



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

**QUARTERLY REPORT ON THE
CONSOLIDATED RESULTS
FOR THE QUARTER AND PERIOD ENDED
31st MARCH 2022**

(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 2022

a. Consolidated Profit or Loss and Other Comprehensive Income

	Individual quarter		Changes %	Cumulative quarter		Changes %
	Quarter ended 31/3/22	Quarter ended 31/3/21		Period ended 31/3/22	Period ended 31/3/21	
	RM'000	RM'000		RM'000	RM'000	
Revenue	205,484	-	0.0%	1,181,970	-	0.0%
Cost of sales/services	(282,704)	-		(1,356,122)	-	
Gross loss	(77,220)	-	0.0%	(174,152)	-	0.0%
Other operating income	4,165	-		15,227	-	
Administrative and other operating expenses	(316,047)	-		(441,922)	-	
Results from operating activities	(389,102)	-	0.0%	(600,847)	-	0.0%
Finance income	296	-		1,872	-	
Finance costs	(41,245)	-		(158,545)	-	
Net finance costs	(40,949)	-	0.0%	(156,673)	-	0.0%
Share of results of equity accounted associates	(2,634)	-		(6,774)	-	
Loss before tax	(432,685)	-	0.0%	(764,294)	-	0.0%
Tax expense	1,621	-		(2,183)	-	
Loss for the quarter/period	(431,064)	-	0.0%	(766,477)	-	0.0%
Items that may be reclassified subsequently to profit and loss:						
Foreign currency translation differences for foreign operations	(16,553)	-		(9,742)	-	
Share of other comprehensive income/(loss) of equity accounted associates	-	-		2,434	-	
Total comprehensive loss for the quarter/period	(447,617)	-	0.0%	(773,785)	-	0.0%
Loss for the financial quarter/period attributable to:						
Owners of the Company	(434,189)	-		(766,631)	-	
Non-controlling interest	3,125	-		154	-	
Loss for the quarter/period	(431,064)	-	0.0%	(766,477)	-	0.0%
Total comprehensive loss for the quarter/period attributable to:						
Owners of the Company	(437,833)	-		(760,803)	-	
Non-controlling interest	(9,784)	-		(12,982)	-	
Total comprehensive loss for the quarter/period	(447,617)	-	0.0%	(773,785)	-	0.0%

b. Earnings per share

	Individual quarter		Cumulative quarter	
	Quarter ended 31/3/22	Quarter ended 31/3/21	Period ended 31/3/22	Period ended 31/3/21
	Basic (sen)	-11.70	-	-20.67

Notes:

- i) The Group has changed its financial year end from 31st December to 30th June. As such, there will be no comparative financial information available for the financial period ended 31st March 2022.
- ii) 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 period ended 30th June 2021 and the accompanying notes to the interim financial statements.

2. **Condensed Consolidated Statement of Financial Position as at 31st March 2022**

	Unaudited	Audited
	At	At
	31/3/22	30/06/21
	RM'000	RM'000
Assets		
Property, plant and equipment	2,020,228	2,208,686
Right-of-use assets	437,910	453,655
Investment in associates	133,670	193,342
Other investments	52,578	56,561
Intangible assets	97,304	146,284
Deferred tax assets	372	606
Total non-current assets	2,742,062	3,059,134
Inventories	1,717,875	1,552,428
Contract assets	547,197	671,206
Trade and other receivables	1,687,053	1,638,971
Deposits and prepayments	120,601	248,113
Current tax assets	9,075	8,023
Other investments	-	53,191
Cash and cash equivalents	74,385	497,412
Total current assets	4,156,186	4,669,344
Total assets	6,898,248	7,728,478
Equity		
Share capital	2,291,512	2,291,512
Treasury shares	(28,502)	(28,502)
Merger reserve	(434,710)	(434,709)
Foreign currency translation reserve	32,167	26,338
Other reserves	44,994	44,994
Retained earnings	290,626	1,057,257
Total equity attributable to owners of the Company	2,196,087	2,956,890
Non-controlling interest	(571)	12,412
Total equity	2,195,516	2,969,302
Liabilities		
Trade and other payables	63,523	63,523
Lease liabilities	5,967	12,663
Deferred tax liabilities	60,957	59,979
Loans and borrowings	2,092,481	2,291,390
Employee benefits	189	513
Total non-current liabilities	2,223,117	2,428,068
Trade and other payables	841,347	494,194
Lease liabilities	23,359	23,800
Contract liabilities	128,053	132,815
Loan and borrowings	1,462,291	1,648,564
Current tax payable	24,565	31,735
Total current liabilities	2,479,615	2,331,108
Total liabilities	4,702,732	4,759,176
Total equity and liabilities	6,898,248	7,728,478
Net assets per share (RM)	0.59	0.80

3. **Condensed Consolidated Statement of Cash Flows for the period ended 31st March 2022**

	Unaudited	Unaudited
	31/03/22	31/03/21
	RM'000	RM'000
Cash flow from operating activities		
Loss before tax	(764,294)	-
Adjustment for :		
Depreciation of property, plant and equipment and right-of-use assets	206,101	-
Amortisation of intangible assets	50,103	-
Net unrealised foreign exchange loss	3,698	-
Loss on disposal of associates	25,157	-
Share of loss in equity-accounted associate, net of tax	6,774	-
Finance income	(1,872)	-
Finance costs	158,545	-
Employment benefits	(324)	-
Loss on disposal of trade receivables (factoring)	1,881	-
Share of other comprehensive loss in equity accounted associates, net of tax	(2,434)	-
Impairment of investment in subsidiary	(1,124)	-
Impairment of trade receivables	278,146	-
Operating loss before changes in working capital	(39,643)	-
Changes in working capital:		
Inventories	(165,447)	-
Trade and other receivables	(179,796)	-
Trade and other payables	284,657	-
Contract assets	124,189	-
Contract liabilities	(4,763)	-
Cash generated from operations	19,197	-
Profit or interest paid	(3,167)	-
Tax paid	(9,193)	-
Net cash from operating activities	6,837	-
Cash flow from investing activities		
Acquisition of property, plant and equipment	(9,917)	-
Profit or interest received	1,872	-
Dividend received from equity accounted associates	400	-
Changes in fixed deposits pledged to banks	51,742	-
Changes in other investments	57,174	-
Disposal of associates	26,500	-
Advance to an associate	(17,164)	-
Net cash used in investing activities	110,607	-
Cash flow from financing activities		
Profit or interest paid	(94,423)	-
Net proceeds from loans and borrowings	(387,603)	-
Net repayment of lease liabilities	(6,626)	-
Net cash from financing activities	(488,652)	-
Net decrease in cash and cash equivalents	(371,208)	-
Effect of exchange rate fluctuation on cash held	-	-
Cash and cash equivalents at beginning of period	434,955	-
Cash and cash equivalents at end of period	63,747	-
Fixed deposits placed with licensed banks	41,651	-
Cash and bank balances	32,734	-
	74,385	-
Less: Bank overdrafts	(7,634)	-
Less: Fixed deposits pledged	(3,004)	-
	63,747	-

4. **Condensed Consolidated Statement of Changes in Equity for the period ended 31st March 2022**

	Attributable to owners of the Company								
	←----- Non-distributable ----->					-----> Distributable			
	Share capital	Treasury shares	Merger reserve	Foreign currency translation reserve	Other reserves	Retained earnings	Total	Non-controlling interests	Total equity
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 st January 2020	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
At 30th June 2021/1st July 2021	2,291,512	(28,502)	(434,709)	26,338	44,994	1,057,257	2,956,890	12,412	2,969,302
Foreign currency translation differences for foreign operations	-	-	-	3,394	-	-	3,394	(13,135)	(9,741)
Share of other comprehensive income of an associate	-	-	-	2,434	-	-	2,434	-	2,434
Loss for the period	-	-	-	-	-	(766,631)	(766,631)	154	(766,477)
Total comprehensive (loss)/income for the year	-	-	-	5,828	-	(766,631)	(760,803)	(12,981)	(773,784)
At 31st March 2022	2,291,512	(28,502)	(434,709)	32,166	44,994	290,626	2,196,087	(569)	2,195,518

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 31st December to 30th June. As such, there will be no comparative financial information available for the financial period ended 31st March 2022.

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 period ended 30th June 2021.

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 June 2021 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)*

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. Other considerations were that in view of the timing of Nexia SSY PLT's appointment, the auditor not in a position to observe the counting of physical inventories at the end of the period. Alternative means to verify the inventory quantities held at 30 June 2021 is still pending. Additionally, there are significant matters which the auditor require that are outstanding at the date of the report and the auditor has not been able to compile sufficient appropriate audit evidence to provide a basis for the audit opinion. Kindly refer to the Group's financial statement for more detail on auditors' report.

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 A8.

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

A8. Significant events during the financial period 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.

Other than disclosed in Note A7, A9 and B10, there were no other significant events during the financial period and subsequent to financial period ended 31st March 2022.

A9. Changes in the composition of the Group

- i) On 07 Jan 2022, Serba Dinamik Sdn Bhd ("SDSB"), a wholly on subsidiary of the Company has disposed 40% equity interest in Konsortium KAJV Sdn Bhd with a cash consideration of RM14 million.
- ii) On 14 Jan 2022, Serba Dinamik Sdn Bhd ("SDSB"), a wholly on subsidiary of the Company has disposed 30% equity interest in Adat Sanjung Sdn Bhd with a cash consideration of RM12.5 million.

A10. Contingent assets and liabilities

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 2021.

A11. Capital commitments

Capital commitments of the Group in respect of property, plant and equipment as 31st March 2022 are as follows: -

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

(The rest of the page is left intentionally blank)

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	
	Quarter ended 31/03/22	Quarter ended 31/03/21	Period ended 31/03/22	Period ended 31/03/21
	RM'000	RM'000	RM'000	RM'000
Current tax expense:				
Malaysian taxation	(1,621)	-	1,312	-
Overseas taxation	-	-	-	-
Total current tax expense	(1,621)	-	1,312	-
Deferred tax expense	-	-	871	-
Total tax expense	(1,621)	-	2,183	-

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.

(The rest of the page is left intentionally blank)

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.

(The rest of the page is left intentionally blank)

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)
	31/03/22	31/03/21	31/03/22	31/03/21		
	RM'000	RM'000	RM'000	RM'000	%	%
Business Segments:						
O&M	193,744	-	(74,866)	-	-	-
EPCC	7,006	-	(2,867)	-	-	-
ICT	2,689	-	(58)	-	-	-
E&T	2,045	-	571	-	-	-
Group revenue/ Gross loss	205,484	-	(77,220)	-	-	-
Corporate expenses and consolidation elimination			(355,465)	-		-
Loss Before Tax			(432,685)	-		-

For the quarter ended 31st March 2022 ("Q3FY22"), the Group recorded revenue of RM205.5 million with gross loss of RM77.2 million. The composition of revenue is mainly contributed by activities from O&M and EPCC segment with 94.3% and 3.4% contribution respectively. The Group recorded loss before tax of RM432.7 million in Q3FY22.

O&M segment consists of MRO and IRM activities which mainly contributed from operations in Middle East region such as Qatar and United Arab Emirates ("UAE"), followed by Malaysia. The segment recorded revenue of RM193.7 million with gross loss of RM74.9 million.

EPCC segment contributed RM7 million of revenue to the Group's current quarter result, which mainly derived from contracts in UAE, Tanzania and Malaysia. The Group recorded RM2.8 million gross loss for this segment.

The Group via ICT segment recorded RM2.7 million and RM0.06 million of revenue and gross loss respectively. While E&T segment contributed RM2.1 million of revenue and RM0.6 million of gross profit in the current quarter.

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)
	31/03/22	31/12/21	31/03/22	31/12/21		
	RM'000	RM'000	RM'000	RM'000	%	%
Business Segments:						
O&M	193,744	141,771	(74,866)	(89,033)	36.7	(15.9)
EPCC	7,006	30,391	(2,867)	(75,534)	(76.9)	(96.2)
ICT	2,689	2,681	(58)	(1,657)	0.3	(96.5)
E&T	2,045	2,298	571	370	(11.1)	54.1
Group revenue/ gross profit/(loss)	205,484	177,141	(77,220)	(165,854)	16.0	(53.4)
Corporate expenses and consolidation elimination			(355,465)	(126,742)		(180.5)
Loss before tax			(432,685)	(292,596)		47.90

For quarter ended 31st March 2022, the Group recorded revenue of RM205.5 million, an increase of 16.0% from immediate preceding quarter ("Q2FY22") which is mainly due to activities in O&M segment especially from Qatar, UAE and Malaysia. Overall the Group incurred gross loss of RM77.2 million, with a reduction of RM88.6 million against Q2FY22.

O&M segment remains as the largest contributor to the Group's revenue in both Q3FY22 and Q2FY22 albeit the decrease in revenue as compared to Q1FY22. The decrease is mainly due to lesser activities in Qatar, UAE and Malaysia hence resulted to a gross loss for Q3FY22 as compared to 53.4% gross profit in immediate preceding quarter.

EPCC segment in Q3FY22 reduced by 76.9% compared to Q2FY22 with revenue decreased from RM30.4 million in Q2FY22 to RM7 million in Q3FY22. This is mainly due to slower EPCC activities in Malaysia hence resulted the gross loss position for the current quarter.

ICT segment and E&T segment registered revenue of RM2.7 million and RM2.0 million respectively in the current quarter.

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)
	31/03/22	31/03/21	31/03/22	31/03/21		
	RM'000	RM'000	RM'000	RM'000	%	%
Business Segments:						
O&M	1,078,408	-	(100,438)	-	-	-
EPCC	89,721	-	(74,081)	-	-	-
ICT	7,139	-	(1,369)	-	-	-
E&T	6,702	-	1,736	-	-	-
Group revenue/ gross loss	1,181,970	-	(174,152)	-	-	-
Corporate expenses and consolidation elimination			(590,142)	-		-
Loss before tax			(764,294)	-		-

The group's year to date ("YTD") revenue and gross loss recorded a total of RM1,182 million and RM174.1 million respectively. 91.2% of the group's revenue contributed by O&M segment, followed by 7.6% from EPCC segment and remaining 1.2% from ICT and E&T segment.

The Group recorded loss before tax of RM764.3 million after corporate expenses and consolidation elimination of RM590.1 million.

(The rest of the page is left intentionally blank)

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

	Individual quarter		Cumulative quarter	
	31/03/22	31/03/21	31/03/22	31/03/21
	RM'000	RM'000	RM'000	RM'000
Malaysia	44,471	-	305,244	-
Indonesia	3,098	-	37,402	-
South East Asia	47,569	-	342,646	-
Turkmenistan	21,487	-	37,440	-
India	-	-	105	-
Central and South Asia	21,487	-	37,545	-
UAE	30,635	-	190,093	-
Qatar	100,117	-	574,689	-
Oman	-	-	13,273	-
Kingdom of Saudi Arabia	849	-	3,261	-
Middle East	131,601	-	781,315	-
Tanzania	2	-	9,241	-
United Kingdom	4,826	-	11,222	-
Total	205,484	-	1,181,970	-

On geographical segmentation, the Middle East region continued to be the highest revenue contributor for the Group at regional level. Middle East contributed 64.0% of the overall revenue for the quarter or RM205.5 million. The revenue mainly contributed from Qatar and followed by UAE of RM100.1 million and RM30.6 million respectively.

South East Asia followed as the second major contributor by region to the Group's revenue, recording a total of RM47.6 million for Q3FY22 or 23.2 %. Malaysia serves as the major contributor for the region with RM44.5 million or 21.6% of revenue. The revenue is mainly contributed by O&M and EPCC activities. Indonesia contributed 1.5% of total revenue for the quarter or RM3.1 million.

Central and South Asia regions contributed revenue of RM21.5 million or 10.5% of total revenue for the Group, where mainly derived from country of Turkmenistan.

United Kingdom contributed RM4.8 million revenue for Q3FY22, mainly from O&M activities.



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 grew by 5.0% in the first quarter of 2022 (4Q 2021: 3.6%). Growth was supported mainly by higher domestic demand as economic activity continued to normalise with the easing of containment measures. The improvement also reflects the recovery in the labour market and continued policy support. In addition, strong external demand, amid the continued upcycle in global technology, provided a further lift to growth. In terms of economic activity, the services and manufacturing sectors continued to drive growth. On a quarter-on-quarter seasonally-adjusted basis, the economy registered an increase of 3.9% (4Q 2021: 4.6%).

On a global economic outlook, the war in Ukraine has led to extensive loss of life, triggered the biggest refugee crisis in Europe since World War II, and severely set back the global recovery. After a strong recovery in 2021, short-term indicators suggest that global activity has slowed (see Figure 1.1). Global growth is projected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in 2022–23—0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January 2022 World Economic Outlook. The ongoing war in Ukraine and sanctions on Russia are expected to reduce global growth in 2022 through direct impacts on the two countries and global spillovers. This shock comes just as the threat from the Omicron variant appeared to be fading, with many parts of world moving past the acute phase of the pandemic

In the oil and gas sector, Crude spot prices were also supported by a further draw in US crude oil stocks and strong refining margins in all major refining hubs, particularly for middle distillates like diesel/gasoil and jet fuel, amid tight oil product markets. A sign of a strengthening physical market is the rise of North Sea Dated compared to the futures benchmark ICE Brent by \$2.38 in March, settling at a premium of \$6.29/b, compared to a premium of \$3.91/b in February. However, worries about COVID-19 developments in China that could slow demand growth weighed on spot price values. In March, North Sea Dated rose the most, m-o-m by \$20.74, or 21.2%, to an average of \$118.75/b, supported by firm demand in the Atlantic Basin, particularly in Northwest Europe, while WTI and Dubai's first months increased respectively m-o-m by \$16.82 and \$18.38, or 18.3% and 20.0%, to settle at \$108.52/b and \$110.49/b and this re-rating catalyst could benefit the Group's operations in the O&M and EPCC segments.

The Annual General Meeting, which was held on 31 January 2022, approved all resolutions, which is a good sign of our shareholders' trust. Even though the Group has now been classified as a PN17 company, the Board is confident that the restructuring and regularisation plan will benefit shareholders in the long run. The Board will be filing an application to seek leave from court to convene its creditors meeting upon withdrawal of its application for judicial management.

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

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

Despite the completion of the statutory audit, the Board of Directors anticipates that the Group's operations will remain challenging. On the other hand, the Board of Directors 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 April 2022, IMF;
- OPEC Monthly Oil Market Report April 2022, OPEC

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 5 May 2020

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

<u>Details of utilisation of proceeds</u>	<u>Estimated timeframe for utilisation</u>	<u>RM '000</u>	<u>%</u>	<u>Actual Utilisation RM '000</u>	<u>% Utilised</u>
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
Total gross proceeds		456,695	100.0	456,695	100.0

The utilisation of the proceeds as disclosed above should be read in conjunction with the Announcement made by the Company dated 23rd 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	100,000	100.0
Capital expenditure	Within 24 months	100,000	19.7	34,984	34.9
Working capital	Within 12 months	296,223	58.2	296,223	100.0
Estimated private placement expenses	Immediately	(2) 12,390	2.4	12,390	100.0
Total gross proceeds		508,613	100.0	443,597	87.2

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:

(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.

B5. Other Operating Income

The Group's other operating income for the quarter and period ended 31st March 2022 are as follows:

	Individual quarter		Cumulative quarter	
	31/03/22 RM'000	31/03/21 RM'000	31/03/22 RM'000	31/03/21 RM'000
Foreign Exchange gain	17	-	5,057	-
Rental Income	122	-	310	-
Others	4,026	-	9,860	-
Total	4,165	-	15,227	-

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 2022 are as follows:

In RM'000	As at 31 st March 2022					
	Long term		Short term		Total borrowings	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Secured	-	356,794	701	185,050	701	541,844
Unsecured	997,960	737,727	1,057,539	219,000	2,055,500	956,727
In RM'000	As at 30 th June 2021					
	Long term		Short term		Total borrowings	
	Foreign Currency	Local Currency	Foreign Currency	Local Currency	Foreign Currency	Local Currency
Secured	-	360,082	1,080	336,309	1,080	696,391
Unsecured	1,200,286	731,022	1,090,170	221,005	2,290,456	952,027

Financing/ Borrowings denominated in foreign currency are as follows:

Currency	31/03/22 RM'000	30/06/2021 RM'000
USD	2,055,500	2,209,423
IDR	701	1,080

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	
	31/03/22 RM'000	31/03/21 RM'000
Contractor charges	-	-
Professional service charges	1178	-
Revenue from operation and maintenance	(24)	-

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

B7. Significant related party transactions (Cont'd)

(b) The following transactions were with associates.

Nature of transaction	Cumulative quarter	
	31/03/22 RM'000	31/03/21 RM'000
Revenue from engineering, procurement, construction and commissioning project	(45,419)	-
Contract revenue	(21,937)	-

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

The Group has made an impairment/provision for doubtful debts for trade receivable amounting to RM278.1 mil for long overdue receivable as at 31st March 2022.

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 22nd 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 period 31st March 2022. Both WOS and SOC are not expected to have any business and operational impacts on the Company.

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

B10. Material litigation (Cont'd)

- ii) On 3rd November 2021, the Company had filed an Originating Summons (“OS”) at the High Court of Malaya at Kuala Lumpur against Bursa Malaysia Securities Berhad (“Bursa”) to, *inter alia*, challenge the decision of Bursa to compel the Company to appoint Ernst & Young Consulting Sdn Bhd (“**EY Consulting**”) as a special auditor pursuant to paragraph 2.24 of the Main Market Listing Requirement. EYC is not a registered auditor and therefore do not satisfy the meaning of “auditor” within the Main Market Listing Requirement and the Companies Act 2016. The Company further challenged Bursa’s decision to suspend the trading of the securities of the Plaintiff due to a purported non-compliance of Bursa’s directive.

On 5th November 2021, the Company had filed an OS at the High Court of Malaya at Kuala Lumpur against Ernst & Young Consulting Sdn Bhd (“EY Consulting”) to seek a declaration that the appointment of EY Consulting as the special auditor of the Company is null and void.

Both the OS has been dismissed by the High Court of Malaya with costs awarded to Bursa and EY Consulting. The Company has filed an appeal against the said decisions and the matter is now pending before the Court of Appeal.

Apart from the costs which may be awarded to both Bursa and EY Consulting and the corresponding legal costs, both the appeals are not expected to have any other material financial impact on the Company for the financial period 31st March 2022. The appeals are not expected to have any business and operational impacts on the Company.

- iii) On 23rd November 202, 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 EY Consulting. EY Consulting has not signed off the material till to-date. It is the Company’s contention, *inter alia*, that the Company is not in the position to announce a third-party material.

The High Court has allowed the OS with costs awarded to Bursa. The Company has filed an appeal against the said decision and the matter is now pending before the Court of Appeal.

Apart from the costs which may be awarded to Bursa and the corresponding legal costs, the appeal is not expected to have any other material financial impact on the Company for the financial period 31st March 2022. The appeal is not expected to have any business and operational impacts on the Company.

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 2022.

B12. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per share at 31st March 2022 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	
	31/03/22	31/03/21	31/03/22	31/03/21
	RM'000	RM'000	RM'000	RM'000
Loss attributable to ordinary shareholders	(434,189)	-	(766,634)	-
Weighted average number of ordinary shares	3,709,624	-	3,709,624	-
Basic earnings per ordinary share (sen)	(11.70)	-	(20.67)	-

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
	31/03/22	31/03/22
	RM'000	RM'000
Finance income	296	1,872
Finance expense	(41,245)	(158,545)
Depreciation and amortization	23,561	(256,204)

By order of the Board

Shah Alam, Selangor Darul Ehsan
 30th May 2022