

# MINORITY SHAREHOLDERS WATCH GROUP

BADAN PENGAWAS PEMEGANG SAHAM MINORITI BERHAD  
(Incorporated in Malaysia – Registration No.: 200001022382 (524989-M))  
The Edge – April 18 - 24, 2022

## Timeline of Serba Dinamik's audit saga

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### 2021

**May 25** – Serba Dinamik files a short statement on Bursa Malaysia that it has been informed by its external auditor KPMG on some statutory audit matters and that it is in the midst of appointing an independent party to commence a special independent review (SIR) on the matter. This is two weeks after the group announced the change of its financial year end to June 30, 2021 from Dec 31, 2020.

**May 26** – Serba Dinamik's largest shareholder and group CEO Datuk Abdul Karim Abdullah says the company had taken steps to address the matter prior to the announcement

**May 27** – Karim says Bursa Securities had been consulted prior to opting for the SIR

**May 28** – Serba Dinamik's substantial shareholder and independent director Datuk Abdul Kadier Sahib requests the removal of KPMG as auditor and the appointment of BDO instead. The request is called off on June 2.

**May 29** – Serba Dinamik reveals the audit issues raised by KPMG. They involve transactions and receivables amounting to at least RM3.5 billion.

**June 14-17** – Serba Dinamik announces the appointment of new independent directors led by new chairman Datuk Mohamed Ilyas Pakeer Mohamed

**June 22** – Serba Dinamik's revamped board of directors sues KPMG, which results in the latter's resignation as its external auditor

**June 24** – Four independent directors resign in protest against the KPMG suit

**June 29-July 2** – EY's appointment as Serba Dinamik's independent reviewer is finalised

**Aug 2** – Serba Dinamik appoints Nexia SSSY PLT as its new external auditor, after receiving the nod from KPMG

**Oct 20** – Karim sells his entire holding of 55.9 million Serba Dinamik warrants

**Oct 22** – Bursa suspends the trading of Serba Dinamik's securities, and directs the company to reveal the factual findings of EY's independent review

**Oct 25** – Serba Dinamik denies its directors received any documents from EY that fit the description of 'factual findings' raised by Bursa

**Nov 8** – Serba Dinamik sues Bursa Malaysia for acting in excess of its power on the audit review matter

**Nov 9** – Serba Dinamik misses coupon payment for US\$300 million sukuk.

**Nov 10** – Serba Dinamik sues EY and seeks to block the auditor from revealing findings from the review to any party

**Nov 11** – Serba Dinamik fails to obtain an interim injunction against Bursa Malaysia and EY to stop them from releasing a report on the findings against the company

**Nov 12** – Serba Dinamik says it is committed to resolving bond coupon payment, with no intention to default

**Nov 24** – Serba Dinamik chairman Datuk Mohamed Ilyas Pakeer Mohamed and independent director Johan Mohamed Ishak resign, in protest against Bursa Malaysia's demands. Independent director Datuk Seri Mohamed Abu Hassan is redesignated as chairman.

**Nov 25** – Bursa Malaysia rejects Serba Dinamik's second request for extension to issue FY2020 annual report. Bintai Kinden deputy CEO Noor Azri Noor Azeral and accountant Abu Bakar Uzir are appointed as independent directors on Serba Dinamik's board.

**Nov 30** – High Court blocks the sharing of Serba Dinamik's SIR factual findings update through the court system

**Dec 8** – Serba Dinamik seeks to recuse Justice Datuk Ahmad Fairuz Zainol Abidin, on grounds that he had served in the SC in the past

**Dec 9** – High Court dismisses Serba Dinamik's application to recuse the presiding judge. Serba Dinamik's subsidiary SD International Sukuk Ltd defaults on US\$7 million semi-annual coupon payment on outstanding US\$222 million sukuk.

**Dec 14** – Serba Dinamik applies to expunge EY's findings update report which was submitted to Bursa Malaysia, claiming that it is 'documentary hearsay evidence'

**Dec 15** – Serba Dinamik says it sees significant financial impact from the US\$222 million sukuk default

**Dec 20** – Mohamed Abu Hassan steps down as chairman, citing 'biased regulatory prosecution aimed towards Serba Dinamik'. The group redesignates non-independent non-executive director Datuk Abdul

Kadler Sahib as its new chairman.

**Dec 28** – Serba Dinamik and top executives charged by SC for submitting a false statement to Bursa Malaysia

The SC secures a warrant of arrest for Serba Dinamik's CEO and group managing director Datuk Mohd Abdul Karim Abdullah

**Dec 29** – The SC charges Serba Dinamik's vice-president of accounts and finance Muhammad Hafiz Othman with allegedly creating fictitious sales

### 2022

**Jan 3** – Bursa Malaysia says that Serba Dinamik wanted to stop the disclosure of the factual findings update (FFU) partly because it referred to documents seized by the SC during its raid on the company

**Jan 6** – Serba Dinamik is classified as a Practice Note 17 (PN17) company, after its external auditor expresses a disclaimer of opinion on its audited financial statements for the 18-month financial period ended June 30, 2021

Serba Dinamik issues its outstanding annual report that includes the annual audited financial statements (AFS) together with the auditors' and directors' reports for the 18 months ended June 30, 2021.

**Feb 7** – Serba Dinamik is ordered by the High Court to reveal the FFU by EY Consulting

**Feb 8** – The High Court dismisses Serba Dinamik's bid to bring in the SC and Bursa Malaysia as parties in its injunction application

**Feb 10** – The High Court dismisses Serba Dinamik's application for

an injunction on Bursa Malaysia to prohibit the regulatory authority from forcing the company to release the FFU by EY Consulting

**Feb 14** – The High Court dismisses Serba Dinamik's formal application for a stay of the court's order for the oil and gas company to make public the FFU by EY Consulting on its financials

**Feb 16** – EY Consulting says Serba Dinamik had known from the day that it was appointed that Muhammad Syahrizal Abd Rahim, who is a partner in E&Y PLT and a registered auditor, would be conducting the SIR that was required

**March 8** – The High Court dismisses an originating summons by Serba Dinamik for an injunction to be imposed on EY Consulting to restrain it from sharing any findings or opinions of its SIR with Bursa Malaysia or other parties

**March 29** – Serba Dinamik stresses that it is not hiding an FFU on the company written by EY Consulting but cannot release it as the latter refuses to sign off on it

**April 6** – Serba Dinamik files for an appeal against the High Court's decision to dismiss the company's lawsuit against EY Consulting for misrepresentation, as well as its application to restrain the latter from sharing any findings or opinions from its SIR on Serba Dinamik with Bursa Malaysia or other parties

**April 13** – Bursa Malaysia initiates contempt proceedings against Serba Dinamik and its directors for failure to reveal the FFU of its special independent review undertaken by EY Consulting.