



**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> March 2021**

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

**1. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the quarter and period ended 31<sup>st</sup> March 2021**

a. Consolidated Profit or Loss and Other Comprehensive Income

	Individual quarter		Changes %	Cumulative quarter		Changes %
	3 months ended			15 months ended		
	Quarter ended	Quarter ended		Period ended	Period ended	
	31/03/21	31/03/20		31/03/21	31/03/20	
	RM'000	RM'000	RM'000	RM'000		
<b>Revenue</b>	<b>1,384,252</b>	-	<b>0.0%</b>	<b>7,398,327</b>	-	<b>0.0%</b>
Cost of sales/services	(1,148,752)	-		(6,108,977)	-	
<b>Gross profit</b>	<b>235,500</b>	-	<b>0.0%</b>	<b>1,289,350</b>	-	<b>0.0%</b>
Other operating income	1,358	-		20,879	-	
Administrative and other operating expenses	(49,178)	-		(212,006)	-	
<b>Results from operating activities</b>	<b>187,680</b>	-	<b>0.0%</b>	<b>1,098,223</b>	-	<b>0.0%</b>
Finance income	807	-		35,609	-	
Finance costs	(56,199)	-		(282,639)	-	
<b>Net finance costs</b>	<b>(55,392)</b>	-	<b>0.0%</b>	<b>(247,030)</b>	-	<b>0.0%</b>
Share of results of equity accounted associates	(5,031)	-		(17,601)	-	
<b>Profit before tax</b>	<b>127,257</b>	-	<b>0.0%</b>	<b>833,592</b>	-	<b>0.0%</b>
Tax expense	(14,737)	-		(88,985)	-	
<b>Profit for the quarter/period</b>	<b>112,520</b>	-	<b>0.0%</b>	<b>744,607</b>	-	<b>0.0%</b>
<b>Items that may be reclassified subsequently to profit and loss:</b>						
Foreign currency translation differences for foreign operations	54,065	-		8,354	-	
Share of other comprehensive Income/(loss) of equity accounted associates	(81)	-		117	-	
<b>Total comprehensive income for the quarter/period</b>	<b>166,504</b>	-	<b>0.0%</b>	<b>753,078</b>	-	<b>0.0%</b>
<b>Profit for the financial quarter/period attributable to:</b>						
Owners of the Company	113,318	-		745,063	-	
Non-controlling interest	(798)	-		(456)	-	
<b>Profit for the quarter/period</b>	<b>112,520</b>	-	<b>0.0%</b>	<b>744,607</b>	-	<b>0.0%</b>
<b>Total comprehensive income for the quarter/period attributable to:</b>						
Owners of the Company	167,259	-		753,569	-	
Non-controlling interest	(755)	-		(491)	-	
<b>Total comprehensive income for the quarter/period</b>	<b>166,504</b>	-	<b>0.0%</b>	<b>753,078</b>	-	<b>0.0%</b>

b. Earnings per share

	Individual quarter		Cumulative quarter	
	3 months ended		15 months ended	
	Quarter ended	Quarter ended	Period ended	Period ended
	31/03/21	31/03/20	31/03/21	31/03/20
<b>Basic (sen)</b>	<b>3.05</b>	<b>-</b>	<b>20.08</b>	<b>-</b>

Notes:

- i) The Group has changed its financial year end from 31<sup>st</sup> December to 30 June. As such, there will be no comparative financial information available for the financial period ended 31<sup>st</sup> March 2021.
- ii) The Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income, 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 31<sup>st</sup> December 2019 and the accompanying notes to the Interim Financial Statements.

2. Condensed Consolidated Statement of Financial Position as at 31<sup>st</sup> March 2021

	Unaudited	Audited
	At	At
	31/03/21	31/12/19
	RM'000	RM'000
<b>Assets</b>		
Property, plant and equipment	2,177,012	1,688,617
Right-of-use assets	451,844	248,120
Investment in associates	205,010	382,365
Other investments	25,254	14,516
Intangible assets	141,879	118,994
Deferred tax assets	242	255
<b>Total non-current assets</b>	<b>3,001,241</b>	<b>2,452,867</b>
Inventories	1,883,798	919,561
Contract assets	698,515	321,558
Trade and other receivables	1,921,379	1,256,132
Deposits and prepayments	203,238	108,916
Current tax assets	5,284	1,214
Other investments	52,675	51,172
Cash and cash equivalents	1,025,929	1,306,590
<b>Total current assets</b>	<b>5,790,818</b>	<b>3,965,143</b>
<b>Total assets</b>	<b>8,792,059</b>	<b>6,418,010</b>
<b>Equity</b>		
Share capital	2,291,512	1,344,347
Treasury shares	(28,502)	-
Merger reserve	(434,709)	(434,709)
Foreign currency translation reserve	21,009	12,503
Other reserves	44,994	45,266
Retained earnings	1,978,158	1,465,318
<b>Total equity attributable to owners of the Company</b>	<b>3,872,462</b>	<b>2,432,725</b>
Non-controlling interest	21,331	7,160
<b>Total equity</b>	<b>3,893,793</b>	<b>2,439,885</b>
<b>Liabilities</b>		
Trade and other payables	63,523	57,748
Lease liabilities	13,216	24,421
Deferred tax liabilities	59,173	30,906
Loans and borrowings	3,330,475	2,938,624
Employee benefits	493	691
<b>Total non-current liabilities</b>	<b>3,466,880</b>	<b>3,052,390</b>
Trade and other payables	593,328	402,657
Lease liabilities	23,493	58,450
Contract liabilities	134,722	35,736
Loan and borrowings	644,948	400,903
Current tax payable	34,895	27,989
<b>Total current liabilities</b>	<b>1,431,386</b>	<b>925,735</b>
<b>Total liabilities</b>	<b>4,898,266</b>	<b>3,978,125</b>
<b>Total equity and liabilities</b>	<b>8,792,059</b>	<b>6,418,010</b>
<b>Net assets per share (RM)</b>	<b>1.05</b>	<b>0.66</b>

**3. Condensed Consolidated Statement of Cash Flows for the period ended 31<sup>st</sup> March 2021**

	Unaudited	Unaudited
	31/03/21	31/03/20
	RM'000	RM'000
<b>Cash flow from operating activities</b>		
Profit before tax	<b>833,593</b>	-
Adjustment for :		
Depreciation of property, plant and equipment and right-of-use assets	279,765	-
Loss on disposal of property, plant and equipment	2,770	-
Net unrealised foreign exchange gain	(10,411)	-
Loss on disposal of associates	6,189	-
Share of loss/(profit) in equity-accounted associate, net of tax	17,601	-
Finance income	(35,609)	-
Finance costs	282,639	-
Employment benefits	(198)	-
Loss on disposal of trade receivables	10,814	-
Share of other comprehensive (income)/loss in equity accounted associates, net of tax	(117)	-
Operating profit before changes in working capital	1,387,036	-
<b>Changes in working capital:</b>		
Inventories	(670,756)	-
Trade and other receivables	(543,650)	-
Trade and other payables	173,496	-
Contract assets	(373,398)	-
Contract liabilities	97,865	-
<b>Cash generated from operations</b>	<b>70,593</b>	-
Profit or interest paid	(2,588)	-
Tax paid	(58,251)	-
<b>Net cash from operating activities</b>	<b>9,754</b>	-
<b>Cash flow from investing activities</b>		
Acquisition of subsidiaries, net of cash and cash equivalent	(9,420)	-
Acquisition of property, plant and equipment	(1,223,148)	-
Proceeds from issuance of new shares to non-controlling interests	14,710	-
Proceeds from disposal of subsidiaries	1,506	-
Proceeds from disposal of associates	166,949	-
Profit or interest received	35,609	-
Dividend received from equity accounted associates	235	-
Changes in fixed deposits pledged to banks	(26,951)	-
Changes in other investments	(127,808)	-
Acquisition of shares in associates	(21,565)	-
Advance to an associate	(75,525)	-
<b>Net cash used in investing activities</b>	<b>(1,265,408)</b>	-
<b>Cash flow from financing activities</b>		
Profit or interest paid	(263,110)	-
Proceeds from issuance of ordinary shares	947,165	-
Net proceeds from loans and borrowings	995,189	-
Net repayment of lease liabilities	(67,235)	-
Net repurchase of treasury shares	(28,502)	-
Net (repayment)/proceeds of Sukuk	(404,894)	-
Dividend paid to owners of the Company	(232,223)	-
<b>Net cash from financing activities</b>	<b>946,390</b>	-
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(309,264)</b>	-
Effect of exchange rate fluctuation on cash held	-	-
Cash and cash equivalents at beginning of year	1,264,687	-
<b>Cash and cash equivalents at end of year</b>	<b>955,423</b>	-
Fixed deposits placed with licensed banks	198,060	-
Cash and bank balances	827,868	-
	1,025,928	-
Less: Bank overdrafts	(7,647)	-
Less: Fixed deposits pledged	(62,858)	-
	<b>955,423</b>	-

4. Condensed Consolidated Statement of Changes in Equity for the period ended 31<sup>st</sup> March 2021

	Attributable to owners of the Company								Total equity RM'000
	Non-distributable					Distributable		Non-controlling interests RM'000	
	Share capital RM'000	Treasury shares RM'000	Merger reserve RM'000	Foreign currency translation reserve RM'000	Other reserves RM'000	Retained earnings RM'000	Total RM'000		
At 1 <sup>st</sup> January 2019	-	-	-	-	-	-	-	-	-
Foreign currency translation differences for foreign operations	-	-	-	-	-	-	-	-	-
Share of other comprehensive loss of an associate	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	-	-	-	-	-	-	-	-
Dividend paid to owners of the Company	-	-	-	-	-	-	-	-	-
Non-controlling interest of a new subsidiary acquired	-	-	-	-	-	-	-	-	-
Issuance of share by subsidiaries	-	-	-	-	-	-	-	-	-
Transfer to other reserve	-	-	-	-	-	-	-	-	-
<b>At 31<sup>st</sup> December 2019/1<sup>st</sup> January 2020</b>	<b>1,344,347</b>	-	<b>(434,709)</b>	<b>12,503</b>	<b>45,266</b>	<b>1,465,318</b>	<b>2,432,725</b>	<b>7,160</b>	<b>2,439,885</b>
Issue of ordinary shares	965,309	-	-	-	-	-	965,309	-	965,309
Share issue expenses	(18,144)	-	-	-	-	-	(18,144)	-	(18,144)
Own shares acquired	-	(36,887)	-	-	-	-	(36,887)	-	(36,887)
Own shares sold	-	8,385	-	-	-	-	8,385	-	8,385
Foreign currency translation differences for foreign operations	-	-	-	8,389	-	-	8,389	(35)	8,354
Share of other comprehensive income of an associate	-	-	-	117	-	-	117	-	117
Profit for the period	-	-	-	-	-	745,063	745,063	(456)	744,607
Total comprehensive (loss)/income for the period	-	-	-	8,506	-	745,063	753,569	(491)	753,078
Dividend paid to owners of the Company	-	-	-	-	-	(232,223)	(232,223)	-	(232,223)
Non-controlling interest of a new subsidiary acquired	-	-	-	-	-	-	-	3,855	3,855
Issuance of shares by subsidiaries	-	-	-	-	-	-	-	10,857	10,857
Disposal of a subsidiary	-	-	-	-	(272)	-	(272)	(50)	(322)
<b>At 31<sup>st</sup> March 2021</b>	<b>2,291,512</b>	<b>(28,502)</b>	<b>(434,709)</b>	<b>21,009</b>	<b>44,994</b>	<b>1,978,158</b>	<b>3,872,462</b>	<b>21,331</b>	<b>3,893,793</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.

On 7 May 2021, the Group has announced the change of financial year end from 31 December to 30 June. As such, there will be no comparative financial information available for the financial period ended 31<sup>st</sup> March 2021. The next audited financial statements shall be for a period of eighteen (18) months from 1 January 2020 to 30 June 2021 and thereafter, the financial year end shall be 30 June for each subsequent year.

The interim financial statements should be read in conjunction with the audited financial statements of Serba Dinamik Holdings Berhad and its subsidiaries ("**the Group**") for the financial year ended 31<sup>st</sup> December 2019.

### 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 year ended 31<sup>st</sup> December 2019 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 1 January 2020: -

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material Amendments to MFRS 11, Joint Arrangements*
- Amendments to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement* and MFRS 7 *Financial Instruments: Disclosure – Interest Rate Benchmark Reform*

For the financial period beginning on or after 1 June 2020: -

- Amendment to MFRS 16, *Leases – Covid-19 – Related Rent Concessions*

For the financial period beginning on or after 1 January 2021: -

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

For the financial period beginning on or after 1 April 2021: -

- Amendments to MFRS 16, *Leases – Covid-19 – Related Rent Concessions beyond 30 June 2021*

**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>
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 3, Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, Leases (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
Amendments to MFRS 116, Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 141, Agriculture (Annual Improvements to MFRS Standards 2018-2020)	1 January 2022
MFRS 17, Insurance Contracts	1 January 2023
Amendments to MFRS 101, Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108, Accounting policies, Changes in Accounting estimates – Definition of Accounting Estimates	1 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 1 January 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 141 which are not applicable to the Group;
- from the annual period beginning on 1 January 2023 for amendments that are effective for annual periods beginning on or after 1 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.

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

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

**(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.

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**

There was no qualification to the audited financial statements of the Company and its subsidiaries for the financial year ended 31<sup>st</sup> December 2019.

**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**

- i) In March 2020, the Company made a multiple repurchased transaction of shares totalling to 18,779,000 shares from its issued share capital in the open market at a range of average price RM1.27 to RM1.97 per share. The total consideration paid was RM31,865,817. The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.



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

**A7. Debt and equity securities (Cont'd)**

- ii) On 5 May 2020, the Company has completed the private placement exercise, in which the Company has issued 306,507,000 new shares with an issue price of RM1.49 per placement share.
- iii) On 28 October 2020, the Group has completed its undertaking on optional redemption of the Trust Certificates from the holder of USD300 million Trust Certificates due 2020 ("Series 1 Certificates") and USD200 million Trust Certificates due 2025 ("Series 2 Certificates") for cash on the terms and conditions contained in the tender offer memorandum dated 9 October 2020.

The Group has redeemed USD77.8 million from Series 1 Certificates and USD19.9 million from Series 2 Certificates. As such, the outstanding balance for the Trust Certificates are USD222.2 million for Series 1 Certificates and USD180.1 million for Series 2 Certificates.

- iv) In October and November 2020, the Company made a multiple repurchased transaction of shares totalling to 3,283,800 shares from its issued share capital in the open market at a range of average price RM1.50 to RM1.60 per share. The total consideration paid was RM5,020,880. The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.
- v) On 4 December 2020, the Company resale its share totalling to 4,500,000 shares from its repurchased share capital in the open market at a range of average price of RM1.84 to RM1.90 per share. The total consideration received was RM8,384,798. The shares resale are offsetted against the existing treasury shares.
- vi) On 3 February 2021, the Company has completed the private placement exercise, in which the Company has issued 336,830,000 new shares with an issue price of RM1.51 per placement share.

Other than the above, there were no unusual items affecting the debt and equity securities for the current financial period other than disclosed in Note A8.

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

The Board had previously agreed to conduct a special independent review to address several matters arising out of KPMG's audit. Without prejudice to the ongoing civil suit with KPMG and the allegations therein, to address the market and regulator's concerns, the special independent review shall proceed as planned. At this juncture there will be no financial impact until the review is completed.



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

**A8. Significant events during the financial year and subsequent events (Cont'd)**

Other than disclosed in Note A7, A9 and B11, there were no significant events during the financial year and subsequent to financial period ended 31<sup>st</sup> March 2021.

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

- i) On 25 February 2020, the Group via Serba Dinamik Group Bhd ("SDGB"), a wholly owned subsidiary of the Company, has entered into a conditional Share Sale Agreement ("SSA") to acquire 20,000,000 ordinary shares representing 100% in Prestariang Education Sdn. Bhd. ("PESB") for a total cash consideration of RM2,500,000. Currently, PESB is license holder of University Malaysia Computer Science & Engineering ("UNIMY").
- ii) On 28 May 2020, Serba Dinamik International Ltd ("SDIL") has disposed 99% equity interest in Serba Dinamik International Petroleum Services Company W.L.L for cash consideration of BHD462,968 approximately equivalent to RM5.4 million.
- iii) On 12 June 2020, SDIL has acquired 80% equity interest of Wellahead Engineering Ltd for a cash consideration of £1.5 million which is equivalent to approximately RM8.09 million.
- iv) On 7 July 2020, SDIL has disposed 25.2% equity interest in CSE Global Ltd in the open market on the Singapore Stock Exchange, for a cash consideration of approximately SGD57.67 million equivalent to RM177.33 million.
- v) On 7 May 2021, the Group via Serba Dinamik Group Bhd ("SDGB"), a wholly owned subsidiary of the Company, has sponsored a special purpose acquisition company ("SPAC"), Data Knights Acquisition Corporation which listed on the Nasdaq Capital Market ("NASDAQ") with total investment approximately USD5.8 million.

**A10. Contingent assets and liabilities**

There were no material changes in contingent liabilities or contingent assets arising since the last audited financial statements for the financial year ended 31<sup>st</sup> December 2019.

**A11. Capital commitments**

Capital commitments of the Group in respect of property, plant and equipment as 31<sup>st</sup> March 2021 are as follows: -

<b>Land and Building</b>	<b>RM'000</b>
Approved and contracted for	192,535

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

**A12. Tax expense**

Tax expense comprises the following:

	Individual quarter		Cumulative quarter	
	3 months ended		15 months ended	
	Quarter ended 31/03/21	Quarter ended 31/03/20	Period ended 31/03/21	Period ended 31/03/20
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense:</b>				
Malaysian taxation	13,388	-	67,588	-
Overseas taxation	1,160	-	1,824	-
<b>Total current tax expense</b>	<b>14,548</b>	<b>-</b>	<b>69,412</b>	<b>-</b>
Deferred tax expense	189	-	19,573	-
<b>Total tax expense</b>	<b>14,737</b>	<b>-</b>	<b>88,985</b>	<b>-</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 year. Income tax for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

The Group has few Labuan companies which are govern 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 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.

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**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 year**

	Revenue		Gross profit		Variance	
	Quarter ended		Quarter ended		Revenue	Gross profit
	31/03/21	31/03/20	31/03/21	31/03/20		
	RM'000	RM'000	RM'000	RM'000	%	%
<b>Business Segments:</b>						
O&M	1,252,539	-	214,580	-	-	-
EPCC	99,315	-	14,206	-	-	-
ICT	30,788	-	5,951	-	-	-
E&T	1,610	-	763	-	-	-
<b>Group revenue/ Gross profit</b>	<b>1,384,252</b>	<b>-</b>	<b>235,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
Corporate expenses and elimination			(108,243)	-		-
<b>Profit Before Tax</b>			<b>127,257</b>	<b>-</b>		<b>-</b>

For the quarter ended 31<sup>st</sup> March 2021 ("Q5FY21"), the Group recorded revenue of RM1,384.3 million with gross profit of RM235.5 million. Gross profit margin stood at 17.0% for the current quarter. The composition of revenue is mainly contributed by strong activities from O&M and EPCC segment with 90.5% and 7.2% contribution respectively. The Group also recorded profit before tax of RM127.3 million in Q5FY21.

O&M segment consists of MRO and IRM activities which mainly contributed from operations in Middle East region such as Qatar, UAE and Oman, followed by Malaysia. The segment recorded revenue of RM1,252.5 million, gross profit of RM214.6 million and gross profit margin of 17.1%.

EPCC segment contributed RM99.3 million of revenue to the Group's current quarter result, which mainly derived from various contracts in Malaysia and UAE. The Group recorded RM14.2 million gross profit and gross profit margin of 14.3%.

The Group is actively expanding its ICT business activities worldwide by providing services relating to customised solutions involving software developments and also Extended Reality ("XR") training applications. With these activities, the Group captured revenue of RM30.8 million and gross profit of RM6.0 million for Q5FY21.

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

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

**i) Current quarter vs Corresponding quarter of the preceding year (Cont'd)**

E&T segment contributed RM1.6 million of revenue in Q5FY21, mainly derived from one of its subsidiaries, Serba Dinamik Education Sdn. Bhd. (formerly known as Prestariang Education Sdn. Bhd.) which is known as University Malaysia of Computer Science & Engineering ("UNIMY"). UNIMY will be an ICT education platform to nurture graduates specialising in ICT industry.

**ii) Current quarter vs immediate preceding quarter**

	Revenue		Gross profit		Variance	
	Quarter ended		Quarter ended		Revenue	Gross profit
	31/03/21	31/12/20	31/03/21	31/12/20		
	RM'000	RM'000	RM'000	RM'000	%	%
<b>Business Segments:</b>						
O&M	1,252,539	1,497,066	214,580	255,250	(16.3)	(15.9)
EPCC	99,315	203,025	14,206	29,047	(51.1)	(51.1)
ICT	30,788	113,011	5,951	22,321	(72.8)	(73.3)
E&T	1,610	2,546	763	1,177	(36.8)	(35.2)
<b>Group revenue/ gross profit</b>	<b>1,384,252</b>	<b>1,815,648</b>	<b>235,500</b>	<b>307,795</b>	<b>(23.8)</b>	<b>(23.5)</b>
Corporate expenses and elimination			(108,243)	(80,471)		(34.5)
<b>Profit before tax</b>			<b>127,757</b>	<b>227,324</b>		<b>(43.8)</b>

For quarter ended 31<sup>st</sup> March 2021, the group recorded revenue of RM1,384.3 million, a decrease of 23.8% from immediate preceding quarter ("Q4FY21") which is mainly due to slower activity in Malaysia given the recent Movement Control Order ("MCO") imposed in several states within the country. Overall gross profit stood at RM235.5 million, with a reduction of RM72.3 million against Q4FY21.

O&M segment remain as the largest contributor to the Group's revenue in both Q5FY21 and Q4FY21 with 90.5% and 82.5% respectively. The gross profit margin remains at 17.1% as compared to immediate preceding quarter.

EPCC segment in Q5FY21 shows decline as compared to Q4FY21 with a decrease of 51.1% from RM203.0 million in Q4FY21 to RM99.3 million in Q5FY21. This is mainly due to slower EPCC activities in countries of Malaysia and UAE. The gross profit margin yield at a constant of 14.3%.

**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 (Cont'd)**

ICT segment registered its revenue of RM30.8 million and gross profit of RM6.0 million in the current quarter. Revenue for ICT segment is mainly contributed by work performed in related to customised solutions involving software development in countries such as UAE and Qatar.

E&T segment recorded revenue and gross profit of RM1.6 million and RM0.8 million respectively for current quarter. It has decreased by RM0.9 million in revenue and RM0.4 million of gross profit comparing to Q4FY21.

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

	Revenue		Gross profit		Variance	
	Period ended		Period ended		Revenue	Gross profit
	31/03/21	31/03/20	31/03/21	31/03/20		
	RM'000	RM'000	RM'000	RM'000	%	%
<b>Business Segments:</b>						
O&M	6,296,099	-	1,114,002	-	-	-
EPCC	690,221	-	101,809	-	-	-
ICT	406,825	-	71,085	-	-	-
E&T	5,182	-	2,454	-	-	-
<b>Group revenue/ gross profit</b>	<b>7,398,327</b>	<b>-</b>	<b>1,289,350</b>	<b>-</b>	<b>-</b>	<b>-</b>
Corporate expenses and elimination			(455,758)	-		-
<b>Profit before tax</b>			<b>833,592</b>	<b>-</b>		<b>-</b>

The group's year to date ("YTD") revenue and gross profit margin recorded a total of RM7,398.3 million. The gross profit margin yield at 17.7% in current year. 85.1% of the group's revenue contributed by O&M segment, followed by 9.3% from EPCC segment and remaining 5.6% from ICT and E&T segment.

O&M segment contributed RM6,296.1 million to the group's revenue which mainly derived from works performed in Malaysia, Qatar and UAE. The gross profit stood at RM1,114.0 million or 17.7% of gross profit margin for the financial period ended 31<sup>st</sup> March 2021.

Revenue and gross profit of EPCC segment recorded RM690.2 million and RM101.8 million respectively which mainly contributed from contracts in Malaysia, UAE and Tanzania. The gross profit margin yield at 14.8% in current period.

**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 (Cont'd)**

Activities from both ICT and E&T captured revenue at RM406.8 million and RM5.1 million respectively. The gross profit for ICT segment recorded at RM71.1 million with margin of 17.5% while E&T segment recorded gross profit and gross profit margin of RM2.5 million and 47.4% respectively.

The group registered its profit before tax of RM833.0 million after corporate elimination and expenses of RM456.5 million.

**iv) Segmental Revenue by countries**

	Individual quarter		Cumulative quarter	
	3 months ended		15 months ended	
	31/03/21	31/03/20	31/03/21	31/03/20
	RM'000	RM'000	RM'000	RM'000
Malaysia	409,306	-	2,296,430	-
Indonesia	21,111	-	183,359	-
Laos	2,353	-	8,664	-
<b>South East Asia</b>	<b>432,770</b>	<b>-</b>	<b>2,488,453</b>	<b>-</b>
Turkmenistan	36,861	-	135,941	-
India	60	-	42,974	-
Uzbekistan	-	-	16,010	-
Sri Lanka	3,915	-	16,700	-
<b>Central and South Asia</b>	<b>40,836</b>	<b>-</b>	<b>211,625</b>	<b>-</b>
Bahrain	129,274	-	559,509	-
UAE	183,366	-	1,412,239	-
Qatar	381,846	-	1,924,923	-
Oman	130,083	-	381,629	-
Kingdom of Saudi Arabia	64,281	-	269,881	-
Kuwait	9,298	-	74,857	-
<b>Middle East</b>	<b>898,148</b>	<b>-</b>	<b>4,623,038</b>	<b>-</b>
Tanzania	8,296	-	60,973	-
United Kingdom	4,202	-	14,238	-
<b>Total</b>	<b>1,384,252</b>	<b>-</b>	<b>7,398,327</b>	<b>-</b>

On geographical segmentation, Malaysia ranked as the biggest revenue contributor by country, recording a total of RM409.3 million for Q5FY21 or 29.6%. The revenue is mainly contributed by O&M and EPCC activities. Indonesia contributed 1.5% of total revenue for the quarter or RM21.1 million meanwhile Laos contributed RM2.4 million for the quarter.



**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 (Cont'd)**

The Middle East region continued to be the highest revenue contributor for the Group at regional level. Middle East contributed 64.9% of the overall revenue for the quarter or RM898.1 million. The revenue mainly contributed from Qatar and followed by UAE of RM381.8 million and RM183.3 million respectively. Part of UAE's revenue, Abu Dhabi Data Centre project contributed RM6.2 million in current quarter.

The Group's Central and South Asia region contributed revenue of RM40.8 million or 2.9% of total revenue for the Group, where mainly derived from country such as Turkmenistan and Sri Lanka amounting to RM36.8 million and RM3.9 million respectively.

Africa region through Tanzania contributed RM8.3 million to the Group or 0.6% of current quarter revenue while Europe contributed RM4.2 million or 0.3% of revenue.

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

Malaysian economy recorded a smaller decline of 0.5% in the 1Q2021 (4Q2020: -3.4%). The growth performance was supported mainly by the improvement in domestic demand and robust exports performance, particularly for E&E products. Growth was also supported by the continued policy measures. The imposition of the Second Movement Control Order (MCO 2.0) and the continued closure of international borders and restrictions on inter-state travel, however, weighed on economic activity. Nevertheless, as restrictions were eased in February and March, economic activity gradually picked up. All economic sectors registered an improvement, particularly in the manufacturing sector. On the expenditure side, growth was driven by better private sector spending and strong growth in trade activity.

IMF in their recent report stated that global growth is projected to grow 6.0% in 2021 and 4.4% in 2022, an upward revision of 0.5% for 2021 and 0.2% for 2022 compared to previous forecast. The upward revision for 2021 and 2022 is mainly reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic via effectiveness of policy actions to limit persistent economic damage, the evolution of financial conditions and commodity prices and the adjustment capacity of the economy.

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

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

On the Oil and Gas front, oil prices were higher on average in March 2021, more optimistic about the global oil demand outlook and were anticipating a rapid tightening of oil market fundamentals amid restrained global oil supplies. Positive market sentiment strengthened further amid signs that oil consumption is recovering in major economies along with improving mobility data in Europe and North America. The oil market was also driven by a firm US equity market after the US stimulus bill was signed into law. This is expected to boost the economy and oil demand, as well as benefit global industrial production and trade.

The Group constantly put our effort to secure new prospects both locally and international market. Recent announcement in March 2021 shown our pledge to ensure there are flow of activities moving forwards. The Group has been awarded with 2 O&M and 3 ICT contracts in countries such as India, Indonesia and Malaysia. This also shows our ability continuously to procure new ICT contracts as part of our initiative reducing reliance on oil and gas industry.

Another initiative to increase non-oil and gas industry exposure, the Group has also embarked into space industry. For a start, the Group aim to render downstream services in space sector which taking initiatives to improve connectivity for rural community in Malaysia. The Group will provide solutions towards the digital divide such as rural satellite broadband connectivity towards unserved and underserved areas focusing on Peninsular Malaysia, Sabah, Sarawak and Borneo region. Apart from that, the Group is exploring to increase its capabilities in high value engineering services through various strategic collaboration program to serve the upstream sector especially in Low-Earth Orbit ("LEO") space activities that includes in-orbit and on-orbit servicing, spacecraft component manufacturing, space control & ground station, and commercial launch services with concurrent local initiatives for capacity building under New Space Economy NEXUS ("NSEN"). NSEN is a multi-collaboration with 7 local universities including Group's wholly-owned UNIMY that will be function as a knowledge and technology transfer hub. This collaboration target to create an opportunity for more industry players to form collaborations with universities and venturing into the new space economy that can support Malaysian Space Ecosystem.

**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 Group also sponsored a special purpose acquisition company ("SPAC"), Data Knights Acquisition Corporation which listed on the Nasdaq Capital Market ("NASDAQ") with total investment approximately USD5.8 million. SPAC is a special investment company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or similar business combination with one or more businesses. Pursuant to this sponsorship, the Group will be in a good position to benefit from the attractive returns in view of its early entry into the Company while at the same time create opportunities for the group to expand its business activities into the US market with access to larger pool of investors especially for technology related businesses.

Moving forward, the Group still believe O&M segment will be core contributor to the Group, EPCC segment will contribute sizeably, and ICT segment will be key of growth. Geographically, Middle East and South East Asia will remain key contributor to the Group meanwhile to enlarge its presence in Central and South Asia and Africa as the Group see more prospects within this region. Overall, the Group is optimistic moving forward, however remain cautious barring unforeseen circumstances should the current pandemic Covid-19 prolongs.

*Sources:*

- *BNM Quarterly Bulletin, Bank Negara Malaysia;*
- *World Economic Outlook Update April 2021, IMF;*
- *OPEC Monthly Oil Market Report April 2021, OPEC*

**(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.

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

**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 5 May 2020**

The gross proceeds from the Private Placement of RM456.7 million shall be utilised in the following manner:

Details of utilisation of proceeds	Estimated timeframe for utilisation	RM '000	Actual Utilisation		% Utilised
			RM '000	%	
Partial repayment of bank borrowings	Within 24 months	200,000	43.8	200,000	100.0
Working capital	Within 12 months	245,555	53.8	245,555	100.0
Estimated private placement expenses	Immediately	(1) 11,140	2.4	11,140	100.0
<b>Total gross proceeds</b>		<b>456,695</b>	<b>100.0</b>	<b>456,695</b>	<b>100.0</b>

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 23 April 2020.

Notes:

- (1) The actual expense in relation to the General Mandate Placement was RM10.61 million. The excess of RM0.53 million was reallocated and fully utilised for working capital requirement.

**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)**

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:

**(ii) 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	Actual Utilisation			
		RM '000	%	RM '000	% Utilised
Partial repayment of bank borrowings	Within 6 months	100,000	19.7	15,192	15.2
Capital expenditure	Within 24 months	100,000	19.7	1,046	1.0
Working capital	Within 12 months	296,223	58.2	63,922	21.6
Estimated private placement expenses	Immediately	(2) 12,390	2.4	12,390	100.0
<b>Total gross proceeds</b>		<b>508,613</b>	<b>100.0</b>	<b>92,550</b>	<b>18.2</b>

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

Notes:

(2) 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.

**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)**

**(iii) Certificate of Completion and Compliance (“CCC”)**

As disclosed in the Prospectus dated 30 December 2016, for properties where application of CCC is required to be made within 12 months from the date of the Listing. All applications have been made accordingly and are currently pending approval from the relevant authorities as detailed below:

No.	Details	Status
1.	Lot 5845, Block 5 Kuala Baram Land District, Kuala Baram/ Lutong Road, Miri, Sarawak	Application was submitted on 19 September 2017 and approval is expected to be obtained within 12 to 24 months from the date of application. The approval process is still ongoing, the Group has obtained extension for another 36 months to complete the approval process.
2.	Service centre on Lot No. 3B (1R1/05), Ranca-ranca Light Industrial Estate, off Jalan Ranca-ranca, Federal Territory of Labuan	Application was submitted on 20 December 2017 and approval is expected to be obtained within 12 to 24 months from the date of application. Notwithstanding, the Group was informed that the success of the application may be subject to further renovation to be carried out in the current service centre.  In the meantime, the Group is in the midst of looking for a new facility that already has CCC to replace current service centre.

**B5. Other Operating Income**

The Group's other operating income for the quarter/period ended 31<sup>st</sup> March 2021 are as follows:

	Individual quarter		Cumulative quarter	
	3 months ended		15 months ended	
	31/03/21 RM'000	31/03/20 RM'000	31/03/21 RM'000	31/03/20 RM'000
Foreign Exchange gain	477	-	17,677	-
Rental Income	115	-	1,967	-
Others	766	-	1,235	-
<b>Total</b>	<b>1,358</b>	<b>-</b>	<b>20,879</b>	<b>-</b>

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

**B6. Trade and Other Receivables**

The Group's trade receivables ageing analysis as at 31<sup>st</sup> March 2021 are as follows:

In RM'000	31/03/21		31/12/19	
	Amount RM'000	%	Amount RM'000	%
Not past due	1,619,008	84.3	1,121,163	89.3
0 – 30 days past due	60,201	3.1	24,201	1.9
31 – 120 days past due	28,081	1.5	19,012	1.5
Past due more than 120 days	54,261	2.8	39,935	3.2
Total Trade Receivables	1,761,551	91.7	1,204,311	95.9
Other Receivables	159,828	8.3	51,821	4.1
<b>Total Trade and Other Receivables</b>	<b>1,921,379</b>	<b>100.0</b>	<b>1,256,132</b>	<b>100.0</b>

The Group normal credit period is between 30 to 90 days from the date of invoice. Other credit terms are assessed and approved on a case-by-case basis.

**B7. Financing/ Borrowings**

The Group's financing/ borrowings as at 31<sup>st</sup> March 2021 are as follows:

In RM'000	As at 31 <sup>st</sup> March 2021					
	Long term		Short term		Total borrowings	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Secured	-	382,744	1,298	267,294	1,298	650,038
Unsecured	2,098,944	848,787	175,490	200,866	2,274,434	1,049,653
In RM'000	As at 31 <sup>st</sup> December 2019					
	Long term		Short term		Total borrowings	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Secured	188	149,144	202,920	107,983	203,108	257,127
Unsecured	2,010,467	778,825	-	90,000	2,010,467	868,825

Financing/ Borrowings denominated in foreign currency are as follows:

Currency	31/03/21 RM'000	31/12/19 RM'000
USD	2,274,434	2,209,424
IDR	1,298	4,151

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.

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

**B8. Significant related party transactions**

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

	Cumulative quarter	
	15 months ended	
Nature of transaction	31/03/21 RM'000	31/03/20 RM'000
Contractor charges	30	-
Professional service charges	23,325	-
Revenue from operation and maintenance	(58)	-

(b) The following transactions were with associates.

	Cumulative quarter	
	15 months ended	
Nature of transaction	31/03/21 RM'000	31/03/20 RM'000
Revenue from engineering, procurement, construction and commissioning project	(24,970)	-
Contract revenue	(114,430)	-

**B9. 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.

**B10. Material Impairment of Assets**

There is no material impairment of assets by the Group for the quarter ended 31<sup>st</sup> March 2021.

**B11. 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.



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

**B11. Material litigation (Cont'd)**

On 22 June 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 year ending 30 June 2021. Both WOS and SOC are not expected to have any business and operational impacts on the Company.

**B12. Dividend**

The total dividends for the financial period ended 31<sup>st</sup> March 2021 is 5.45 sen per ordinary share.

**B13. Earnings per ordinary share**

**Basic earnings per ordinary share**

The calculation of basic earnings per share at 31<sup>st</sup> March 2021 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary share outstanding, calculated as follows:

	Individual quarter		Cumulative quarter	
	3 months ended		15 months ended	
	31/03/21	31/03/20	31/03/21	31/03/20
	RM'000	RM'000	RM'000	RM'000
Profitable attributable to ordinary shareholders	113,318	-	745,063	-
Weighted average number of ordinary shares	3,709,624	-	3,709,624	-
<b>Basic earnings per ordinary share (sen)</b>	<b>3.05</b>	<b>-</b>	<b>20.08</b>	<b>-</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)**

**B14. Profit for the quarter/period**

This is arrived after (charging)/crediting

	<b>Individual quarter ended</b>	<b>Cumulative quarter</b>
	<b>3 months ended</b>	<b>15 months ended</b>
	<b>31/03/21</b>	<b>31/03/21</b>
	<b>RM'000</b>	<b>RM'000</b>
Finance income	807	35,609
Finance expense	(56,199)	(282,639)
Depreciation and amortization	(63,635)	(279,765)

By order of the Board

Shah Alam, Selangor Darul Ehsan

25<sup>th</sup> June 2021