in recent days to explain the issues at hand.

“I believe the company has strong fundamentals; we have done what we are supposed to do, in terms of governance ... now it is up to the market to decide but we do hope that the explanations can help to put the counter in a stable situation,” Abdul Karim said, when asked whether the issue had affected investor confidence on the stock.

Serba Dinamik last traded at RM1.61 prior to its suspension on Thursday and Friday in view of this unexpected development at the company.

At RM1.61 per share, the entire company is valued at a little more than RM6bil, making it one of the larger oil and gas-related companies listed on Bursa Malaysia.