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**SERBA DINAMIK
HOLDINGS BERHAD**

(Registration No.: 201501042584 (1167905-P))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED PRIVATE PLACEMENT OF UP TO 336,830,000 NEW ORDINARY SHARES IN SERBA DINAMIK HOLDINGS BERHAD ("SDHB" OR THE "COMPANY") ("SHARES"), REPRESENTING APPROXIMATELY 10% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES IN SDHB (EXCLUDING TREASURY SHARES), WHICH INCLUDES THE PROPOSED PLACEMENT OF NEW SHARES TO DATO' DR. IR. TS. MOHD ABDUL KARIM BIN ABDULLAH AND/OR PERSONS CONNECTED WITH HIM ("PROPOSED PRIVATE PLACEMENT")

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



**AFFIN HWANG
CAPITAL**

AFFIN HWANG INVESTMENT BANK BERHAD

(Registration No.: 197301000792 (14389-U))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The notice of the Extraordinary General Meeting ("EGM") and the Form of Proxy are enclosed in this Circular. Details of the EGM, which will be held **entirely through live streaming** from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia are set out below:

Date and time : Wednesday, 20 January 2021 at 10.00 a.m.

Last date and time for lodging the Form of Proxy : Monday, 18 January 2021 at 10.00 a.m.

If you are unable to attend and vote in person at the EGM, you may appoint one or more proxies to attend, vote and speak on your behalf. If you wish to do so, please complete, sign and return the Form of Proxy enclosed in this Circular as soon as possible so as to arrive at SDHB's Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for the EGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

This Circular is dated 5 January 2021

DEFINITIONS

Except where the context otherwise requires, the following terms and abbreviations shall apply throughout the Circular:

Abu Dhabi Data Centre Project	: To undertake, among others, the engineering, procurement, construction and completion of a data centre and its related facilities, infrastructure and landscaping in Abu Dhabi
Abu Dhabi Innovation Hub Project	: To undertake, among others, the engineering, procurement and construction of an innovation hub, academic campus, related facilities and information technology infrastructure in Abu Dhabi
Act	: Companies Act 2016, as amended from time to time and all regulations made thereunder and any re-enactment thereof
Affin Hwang IB	: Affin Hwang Investment Bank Berhad (Registration No.: 197301000792 (14389-U))
Announcement	: Announcement dated 8 December 2020 in relation to the Proposed Private Placement
Board	: Board of Directors of SDHB
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (Registration No.: 198701006854 (165570-W))
Bursa Securities	: Bursa Malaysia Securities Berhad (Registration No.: 200301033577 (635998-W))
Circular	: This circular to shareholders of SDHB dated 5 January 2021 in relation to the Proposed Private Placement
CMSA	: Capital Markets and Services Act 2007, as amended from time to time and all regulations made thereunder and any re-enactment thereof
COVID-19	: Coronavirus disease 2019
Dato' Awang	: Dato' Awang Daud bin Awang Putera
Dato' Karim	: Dato' Dr. Ir. Ts. Mohd Abdul Karim bin Abdullah
Datuk Kadier	: Datuk Haji Abdul Kadier Sahib
Deed Poll	: Deed poll constituting the Warrants dated 19 November 2019 and expiring on 5 December 2024
EGM	: Extraordinary general meeting
EMDEs	: Emerging markets and developing economies
EPCC	: Engineering, procurement, construction and commissioning
EPS	: Earnings per Share
FPE	: Financial period ended
FYE	: Financial year ended/ending, as the case may be
GDP	: Gross domestic product
ICT	: Information, communication and technology

DEFINITIONS (CONT'D)

Interested Directors	: Collectively, Dato' Karim, Datuk Kadier and Dato' Awang
IRM	: Inspection, repair and maintenance
Listing Requirements	: Main Market Listing Requirements of Bursa Securities
LPD	: 15 December 2020, being the latest practicable date prior to the printing of this Circular
MRO	: Maintenance, repair and overhaul
NA	: Net assets
O&M	: Operations and maintenance
OPEC+	: Organization of the Petroleum Exporting Countries (" OPEC "), including Russia and other non-OPEC oil exporters
Placement Share(s)	: Up to 336,830,000 new SDHB Shares to be issued pursuant to the Proposed Private Placement
Price-Fixing Date(s)	: The date(s) on which the issue price for the Placement Shares is/are fixed following the receipt of all requisite approvals for the Proposed Private Placement
Proposed Private Placement	: Proposed private placement of up to 336,830,000 Placement Shares, representing approximately 10% of the existing total number of issued SDHB Shares (excluding 22,062,800 treasury shares as at 30 November 2020, which is the latest practicable date prior to the Announcement), which includes the Proposed Placement to Dato' Karim
Proposed Placement to Dato' Karim	: Proposed placement of up to 101,049,000 Placement Shares, representing approximately 3% of the total number of issued SDHB Shares to Dato' Karim and/or persons connected with him
Record of Depositors	: A record of depositors established by Bursa Depository under Chapter 24 of the Rules of Bursa Depository
RM and sen	: Ringgit Malaysia and sen, respectively
SDHB or the Company	: Serba Dinamik Holdings Berhad (Registration No.: 201501042584 (1167905-P))
SDHB Group or Group	: Collectively, SDHB and its subsidiaries
SDHB Share(s) or Share(s)	: Ordinary share(s) in SDHB
TR Yard	: Four adjoining parcels of industrial land with certain buildings constructed thereon known as Teluk Ramunia yard located in Mukim of Pantai Timur, District of Kota Tinggi, Johor Darul Ta'zim
United States or U.S.	: United States of America
U.S. Securities Act	: United States Securities Act of 1933, as amended
USD	: United States Dollar
VWAP	: Volume weighted average market price

DEFINITIONS (CONT'D)

Warrant(s) : The 881,099,921 outstanding warrants in SDHB constituted by the Deed Poll. Pursuant to the Deed Poll, each Warrant carries the entitlement to subscribe for a new SDHB Share during the 5-year exercise period up to 5 December 2024 at an exercise price of RM2.62 per Warrant

References to “we”, “us”, “our” and “ourselves” are to our Company, and where the context otherwise requires, our subsidiaries. All references to “you” and “your” are to our shareholders.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statutes, rules, regulations or rules of the stock exchange is a reference to such statutes, rules, regulations or rules of the stock exchange currently in force and as may be amended from time to time and any re-enactment thereof.

Any reference to a time or date in this Circular shall be a reference to Malaysian time, unless otherwise stated.

Any discrepancy in the tables included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

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EXECUTIVE SUMMARY

THIS EXECUTIVE SUMMARY HIGHLIGHTS THE SALIENT INFORMATION REGARDING THE PROPOSED PRIVATE PLACEMENT. YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE ENTIRE CONTENTS OF THIS CIRCULAR, INCLUDING THE APPENDIX, BEFORE VOTING ON THE ORDINARY RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT (INCLUDING THE PROPOSED PLACEMENT TO DATO' KARIM) TO BE TABLED AT THE FORTHCOMING EGM.

Key information	Summary
Issue size	<p>The Proposed Private Placement involves the issuance of up to 336,830,000 Placement Shares, representing approximately 10% of SDHB's existing number of issued Shares of 3,368,294,078 SDHB Shares (excluding 22,062,800 treasury shares as at 30 November 2020, which is the latest practicable date prior to the Announcement) to investors to be identified in the course of the book-building exercise in respect of the Proposed Private Placement.</p> <p>For the avoidance of doubt, the Proposed Placement to Dato' Karim is within and is part of the Proposed Private Placement.</p> <p>Please refer to Section 2.1 and Section 2.2 of this Circular for further information.</p>
Issue price	<p>The issue price of the Placement Shares will be fixed by the Board (save for the Interested Directors) at the Price-Fixing Date(s).</p> <p>The issue price of the Placement Shares shall be determined by way of the book-building exercise and shall be fixed based on the VWAP of SDHB Shares for the 5 market days immediately preceding the Price-Fixing Date(s) with a discount of not more than 10%.</p> <p>Please refer to Section 2.4 of this Circular for further information.</p>
Use of proceeds	<p>Based on the illustrative issue price of RM1.60 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds amounting to approximately RM538.93 million, which is proposed to be utilised in the following manner:</p>

Details	Amount RM'million	Expected utilisation timeframe
Partial repayment of bank borrowings	100.00	Within 6 months
Capital expenditure	100.00	Within 24 months
Working capital	326.54	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	12.39	Immediate
Total estimated proceeds	538.93	

Please refer to **Section 4** of this Circular for further information.

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EXECUTIVE SUMMARY (CONT'D)

Key information	Summary
Rationale	<p>: The Proposed Private Placement will enable the Group to manage its liquidity and gearing levels to fund current operations and future growth in the following manner:</p> <ul style="list-style-type: none">(i) by providing working capital for the Abu Dhabi Projects. Based on the Group's experience, its gross profit margins for foreign EPCC projects typically range between 12% and 20%, barring any unforeseen circumstances;(ii) by providing capital for the upgrading of production facilities at the TR Yard to restore its operational capabilities, given that the yard is not equipped to commence operations; and(iii) by further reducing the Group's existing borrowings incurred for the acquisition of the TR Yard and the opportunistic repurchase of sukuk borrowings from the capital market, which in turn is expected to result in enhanced cash flows, liquidity, interest costs savings and improved gearing levels for the Group. <p>Please refer to Section 3 and Section 4 of this Circular for further information.</p>
Approvals required	<p>: The Proposed Private Placement is subject to the following approvals being obtained:</p> <ul style="list-style-type: none">(i) Bursa Securities for the listing of and quotation for up to 336,830,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, which was obtained on 16 December 2020;(ii) shareholders of SDHB at an EGM to be convened; and(iii) any other relevant authorities/parties, if required. <p>The Proposed Placement to Dato' Karim is subject to approval being obtained from the shareholders of SDHB at the EGM.</p> <p>The Proposed Private Placement is not conditional or inter-conditional upon any other corporate proposal undertaken or to be undertaken by SDHB.</p> <p>The Proposed Placement to Dato' Karim is conditional upon the Proposed Private Placement but not vice versa. In the event that the Proposed Private Placement is not approved by shareholders of SDHB, the Proposed Placement to Dato' Karim will not be duly approved.</p> <p>Please refer to Section 7 and Section 8 of this Circular for further information.</p>
Directors' statement/ recommendation	<p>: The Board, after taking into consideration all aspects of the Proposed Private Placement, including but not limited to the rationale and the effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of SDHB. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM of SDHB.</p> <p>The Board, save for the Interested Directors, after taking into consideration all aspects of the Proposed Placement to Dato' Karim, is of the opinion that the Proposed Placement to Dato' Karim is in the best interest of SDHB. Accordingly, the Board, save for the Interested Directors, recommends that you vote in favour of the resolution pertaining to the Proposed Placement to Dato' Karim to be tabled at the forthcoming EGM of SDHB.</p>



SERBA DINAMIK
HOLDINGS BERHAD

(Registration No.: 201501042584 (1167905-P))
(Incorporated in Malaysia)

Registered Office:

Level 15, Menara Serba Dinamik
Presint 3.4, Persiaran Perbandaran
Seksyen 14
40000 Shah Alam
Selangor Darul Ehsan, Malaysia

5 January 2021

Board of Directors:

Dato' Mohamed Nor Bin Abu Bakar (*Independent Non-Executive Director / Chairman*)
Dato' Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah (*Group Managing Director / Chief Executive Officer and Non-Independent Executive Director*)
Dato' Awang Daud Bin Awang Putera (*Non-Independent Non-Executive Director*)
Datuk Syed Nazim Bin Syed Faisal (*Non-Independent Executive Director*)
Datuk Hj. Abdul Kadier Sahib (*Non-Independent Non-Executive Director*)
Puan Sharifah Irina Binti Syed Ahmad Radzi (*Independent Non-Executive Director*)
Tengku Dato' Seri Hasmuiddin Bin Tengku Othman (*Independent Non-Executive Director*)
Encik Hasman Yusri Bin Yusoff (*Senior Independent Non-Executive Director*)
Puan Rozilawati Binti Haji Basir (*Independent Non-Executive Director*)

To: The shareholders of SDHB

Dear Sir/Madam,

PROPOSED PRIVATE PLACEMENT

1. INTRODUCTION

On 8 December 2020, Affin Hwang IB had, on behalf of the Board, announced that SDHB proposed to undertake the Proposed Private Placement.

On 9 December 2020, Affin Hwang IB had, on behalf of the Board, announced that the listing application in relation to the Proposed Private Placement had been submitted to Bursa Securities.

On 17 December 2020, Affin Hwang IB had, on behalf of the Board, announced that Bursa Securities had, vide its letter dated 16 December 2020, approved the listing of and quotation for up to 336,830,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 7** of this Circular.

Further details of the Proposed Private Placement are set out in the ensuing sections of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH DETAILS OF THE PROPOSED PRIVATE PLACEMENT TOGETHER WITH THE RECOMMENDATION OF THE BOARD AND TO SEEK YOUR APPROVAL FOR THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM OF SDHB. THE NOTICE OF EGM TOGETHER WITH THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTIONS PERTAINING TO THE PROPOSED PRIVATE PLACEMENT TO BE TABLED AT THE FORTHCOMING EGM OF SDHB.

2. DETAILS OF THE PROPOSED PRIVATE PLACEMENT

2.1 Placement size

The Proposed Private Placement entails the issuance of up to 336,830,000 Placement Shares, representing approximately 10% of SDHB's existing number of issued Shares of 3,368,294,078 SDHB Shares (excluding 22,062,800 treasury shares as at 30 November 2020, which is the latest practicable date prior to the Announcement) to investors to be identified in the course of the book-building exercise in respect of the Proposed Private Placement.

As at the LPD, SDHB has:

- (i) 3,390,356,878 outstanding SDHB Shares (including 17,562,800 treasury shares); and
- (ii) 881,099,921 outstanding Warrants.

Affin Hwang IB, Credit Suisse Securities (Malaysia) Sdn Bhd and Credit Suisse (Singapore) Limited have been appointed as the Joint Global Coordinators for the Proposed Private Placement. Affin Hwang IB, Credit Suisse Securities (Malaysia) Sdn Bhd, Credit Suisse (Singapore) Limited and RHB Investment Bank Berhad have been appointed as the Joint Placement Agents for the Proposed Private Placement.

2.2 Placement arrangement

The Placement Shares may be offered to local and foreign institutional investors and those persons falling within Schedules 6 and/or 7 of the CMSA. The Placement Shares will not be registered under the U.S. Securities Act or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state law. There is no intention to register any portion of the offering of the Placement Shares in the United States or to conduct a public offering of the Placement Shares in the United States. Accordingly, any offer and sale of the Placement Shares will be conducted solely outside of the United States in an offshore transaction in reliance on Regulation S under the U.S. Securities Act.

The precise terms and conditions of the Proposed Private Placement, including details in relation to the identity of the placees, the allocation of the Placement Shares and the issue price of the Placement Shares, will only be determined upon the completion of the book-building exercise in respect of the Proposed Private Placement.

The Proposed Private Placement and the Proposed Placement to Dato' Karim may be implemented in a single or multiple tranche(s) within 6 months from the date of approval from Bursa Securities for the listing of and quotation for the Placement Shares on the Main Market of Bursa Securities, or any other extended period as may be approved by Bursa Securities. As such, the implementation of the Proposed Private Placement could potentially be in multiple tranches with several Price-Fixing Dates. This will provide SDHB with the flexibility to procure interested investors and optimise proceeds to be raised, taking into consideration prevailing market conditions.

2.3 Proposed placement to a major shareholder and/or persons connected with him

Dato' Karim and/or persons connected with him, who falls within Schedules 6 and/or 7 of the CMSA, may participate in the book-building exercise in respect of the Proposed Private Placement. As at the LPD, Dato' Karim holds 26.85% direct equity interest of the total issued share capital in SDHB. Therefore, SDHB will seek the approval of the shareholders at the forthcoming EGM for the placement of up to 101,049,000 Placement Shares pursuant to the Proposed Placement to Dato' Karim in accordance with Paragraph 6.06 of the Listing Requirements. For the avoidance of doubt, the Proposed Placement to Dato' Karim is within and part of the Proposed Private Placement.

SDHB has determined that the maximum number of Placement Shares that may be allocated to Dato' Karim and/or persons connected with him pursuant to the Proposed Placement to Dato' Karim, shall not result in:

- (i) the shareholdings of Dato' Karim and persons connected with him in SDHB to exceed 32.9% of the issued share capital of SDHB upon completion of the Proposed Private Placement; or
- (ii) the collective shareholdings of Dato' Karim and/or persons connected with him in SDHB (including the Interested Directors as set out in **Section 9** of this Circular) to increase by more than 2% within a period of 6 months upon completion of the Proposed Private Placement in the event that their shareholdings are already in excess of 33% prior to the Proposed Placement to Dato' Karim.

This is to ensure that Dato' Karim and/or persons connected with him will not trigger the mandatory take-over offer obligation under the Rules on Take-Overs, Mergers and Compulsory Acquisitions, read together with the Malaysian Code on Take-Overs and Mergers 2016 issued by the Securities Commission Malaysia, upon completion of the Proposed Private Placement.

The 101,049,000 Placement Shares under the Proposed Placement to Dato' Karim shall be placed to other investors to be identified in the course of the book-building exercise in the event that there are no Placement Shares allocated to Dato' Karim and/or persons connected with him.

2.4 Basis and justification of determining the issue price of the Placement Shares

The issue price of the Placement Shares will be determined and fixed by the Board (save for the Interested Directors) at the Price-Fixing Date(s). The issue price of the Placement Shares shall be determined by way of the book-building exercise and shall be fixed based on the VWAP of SDHB Shares for the 5 market days immediately preceding the Price-Fixing Date(s) with a discount of not more than 10%.

For illustrative purposes throughout this Circular, the illustrative issue price of the Placement Shares is assumed to be RM1.60 per Placement Share, representing a discount of approximately 9.60% or RM0.17 to the 5-day VWAP of SDHB Shares up to and including the LPD of RM1.77 per SDHB Share.

2.5 Ranking of the Placement Shares

The Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SDHB Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid by SDHB prior to the date of allotment and issuance of the Placement Shares.

2.6 Listing of and quotation for the Placement Shares

Bursa Securities had, vide its letter dated 16 December 2020, approved the listing of and quotation for up to 336,830,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 7** of this Circular.

3. RATIONALE FOR THE PROPOSED PRIVATE PLACEMENT

As at the LPD, the Group's order book has grown significantly since the placement of 306,507,000 new Shares, which was completed on 5 May 2020 in accordance with the general mandate obtained from the shareholders of SDHB on 20 June 2019 for the issuance of up to 10% of the then existing total number of issued shares in SDHB (excluding treasury shares) (which then translated to a total of 306,507,088 new SDHB Shares) ("**General Mandate Placement**"). The growth in order book was contributed by 2 recently secured EPCC projects in Abu Dhabi, namely the Abu Dhabi Innovation Hub Project and Abu Dhabi Data Centre Project with contract values of approximately RM7.7 billion and RM1.5 billion, respectively ("**Abu Dhabi Projects**"). Further information on the Abu Dhabi Projects are set out in **Section 4** and **Section 5.5** of this Circular.

On 22 September 2020, the Group completed its acquisition of the TR Yard from Petronas Assets Sdn Bhd, a wholly-owned subsidiary of Petroliaam Nasional Berhad ("**Petronas**"), for a total cash consideration of RM320.00 million. The cash consideration was financed through a combination of internally generated funds and bank borrowing of approximately RM96.00 million and RM224.00 million, respectively. The acquisition of the TR Yard did not require the approval of SDHB's shareholders. The TR Yard has a total land area of approximately 169.96 acres and the load-bearing capacity to perform steel fabrication of offshore platforms and other structures of up to 50,000 tonnes.

With the acquisition of the TR Yard, the Group will be able to participate in various sizeable projects such as decommissioning works, offshore transport and installation, integrated hook-up and commissioning services, top side maintenance and other related services. The TR Yard will complement the Group's upstream offshore and marine engineering services with its existing onshore engineering capabilities by leveraging its service offerings through future strategic partnerships and business synergies with the Group's Pengerang Eco-Industrial Park ("**PEIP**") and Bintulu Integrated Energy Hub ("**BIEH**") which will give the Group access to suitable facilities, resources and network of expertise for its one-stop engineering services. The Group plans to emerge as a global integrated one-stop engineering solutions provider for various industries in the next 3 to 5 years. As the Group's efforts to become an integrated one-stop engineering solutions provider is still in progress, the financial resources required to achieve this plan will depend on the Group's future business demands.

As the Group embarks on the abovementioned capital intensive projects, the Proposed Private Placement will enable the Group to manage its liquidity and gearing levels to fund current operations and future growth in the following manner:

- (i) by providing working capital for the Abu Dhabi Projects. Based on the Group's experience, its gross profit margins for foreign EPCC projects typically range between 12% and 20%, barring any unforeseen circumstances;

- (ii) by providing capital for the upgrading of production facilities at the TR Yard to restore its operational capabilities, given that the yard is not equipped to commence operations. Details of the restoration works for the TR Yard is further disclosed in Note 3 of **Section 4** of this Circular; and
- (iii) by further reducing the Group's existing borrowings incurred for the acquisition of the TR Yard and the opportunistic repurchase of sukuk borrowings from the capital market, which in turn is expected to result in enhanced cash flows, liquidity, interest costs savings and improved gearing levels for the Group.

Further details on the utilisation of proceeds are set out in **Section 4** of this Circular.

As part of the Proposed Private Placement, the Proposed Placement to Dato' Karim will further align the interest and commitment of Dato' Karim, being the major shareholder and Chief Executive Officer of SDHB, to enhance the future financial performance of SDHB, which would ultimately benefit all shareholders of SDHB and inspire investment confidence in the Proposed Private Placement.

Accordingly, after due consideration of the various methods of fund raising, the Board is of the opinion that the Proposed Private Placement is the most appropriate avenue of fund raising to which the Proposed Private Placement:

- (i) will enable the Group to raise additional funds without having to incur interest expense or service principal repayment as compared to conventional bank borrowings. This would allow SDHB to preserve cash flow for reinvestment and/or operational purposes to facilitate its further growth;
- (ii) is an expeditious way of accessing the capital markets to raise funds; and
- (iii) will broaden SDHB's outreach of more local and international institutional investors to invest in SDHB, thereby enlarging its shareholders' base and potentially enhancing the liquidity of SDHB Shares.

In contrast, the proceeds amounting to approximately RM456.70 million which was raised from the General Mandate Placement, was mainly channelled towards working capital requirements and freeing up borrowing limits to support the Group's O&M activity, revenue of which grew by 34.1% in the FPE 30 September 2020 as compared to the corresponding quarter of the preceding year.

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Details of equity fund-raising exercise undertaken in the past 12 months prior to the Announcement

As mentioned above, SDHB had completed the General Mandate Placement on 5 May 2020, which raised a total proceeds of RM456.70 million. The status of the utilisation of proceeds from the General Mandate Placement as at the LPD is set out below:

Details	Allocation	Actual utilisation		Balance unutilised		Timeframe for utilisation from completion of the General Mandate Placement
		RM'million	% of allocation	RM'million	% of allocation	
Partial repayment of bank borrowings	200.00	154.84	77.42	⁽¹⁾ 45.16	22.58	24 months
Working capital ⁽²⁾	245.56	245.56	100.00	-	-	12 months
Expenses in relation to the General Mandate Placement	11.14	⁽³⁾ 11.14	100.00	-	-	Immediate
Total	456.70	411.54	90.11	45.16	9.89	

Notes:

- (1) The remaining RM45.16 million was fully utilised on 18 December 2020.
- (2) As set out in SDHB's announcement dated 28 April 2020 in relation to the General Mandate Placement, the proceeds for working capital was utilised in the following manner:

	Percentage of the allocated proceeds
Purchase of inventories and equipment ⁽ⁱ⁾	%
Staff-related costs	40
Other general administrative and operating expenses	40
Total	20
	100

Sub-note:

- (i) The proceeds earmarked for purchase of inventories and equipment has been utilised for the Group's bulk purchase of items incidental to the Group's O&M services for oil and gas and power generation sectors such as, amongst others, machine, equipment and tool kits, microturbines, compressors, pumps, valves, turbine blades, control boxes, piping and metal structures, as well as consumable items such as oil, lubricants and fuel.
- (3) 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 requirements.

Save for the General Mandate Placement, SDHB has not undertaken any equity fund-raising exercise in the past 12 months prior to the Announcement.

4. UTILISATION OF PROCEEDS

Based on the illustrative issue price of RM1.60 per Placement Share, the Proposed Private Placement is expected to raise gross proceeds amounting to approximately RM538.93 million, which is proposed to be utilised in the following manner:

Details	Amount	(1) Expected utilisation timeframe
	RM'million	
Partial repayment of bank borrowings ⁽²⁾	100.00	Within 6 months
Capital expenditure ⁽³⁾	100.00	Within 24 months
Working capital ⁽⁴⁾	326.54	Within 12 months
Estimated expenses in relation to the Proposed Private Placement ⁽⁵⁾	12.39	Immediate
Total estimated proceeds	538.93	

Notes:

- (1) From the date of completion of the Proposed Private Placement.
- (2) As at the LPD, the total borrowings of the Group are approximately RM4,028.14 million comprising RM7.13 million of bank overdrafts, RM504.58 million of revolving credit facilities, RM1,918.50 million of term loan facilities and RM1,597.93 million of sukuk facilities.

SDHB proposes to utilise up to RM100.00 million to partially repay the Group's borrowings, details as set out below:

Type of facility	Purpose of facility	(i) Interest/ Coupon rate per annum	Drawdown date/ (Maturity date)	Amount outstanding as at LPD RM'million
(i) Syndicated term loan financing	To part finance the purchase of land ⁽ⁱⁱ⁾	i-COF + 1.25%	Sep 2020/ (Sep 2029)	224.00
(ii) Syndicated term loan financing	To partially refinance outstanding sukuk facilities	LIBOR + 3.0%	Oct 2020/ (Oct 2025)	202.90
(iii) Term loan financing	To partially refinance outstanding sukuk facilities	LIBOR + 4.0%	Oct 2020/ (Oct 2025)	190.73
Total				617.63

Sub-notes:

- (i) Definitions as set out below:
- LIBOR : London Interbank Offered Rate
i-COF : Islamic Cost of Funds
- (ii) In respect of acquisition of the approximately 169.96-acre TR Yard, comprising four adjoining parcels of industrial lands located at Teluk Ramunia, Mukim of Pantai Timur, District of Kota Tinggi, Johor Darul Ta'zim, erected upon with industrial buildings comprising warehouses, workshops, fabrication yard and other ancillary buildings. The acquisition of the TR Yard was completed on 22 September 2020 for a total cash consideration of RM320.00 million. The cash consideration was financed through a combination of internally generated funds of RM96.00 million and this bank borrowing of RM224.00 million.

Subsequent to the General Mandate Placement, SDHB had incurred the abovementioned bank borrowings to:

- (a) capitalise on the opportunity presented by the volatility in the bond markets during the COVID-19 pandemic to repurchase/redeem USD97.66 million (approximately RM405.50 million) of its sukuk borrowings from the capital market at depressed prices on 28 October 2020, which has resulted in the Group realising a gross gain of USD5.71 million (approximately RM23.75 million), before taking into account the refinancing cost from the abovementioned bank borrowings; and
- (b) seize the opportunity to acquire the TR Yard.

The early repayment of these bank borrowings would enable the Group to preserve the gain realised by the abovementioned sukuk repurchase exercise while maximising interest savings over the remaining tenure of the bank borrowings to be repaid.

The proposed payment of borrowings of up to RM100.00 million represents approximately 2.48% of the Group's total bank borrowings as at the LPD of RM4,028.14 million and is expected to result in interest savings of up to RM4.27 million per annum based on a weighted average interest rate of the abovementioned facilities of 4.27% per annum. The repayment priority of the above bank borrowings has not been determined at this juncture and will depend on the relative cost of borrowings of the above facilities prevailing at the time of repayment.

- (3) The proceeds of RM100.00 million will be utilised for the entire capital expenditure requirements of the TR Yard which include, among others, the site clearing, restoration of existing building facilities, purchase and installation of heavy machinery and equipment related to fabrication services such as blasting and painting equipment, welding and drilling equipment, metal cutting and molding machinery, power generators, compressors, ballast and hydraulic pumps and lifting transport equipment and any incidental expenses related to the development of the TR Yard. The capital expenditure is required to restore the TR Yard's operational capability of 50,000 tonnes and to enhance the safety and integrity of the TR Yard's infrastructure. The revival of the TR Yard will enable the Group to differentiate itself from other competitors by having in-house fabrication capabilities, particularly when bidding for offshore and marine contracts in the oil and gas sector.

Works to revive the TR Yard's operations are expected to take approximately up to 24 months and entails, among others, site clearing, setting up of security and perimeter fencing, acquisition and installation of fabrication related machineries and equipment.

As at the LPD, the revival of the TR Yard's operations is at the preliminary planning stage and the Group has formed a dedicated project management team to oversee the restoration works and yard operations. The repair and restoration works at the TR Yard will commence in the 1st quarter of 2021 and is expected to be completed in phases by the 4th quarter of 2022. Concurrently, the Group plans to commence leasing of certain areas and buildings within the TR Yard and perform minor fabrication works under the Group's EPCC segment in 2021.

Based on the current scope of the repair and restoration works for the TR Yard, there are no approvals required from the authorities to undertake the abovementioned works. Nevertheless, in the event that the Group is required to undertake additional works beyond this scope, the Group will procure the necessary approvals accordingly.

Concurrently, the Group will prepare applications and liaise with the following authorities to obtain the necessary approvals for the TR Yard to commence marine related activities and services:

- (i) Department of Environment, for the handling of scheduled waste and naturally occurring radioactive materials waste management;
- (ii) Lembaga Pelabuhan Johor, for the jetty license required for TR Yard's wharfing operations;
- (iii) Royal Malaysian Customs Department, for the recommendation and approval for TR Yard to operate as a private jetty and handling of customs related matters;
- (iv) Department of Occupational Safety & Health, for the safety permits for, among others, the TR Yard's equipment and work area; and
- (v) Badan Kawal Selia Air Johor (BAKAJ), for, among others, the license for the construction and/or operation of jetty in the state of Johor Darul Ta'zim.

The Group intends to submit the abovementioned applications by the 1st quarter of 2021 and expect to progressively obtain the relevant approvals by the 4th quarter of 2021.

- (4) The proceeds of RM326.54 million allocated for working capital will be utilised for the following:

	Percentage of the allocated proceeds
	%
Abu Dhabi Innovation Hub Project ⁽ⁱ⁾	55.0
Abu Dhabi Data Centre Project ⁽ⁱⁱ⁾	35.0
General working capital ⁽ⁱⁱⁱ⁾	10.0
Total	100.0

Sub-notes:

- (i) *The project is still currently at the preliminary designing and planning stage. The proceeds are intended to be utilised in 2021 during the initial construction phase which is expected to commence during the 1st quarter of 2021. The initial construction phase is expected to be completed by the 1st quarter of 2022. The cost for this initial construction phase consists of costs related to seeking the relevant authorities' approval and the preliminary engineering and design works entailing, among others, expenses relating to staff and equipment mobilisation, the setting up of site offices and land clearing costs on the project site, the exact breakdown of which has yet to be determined at this juncture.*

The approvals required for the Abu Dhabi Innovation Hub Project include, among others, the following:

- (a) *project registration and site approvals, which include, inter-alia, the Abu Dhabi Airports Company Air Navigation Services, Environment Agency – Abu Dhabi, Abu Dhabi Police – Information & Telecom, Abu Dhabi Department of Culture and Tourism, Abu Dhabi Ports, Abu Dhabi City Municipality and Abu Dhabi Department of Transport – Maritime Services Division; and*
- (b) *construction stage approvals which include, inter-alia, the Abu Dhabi Civil Defense and Abu Dhabi City Municipality.*

The Group intends to submit the abovementioned applications in stages commencing from the 1st quarter of 2021 and anticipate the necessary approvals to be obtained progressively by the 1st quarter of 2022.

- (ii) *The project is currently at the planning and approval stage. The proceeds are intended to be utilised in 2021 during the initial construction phase which is expected to commence during the 1st quarter of 2021. The initial construction phase is expected to be completed by the 2nd quarter of 2021. The cost for this initial construction phase consists of costs related to seeking the relevant authorities' approval and the preliminary engineering and design works entailing, among others, expenses relating to staff and equipment mobilisation, the setting up of site offices and land clearing costs on the project site, the exact breakdown of which has yet to be determined at this juncture.*

The approvals required for the Abu Dhabi Data Centre Project include, among others, the following:

- (a) *project registration and site approvals, which include, inter-alia, the Abu Dhabi Airports Company Air Navigation Services, Environment Agency – Abu Dhabi, Abu Dhabi Police – Information & Telecom, Abu Dhabi Department of Culture and Tourism, Abu Dhabi Ports, and Abu Dhabi Department of Transport; and*
- (b) *construction stage approvals which include, inter-alia, the Abu Dhabi Civil Defense and Abu Dhabi City Municipality.*

Some of the abovementioned applications have already been submitted during the 4th quarter of 2020 and all the necessary approvals are anticipated to be obtained progressively by the 2nd quarter of 2021.

- (iii) *To be utilised for the Group's general working capital such as staff-related costs comprising, among others, salaries, bonuses, statutory contributions and welfare expenses, promotional and marketing expenses, general overheads and other administrative expenses which may include utilities, administrative overheads such as office expenses and general upkeep of the Group's offices.*

As at the LPD, SDHB's consolidated cash and bank balances are approximately RM992.69 million, in which most of the cash has been earmarked for the execution of the Group's existing order book prior to the award of the Abu Dhabi Projects, capital commitments and the repayment of the Group's debts of up to RM367.23 million maturing in 2021, based on the Group's FYE 31 December 2019 audited financial statements. As the Abu Dhabi Projects are scheduled to commence in the 1st quarter of 2021, additional working capital is urgently required to cover the project initiation expenses as outlined in sub-notes (i) and (ii) above while the Abu Dhabi Projects reach their project financing stage.

The working capital raised would:

- (a) *improve SDHB's liquidity and financial flexibility so that the Group's immediate working capital requirements could be addressed in a timely manner and avoid loss of business opportunities due to insufficient cash reserves; and*
- (b) *strengthen SDHB's overall financial position through a larger equity base that will enable SDHB to recapitalise its balance sheet, thus creating headroom for the Group to consider debt financing to support the growth of the Group in the future.*

- (5) *Consists of professional fees (including estimated placement fees), fees payable to the relevant authorities, and printing costs as well as other miscellaneous expenses to be incurred. Any variation to the estimated expenses for the Proposed Private Placement will be adjusted to or from the working capital requirements.*

The actual gross proceeds amount to be raised from the Proposed Private Placement will depend on the final issue price and the actual number of Placement Shares issued. Any additional proceeds raised in excess of the RM538.93 million will be allocated for working capital. Conversely, if the proceeds raised are less than RM538.93 million, the amount earmarked for working capital will be reduced accordingly.

Prior to the proceeds being utilised, such proceeds will be placed in interest-bearing deposits with financial institution(s) and/or short-term money market instrument(s). The interest derived from the deposits with financial institution(s) and/or any gain arising from the short-term money market instrument(s) will be used for the Group's working capital requirements as described in Note 4, sub-note (iii) of **Section 4** of this Circular.

5. INDUSTRY OUTLOOK AND PROSPECTS

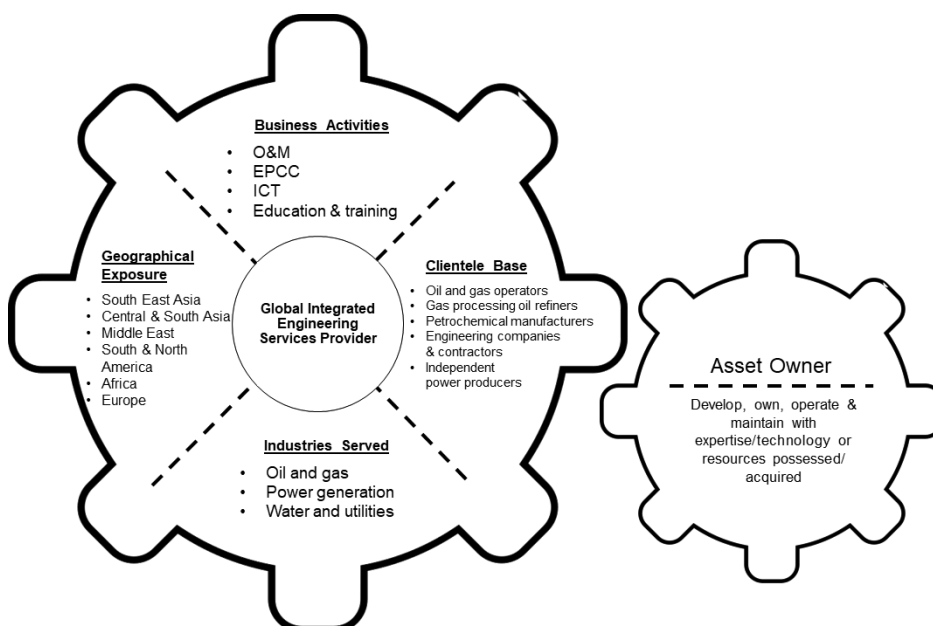
The Group is an international energy engineering group providing integrated engineering solutions primarily to the oil and gas, power generation, water and utilities industries with operational facilities in Malaysia, Indonesia, the United Arab Emirates and the United Kingdom. The Group currently has a global presence in 25 countries across 6 regions, namely South East Asia, Central and South Asia, Middle East, South and North America, Africa and Europe. As an engineering solutions provider, the Group's business activities comprise O&M services, EPCC works, ICT solutions and services and education and training which includes technical training programmes that support the Group's O&M, EPCC and ICT segments.

Since 2015, the Group has implemented an asset ownership business model as a strategic component to drive future revenue growth, sustain its business and enhance business synergies. Under this model, the Group acquires minority equity interests in companies operating in areas within the Group's scope of expertise with the ultimate objective of securing the following:

- (i) short to mid-term income from the EPCC of the projects of the target company;
- (ii) long-term O&M service provision to the assets of the companies it has invested in; and
- (iii) additional income from the equity interests held by the Group.

Through this model, the Group is able to leverage direct investments in assets in order to secure new O&M and EPCC contract flows in the short-to long-term, thereby achieving diversification in its business (in industries such as water and power) and building recurring income through long-term asset-generated cash flows and revenue from medium-term O&M contracts.

The Group's business model is summarised below:



5.1 Overview and outlook of the global economy

The global economy is projected to contract by 4.4% in 2020 (2019: 2.8%) due to unfavourable performance in both the advanced economies and the EMDEs, mainly resulting from the adverse impact of the COVID-19 pandemic. The GDP of the advanced economies is projected to contract 5.8% in 2020, as a result of sluggish private consumption, coupled with lacklustre global trade. Similarly, the GDP of the EMDEs is expected to decline by 3.3% in 2020, due to a drop in both private consumption and investment as well as unfavorable external demand.

In 2021, the global economy is projected to recover with a growth of 5.2%. The advanced economies are forecast to rebound by 3.9%, led by improvement in domestic demand and trade activities. Likewise, the GDP of the EMDEs is expected to record a growth of 6%, driven by steady domestic demand and higher exports. Risks to the global outlook include re-intensified United States-China trade disputes, uncertainties surrounding Brexit, continued low oil prices and the deepening climate crisis.

(Source: Economic Outlook 2021, Ministry of Finance)

5.2 Overview and outlook of the Malaysia economy

The Malaysian economy contracted by 8.3% in the 1st half 2020, with a decline of 17.1% in the 2nd quarter. The economy is expected to contract at a slower pace in the 2nd half of the year, aided by the speedy implementation of various stimulus packages to support the people and revitalise the economy. In 2020, the economy is expected to contract by 4.5%. The impact of the packages is anticipated to have spill-over effects and provide an additional boost to the economy in 2021. With the anticipated improvement in global growth and international trade, the Malaysian economy is projected to rebound between 6.5% and 7.5% in 2021. Growth will continue to be supported by strong economic fundamentals and a well-diversified economy. However, the favourable outlook hinges on two major factors which are the successful containment of the COVID-19 pandemic and sustained recovery in external demand.

(Source: Economic Outlook 2021, Ministry of Finance)

5.3 Overview and outlook of the global ICT industry

Global ICT spending is expected to decline to 3.0% in 2020, a modest improvement from the forecast of 4% decline. During the 1st half of 2020, ICT spending exceeded expectations as work-from-home trends led to solid sales of personal computers and related peripherals. Data centre spending, especially by hyper scale cloud providers, jumped as enterprise customers accelerated their move to the cloud to create a more flexible and resilient remote work environment.

The 2nd half of 2020's economic recovery is expected to be more gradual as efforts to contain the COVID-19 pandemic continue. After the work-from-home tailwind, ICT spending is expected to be below expectations, with enterprise and commercial customers curtailing their spending amid a slow economic recovery. Nevertheless, modest improvement in overall global ICT spending in 2020 reflects better than the expected results for the 1st half of 2020, with the global ICT spending expected to resume growth of approximately 4% to 5% in 2021.

Over the long term, the COVID-19 pandemic is expected to accelerate digital transformations among companies as they look to improve their business resilience and meet the changing demands of their workforces. This will require significant investments in both the public and private clouds, which are powered by software and artificial intelligence and enhanced security. Hence, the technology industry may undergo bouts of heavy investments followed by periods of gestation, but the global ICT spending growth is expected to significantly outpace that of global GDP over the next decade.

(Source: Management of SDHB)

5.4 Overview and outlook of the oil and gas industry

As of early September 2020, oil futures contracts indicate that Brent prices will increase to USD50.00 by the end of 2023, highlighting near-term demand concerns. Baseline assumptions, also based on futures prices, suggest average annual prices of USD41.70 a barrel in 2020 – a decrease of 32% from the 2019 average – and USD46.70 a barrel in 2021 for the International Monetary Fund's average petroleum spot prices. Currently, the oil market is characterised by elevated uncertainty as the COVID-19 pandemic is not yet under control. Risks, however, are broadly balanced. Upside risks to prices include escalating geopolitical events in the Middle East and faster containment of the COVID-19 pandemic as well as excessive cuts in oil and gas upstream investments and further bankruptcies in the energy sector. The biggest downside risk is a renewed slowdown in global economic activity as large inventories remain a concern. Other downside risks for oil prices include stronger oil production growth in several non-OPEC+ countries, a faster normalisation of Libya's oil production, and a breakdown of the OPEC+ agreement. In the medium and long term, global policy actions to lower carbon dioxide emissions present a further downside risk to oil demand.

(Source: International Monetary Fund. 2020. World Economic Outlook: A Long and Difficult Ascent. Washington, DC, October)

5.5 Future prospects of the Group

O&M

The Group's principal source of revenue is from the O&M services and EPCC works for essential sectors such as oil and gas, power generation and water and utilities which accounted for up to 97.3% of the revenue in FYE 31 December 2019. While the Group's O&M services' customers and projects are primarily in the production and refining segments of crude oil and gas products, the Group's business exposure to O&M for both the upstream and downstream oil and gas activity have helped balance the negative impact of low oil prices on EPCC activity for capital expenditure spending in upstream exploration and production activities.

Contributing 86.0% of revenue for the FYE 31 December 2019, the Group's O&M contracts are mostly recurring in nature as O&M services are required to ensure production facilities are running optimally and safely. For the FPE 30 September 2020, the Group's O&M revenue has shown a 29.6% increase from the corresponding period in the preceding year, mainly contributed by upstream and downstream oil and gas MRO and IRM sub-segments in the Middle East region such as Qatar, United Arab Emirates and Oman. In view of the depressed global oil price, the Group's upstream oil and gas customers take the opportunity to conduct maintenance and efficiency enhancements on their production asset during a time when the opportunity cost of curtailing production is relatively lower. For the Group's downstream oil and gas customers who are mainly involved in the refining and processing of oil and gas and manufacturing of petrochemical products, they are not as badly affected by falling prices as they benefit from lower feedstock prices and will continue to operate. Nevertheless, prolonged uncertainty over when oil consumption will return to normal, with virus cases spiking globally, may weigh on refining margins and therefore incentivise maintenance shutdowns. Hence, the Group's O&M order book is expected to remain stable in the medium term so long as the upstream and downstream activities remain in operation.

The Group's revenue performance has benefitted and continues to benefit from its exposure to O&M activities. The Group believes that the demand for maintenance services is directly correlated to the need to sustain the operations at oil and gas facilities, which means that O&M activities remain essential to ensuring operational and cost efficiency notwithstanding the oil price environment.

The Group benefits from continuing strong growth in its order book for O&M services, which are driven by new contract wins and healthy renewal rates from existing contracts in various sectors, with an average contract duration of 3 to 5 years. Earnings from O&M is expected to be stable in the foreseeable future due to the following:

- (i) the Group's asset ownership business model which enables the Group to secure recurring O&M contracts;
- (ii) the Group's positioning as an independent service provider, which enables the Group to service various brands, sizes and models of equipment without being exclusively tied to a particular original equipment manufacturer, therefore capable of handling a wide range of services for customers in various sectors. This has allowed the Group to hedge itself against any downturns in a particular industry or of a particular customer; and
- (iii) the Group's strong relationships with key customers (such as Petronas) and its proven execution capabilities at competitive prices in an industry characterised by high barriers to entry, particularly in the oil and gas sector where there are stringent licensing requirements which are predicated on service providers demonstrating an established track record, skilled workforce, technical knowledge and access to the required machinery, equipment and support systems, all of which are difficult to acquire in the short term.

EPCC

The Group's overall business strategy is to continue to leverage its capabilities within the oil and gas, power generation and ICT industries, including the acquisition of assets (as part of the Group's asset ownership business model) that will diversify its EPCC revenue streams to drive its future growth. The Group believes that the successful implementation of this strategy will enlarge its targeted markets across diversified industries and geographical markets, and provide continued business sustainability and growth.

In the past, revenue from the Group's EPCC segment was primarily derived from the oil and gas sector. However, contributions from the oil and gas sector to the Group's EPCC revenue has reduced significantly, partly due to the curtailed investment spending in the upstream oil and gas sector amidst uncertainties surrounding global demand for fossil fuel and sizeable securement of contract in non-oil and gas related sectors. Nevertheless, the Group intends to partake in the recovery in oil and gas EPCC activity in the long run by expanding its offshore and marine EPCC capabilities through the acquisition of the TR Yard from Petronas Assets Sdn Bhd for RM320.00 million in September 2020. The said acquisition will enable the Group to venture into the offshore and marine segment, as the TR Yard is located near Petronas' Refinery and Petrochemical Integrated Development (RAPID) in Pengerang, Johor Darul Ta'zim. With the said acquisition, the Group will be qualified to participate in sizeable local jobs such as decommissioning works, offshore transport and installation, integrated hook-up and commissioning services. The 169.96-acre fabrication yard has a load-bearing capacity of up to 50,000 tonnes for steel fabrication of offshore platforms and other structures.

For FYE 31 December 2019, the EPCC segment contributed 11.2% to the Group's revenue and has shown an increase of 46.8% from FYE 31 December 2018, mainly driven by the Group's project construction of a 45-metric tonne per day (MTPD) chlor-alkali plant in Tanzania and the recognition of revenue from the construction on 30-megawatt mini hydro-power plants in Laos.

For the FPE 30 September 2020, the Group recorded a slight growth in revenue of 6.2% compared against the corresponding period in the preceding year, mainly derived by the various contracts in United Arab Emirates, Tanzania, and Malaysia.

Going forward, the Group expects its EPCC's revenue contribution from non-oil and gas-related sectors to increase as it executes the Abu Dhabi Innovation Hub Project.

The Abu Dhabi Innovation Hub Project was awarded by Block 7 Investments L.L.C to Serba Dinamik International Ltd, a wholly-owned subsidiary of SDHB on 12 April 2020 which covers 3 areas of interest, namely:

- (i) an innovation hub which includes the development of offices, restaurants, exhibition centres and information technology centres;
- (ii) academic campuses; and
- (iii) accommodation which includes apartments and hotels,

over a total build-up area of approximately 455,000 square metres.

The Abu Dhabi Innovation Hub Project is intended to be a new landmark for Abu Dhabi as a global incubator for the advancement of innovators for the technology, property, financial as well as energy sectors. The project is expected to be completed within 4 years from the project's effective commencement date of 14 May 2020. The contract signifies the Group's position in the development of innovation hubs and the contents of digital frontier technology. The Abu Dhabi Innovation Hub Project would require approximately RM500.00 million in working capital in the FYE 31 December 2022, which will be financed from the operating cash flows of both the Group and the Abu Dhabi Innovation Hub Project, the exact breakdown of which has not been determined at this juncture.

The Group has also been awarded the Abu Dhabi Data Centre Project from Future Digital Data Systems L.L.C in Abu Dhabi worth approximately RM1.5 billion in August 2020, signifying its growth into the Middle East market.

The EPCC contracts secured by the Group in the Middle East can be partly attributed to their growing O&M presence in the Middle East and successful works on the following key development hubs and contents of digital frontier technology:

- (i) BIEH in the state of Sarawak;
- (ii) PEIP in the state of Johor Darul Ta'zim, which is still under construction; and
- (iii) D'Virtual Park virtual reality innovation park in Kota Samarahan, Sarawak.

The Group intends to leverage its core capabilities and offer a broader range of products and services beyond EPCC to cover the total lifecycle of an asset, i.e. from design, EPCC, O&M, upgrade and life extension to decommissioning. The Group has also leveraged on its ICT capabilities to differentiate its offering by incorporating Industry 4.0 value-added elements in its EPCC-related offerings for its recent projects in the Middle East.

As at the LPD, the Group has a sizeable ongoing EPCC order book, including the Abu Dhabi Innovation Hub Project and Abu Dhabi Data Centre Project, with an average remaining contract duration of 2 to 4 years. The Group has a fair win-rate on new international and local contracts, contributed by the ability to competitively price its offerings through systematic resource management, bulk purchases of inventories and strategic company acquisitions to help streamline operations.

The Group intends to fund the following EPCC operations out of the proceeds from the Proposed Private Placement:

- (i) the working capital in relation to Abu Dhabi Innovation Hub Project and Abu Dhabi Data Centre Project; and
- (ii) capital expenditure for the TR Yard.

ICT

The Group's EPCC growth was supported by SDHB's ICT business and various ICT-related research and development collaborations. SDHB's goals of augmenting Industry 4.0 capabilities to the group-wide businesses was thrust to the fore in 2020 with the global onset of the COVID-19 pandemic. The strain on infrastructure networks, contractions in consumer spending, disruptions to supply chain, reduced availability of components, and the all-round financial impact of the COVID-19 pandemic are taking its toll globally in the short term. As companies re-evaluate near-term and long-term supply chains, resource deployment and liquidity to preserve revenue streams, the COVID-19 pandemic has elevated digital workflows, robotics and automation from Industry 4.0 goals into immediate requirements.

With systemic shifts in user behaviour in the wake of restrictions in physical movement and contact, demand for solutions for remote monitoring, diagnosis, predictive maintenance and cyber security is expected to escalate in the EPCC and O&M space as clients strive to ensure business and operational continuity on a remote basis. The Group intends to capture the opportunities presented by these trends and differentiate itself by combining its engineering experience across several industries with ICT capabilities to deliver solutions which are self-configuring and self-tuning, while replacing manual processes with software processes that can be managed online. These ICT capabilities include predictive data analytics, data simulation, artificial intelligence, remote monitoring and virtual diagnostics, which can be incorporated in the Group's engineering solutions to enable clients to flexibly manage multi-disciplinary activities with an integrated platform for engineering lifecycle management. The engineering platform may be further enhanced by integrating it with other platforms across the clients' organisational functions, such as secure project management supplier collaboration and procurement systems.

In this regard, the Group plans to:

- (i) continue the development of customised software, smart maintenance platforms for major oil and gas and utility companies such as PT Pertamina (Persero), Qatar Petroleum, Tenaga Nasional Berhad, PETRONAS Carigali Sdn Bhd, Shell and Sarawak Energy Berhad; and
- (ii) leverage on its Industry 4.0 capabilities to enhance its EPCC order book. The Group has developed a suite of software packages for industrial applications which are sold either to customers on a standalone basis, packaged with other IT software solutions, or packaged together with the Group's O&M and EPCC contracts. The in-house developed industrial software applications commercialised by the Group are for plant operations, including plant O&M, plant health safety environment maintenance, and supply base and warehouse management.

With its experience and exposure in the ICT business, the Group also plans to expand its ICT footprint into the consumer market both domestically and internationally through its customised software development solutions, in-house developed mobile application solutions, e-commerce platforms as well as digital theme parks. In the last few years, the Group has developed and commercialised the following web-based applications to capture the consumer market:

- (i) MyTPA, a digital clinical panel management system through partnering with the Malaysian Islamic Doctors Organisation;
- (ii) Global Content Exchange, a digital content platform which provides access to global content and literature; and
- (iii) QWIK Pay, a QR-code based one-stop payment solution.

The ICT segment is expected to be one of the major revenue contributors to the Group in the coming years. The Group has secured the Abu Dhabi Data Centre Project and 2 ICT contracts to implement digital platforms in Zambia worth RM529.63 million in June 2020, signifying the Group's commitment to expand its ICT segment moving forward.

The Group has also entered into a memorandum of understanding with Huawei Technologies (Malaysia) Sdn Bhd on 25 September 2020, which is expected to grow its order book under the ICT segment as businesses are expected to invest in more high-tech solutions from the Group. This partnership will not only boost the Group's digital transformation in the oil and gas sector but also allow the Group to embark on innovative cloud-based solutions in the future.

For the FYE 31 December 2019, the other supporting products and services segment contributed 2.7% to the Group's revenue and has shown an increase of more than 100% as compared to FYE 31 December 2018, out of which 98.7% of the said revenue in the segment was contributed by ICT services and products. The increase in revenue from the ICT segment was supported by the Group's new acquisitions such as eNoah iSolution India Private Limited as well as collaboration with industry experts such as Microsoft APAC Digital Advisory Services.

For the FPE 30 September 2020, the Group recorded a growth in ICT revenue of more than 100% compared against the corresponding period in the preceding year, mainly contributed by the provision of customised solutions involving software developments in countries such as Bahrain, India and Qatar.

Conclusion

The Board believes that the prospects of the Group are favourable after taking into consideration the stable prospects of the O&M segment, and the growth in order book under the EPCC and ICT segments, as well as the Group's digital edge, as businesses accelerate their digital transformation to embrace the new normal following the COVID-19 pandemic.

(Source: Management of SDHB)

6. EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

6.1 Issued share capital

For illustrative purposes, the *pro forma* effects of the Proposed Private Placement on the issued share capital of SDHB as at the LPD are set out below:

	<u>No. of Shares</u>	<u>Amount</u> RM
Issued share capital as at the LPD	3,390,356,878	1,790,429,376
Less: Treasury shares, at cost	(17,562,800)	(28,491,900)
Add: To be issued pursuant to the Proposed Private Placement	336,830,000	538,928,000
After the Proposed Private Placement	<u>3,709,624,078</u>	<u>2,300,865,476</u>
Add: To be issued pursuant to the full exercise of the outstanding Warrants	881,099,921	* 2,308,481,793
Enlarged issued share capital	<u>4,590,723,999</u>	<u>4,609,347,269</u>

Note:

* Based on the exercise price of RM2.62 per Warrant.

6.2 NA per Share and gearing

For illustrative purposes, the *pro forma* effects of the Proposed Private Placement on the NA, NA per Share and gearing of SDHB based on the latest audited consolidated financial statements of SDHB as at 31 December 2019 are set out below:

		(I)	(II)	
	Audited as at 31 December 2019	Subsequent events up to the LPD	After (I) and the Proposed Private Placement	After (II) and the full exercise of all outstanding Warrants
	RM'000	RM'000	RM'000	RM'000
Share capital	1,344,347	⁽¹⁾ 1,790,429	⁽²⁾ 2,329,357	⁽³⁾ 4,637,839
Treasury shares	-	⁽⁴⁾ (28,492)	(28,492)	(28,492)
Merger reserve	(434,709)	*(434,709)	(434,709)	(434,709)
Foreign currency translation	12,503	*12,503	12,503	12,503
Other reserve	45,266	*45,266	45,266	45,266
Retained earnings	1,465,318	*, ⁽⁵⁾ 1,337,978	⁽⁶⁾ 1,325,588	1,325,588
NA/Equity attributable to the owners of SDHB	2,432,725	2,722,975	3,249,513	5,557,995
Non-controlling interests	7,160	* 7,160	7,160	7,160
Total equity	2,439,885	2,730,135	3,256,673	5,565,155
No. of SDHB Shares outstanding (excluding treasury shares) ('000)	3,083,850	⁽⁷⁾ 3,372,794	3,709,624	4,590,724
NA per SDHB Share (RM) ⁽⁸⁾	0.79	0.81	0.88	1.21
Interest-bearing borrowings	⁽⁹⁾ 3,339,527	*3,339,527	⁽¹⁰⁾ 3,239,527	3,239,527
Gearing (times) ⁽¹¹⁾	1.37	1.23	1.00	0.58

Notes:

* For purposes of this Circular, excludes the unaudited results of the Group for the FPE 30 September 2020.

(1) After taking into consideration the issuance of 306,507,000 Shares on 4 May 2020 at RM1.49 per Share and the related expenses of RM10.61 million pursuant to the General Mandate Placement, which was completed on 5 May 2020.

(2) Based on the illustrative issue price of RM1.60 per Placement Share.

(3) Based on the exercise price of RM2.62 per Warrant.

(4) After taking into consideration the total cost of 17,562,800 Shares purchased and retained in treasury from 9 March 2020 up to the LPD.

(5) After adjusting for the payment of the following dividends in 2020, amounting to approximately RM127.34 million up to the LPD:

(i) the fourth interim single tier dividend of 1.40 sen per SDHB Share which was paid on 30 March 2020, amounting to approximately RM42.33 million;

(ii) the first interim single tier dividend of 1.20 sen per SDHB Share which was paid on 26 June 2020, amounting to approximately RM41.18 million; and

(iii) the second interim single tier dividend of 1.30 sen per SDHB Share which was paid on 29 September 2020, amounting to approximately RM43.83 million.

- (6) *After deducting the estimated expenses in relation to the Proposed Private Placement of approximately RM12.39 million.*
- (7) *After taking into consideration the issuance of 306,507,000 Shares on 4 May 2020 pursuant to the General Mandate Placement, which was completed on 5 May 2020 and the 17,562,800 Shares purchased and retained in treasury on the following dates:*

Date of transaction	Type of transaction	No. of Shares
9 March 2020	Purchased	7,500,000
10 March 2020	Purchased	1,518,000
13 March 2020	Purchased	1,584,500
16 March 2020	Purchased	5,300,000
20 March 2020	Purchased	2,876,500
30 October 2020	Purchased	1,233,800
2 November 2020	Purchased	600,000
3 November 2020	Purchased	300,000
4 November 2020	Purchased	650,000
13 November 2020	Purchased	500,000
4 December 2020	Resale	(4,500,000)
Total		17,562,800

- (8) *Calculated based on the NA divided by the number of outstanding SDHB Shares (excluding treasury shares).*
- (9) *Excluding RM11.90 million finance lease liabilities.*
- (10) *After adjusting for the utilisation of proceeds arising from the Proposed Private Placement amounting to approximately RM100.00 million which is earmarked for the repayment of the Group's bank borrowings.*
- (11) *Calculated based on total interest-bearing borrowings over NA.*

6.3 Earnings and EPS

The Proposed Private Placement is not expected to have any material impact on the earnings of the Group for the FYE 31 December 2020. However, the EPS of the Group is expected to be diluted upon completion of the Proposed Private Placement as a result of the increase in the number of SDHB Shares in issue arising from the Proposed Private Placement.

The Proposed Private Placement is expected to contribute positively to the future earnings of the Group when the benefits from the utilisation of proceeds to be raised from the Proposed Private Placement, as set out in **Section 4** of this Circular, are realised.

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6.4 Substantial shareholders' shareholdings

The *pro forma* effects of the Proposed Private Placement on the substantial shareholders' shareholdings of SDHB as at the LPD are set out below:

	(1)			
	As at the LPD		After the Proposed Private Placement	
	Direct	Indirect	Direct	Indirect
	No. of SDHB Shares held	(1) %	No. of SDHB Shares held	(1) %
Dato' Karim	905,469,570	26.85	905,469,570	24.41
Datuk Kadier	591,901,290	17.55	591,901,290	15.96
Employees Provident Fund	318,517,500	9.44	318,517,500	8.59
Kumpulan Wang Persaraan (Diperbadankan)	155,901,560	4.62	155,901,560	4.20
			28,768,110	28,768,110
				(2) 0.78

(Cont'd)

After (1) and the full exercise of all outstanding Warrants

	Direct		Indirect	
	No. of SDHB Shares held	(1) %	No. of SDHB Shares held	(1) %
Dato' Karim	981,814,104	21.39	-	-
Datuk Kadier	760,930,230	16.58	-	-
Employees Provident Fund	364,632,120	7.94	-	-
Kumpulan Wang Persaraan (Diperbadankan)	167,283,900	3.64	28,768,110	(2) 0.63

Notes:

(1) Excluding 17,562,800 treasury shares.

(2) Deemed interest pursuant to Section 8 of the Act.

The illustration above assumes that Dato' Karim does not participate in the Proposed Private Placement. The placees and the number of Placement Shares to be issued cannot be determined at this juncture as the Placement Shares will be placed out by way of the book-building exercise.

If Dato' Karim participates in the Proposed Private Placement and is successful in securing his maximum allocation of 101,049,000 Placement Shares in the book-building exercise, his shareholding in SDHB may increase upon completion of the Proposed Private Placement, as follows:

	(i)			
	As at the LPD		After the Proposed Private Placement	
	Direct	Indirect	Direct	Indirect
	No. of SDHB Shares held	(1) %	No. of SDHB Shares held	(1) %
Dato' Karim	905,469,570	26.85	1,006,518,570	27.13
Datuk Kadier	591,901,290	17.55	591,901,290	15.96
Employees Provident Fund	318,517,500	9.44	318,517,500	8.59
Kumpulan Wang Persaraan (Diperbadankan)	155,901,560	4.62	155,901,560	4.20
			28,768,110	(2) 0.85
				28,768,110
				(2) 0.78

(Cont'd)	After (i) and the full exercise of all outstanding Warrants			
	Direct	Indirect		
	No. of SDHB Shares held	(1) %	No. of SDHB Shares held	(1) %
Dato' Karim	1,082,863,104	23.59	-	-
Datuk Kadier	760,930,230	16.58	-	-
Employees Provident Fund	364,632,120	7.94	-	-
Kumpulan Wang Persaraan (Diperbadankan)	167,283,900	3.64	28,768,110	(2) 0.63

Notes:

(1) Excluding 17,562,800 treasury shares.

(2) Deemed interest pursuant to Section 8 of the Act.

6.5 Convertible securities

Save for the outstanding Warrants which are exercisable into new SDHB Shares, SDHB does not have any other convertible securities in issue as at the LPD.

The Proposed Private Placement will not give rise to any adjustment to the exercise price of the outstanding Warrants and/or number of Warrants in accordance with the provisions of the Deed Poll.

6.6 Material commitments

Save as disclosed below, as at the LPD, the Board is not aware of any material commitments, incurred or known to be incurred by the Group, which upon becoming enforceable may have a material effect on the financial position or business of the Group.

Capital commitment	Amount RM'000
Approved and contracted for:	
- Land and building	305,794

6.7 Contingent liabilities

As at the LPD, the Board is not aware of any contingent liabilities incurred or known to be incurred by the SDHB Group, which upon becoming enforceable may have a material effect on the business or financial position of the Group.

7. APPROVALS REQUIRED

The Proposed Private Placement is subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for up to 336,830,000 Placement Shares to be issued pursuant to the Proposed Private Placement on the Main Market of Bursa Securities.

The approval from Bursa Securities for the abovementioned was obtained vide Bursa Securities' letter dated 16 December 2020, subject to the following conditions:

Conditions	Status of compliance
(1) SDHB and Affin Hwang IB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Private Placement;	To be complied
(2) SDHB and Affin Hwang IB to inform Bursa Securities upon the completion of the Proposed Private Placement;	To be complied
(3) SDHB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed; and	To be complied
(4) Affin Hwang IB to furnish Bursa Securities with details of the placees as per Paragraph 6.15 of the Listing Requirements for Bursa Securities' clearance, prior to the issuance / allotment of the Placement Shares.	To be complied

- (ii) shareholders of SDHB at the EGM to be convened; and
- (iii) any other relevant authorities/parties, if required.

The Proposed Placement to Dato' Karim is subject to approval being obtained from the shareholders of SDHB at the EGM.

8. CONDITIONALITY OF THE PROPOSED PRIVATE PLACEMENT

Save for the Proposed Private Placement, there is no other outstanding corporate exercise, which has been announced but pending completion as at the LPD.

The Proposed Private Placement is not conditional or inter-conditional upon any other corporate proposal undertaken or to be undertaken by SDHB.

The Proposed Placement to Dato' Karim is conditional upon the Proposed Private Placement but not vice versa. In the event that the Proposed Private Placement is not approved by shareholders of SDHB, the Proposed Placement to Dato' Karim will not be duly approved.

9. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND/OR PERSONS CONNECTED WITH THEM

Save for the Interested Directors set out below, none of the directors, major shareholders and/or chief executive of SDHB and/or persons connected with them has any interests, direct or indirect, in the Proposed Private Placement:

	As at the LPD							
	SDHB Shares				Warrants			
	Direct		Indirect		Direct		Indirect	
	No. of SDHB Shares held	%	No. of SDHB Shares held	%	No. of Warrants held	%	No. of Warrants held	%
	'000		'000		'000		'000	
Dato' Karim (Group Managing Director, Chief Executive Officer)	905,470	26.85	-	-	76,345	8.67	-	-
Datuk Kadir (Non-Independent Non-Executive Director)	591,901	17.55	-	-	169,029	19.18	-	-
Dato' Awang (Non-Independent Non-Executive Director)	75,289	2.23	-	-	*	*	-	-
Total	1,572,660	46.63	-	-	245,374	27.85	-	-

Note:

* Negligible.

Dato' Karim, Datuk Kadir and Dato' Awang were the promoters of SDHB for its initial public offering exercise in 2017 and were deemed to be acting jointly for the purpose of exercising control over SDHB. As such, Dato' Awang and Datuk Kadir are deemed interested in the Proposed Placement to Dato' Karim by virtue of them being persons connected with Dato' Karim.

Accordingly, the Interested Directors have abstained and will continue to abstain from all deliberation and voting on the Proposed Placement to Dato' Karim at all Board meetings. In addition, the Interested Directors will abstain from voting and will also ensure that the persons connected with them will abstain from voting in respect of their direct and/or indirect shareholdings in SDHB, if any, on the resolution pertaining to the Proposed Placement to Dato' Karim to be tabled at the forthcoming EGM.

In respect of any allocation of the Placement Shares to persons connected with Dato' Karim under the Proposed Placement to Dato' Karim, such persons shall not be existing shareholders of SDHB prior to the allotment of the Placement Shares.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

The Board, after taking into consideration all aspects of the Proposed Private Placement, including but not limited to the rationale and the effects of the Proposed Private Placement, is of the opinion that the Proposed Private Placement is in the best interest of SDHB. Accordingly, the Board recommends that you vote in favour of the resolution pertaining to the Proposed Private Placement to be tabled at the forthcoming EGM of SDHB.

The Board, save for the Interested Directors, after taking into consideration all aspects of the Proposed Placement to Dato' Karim, is of the opinion that the Proposed Placement to Dato' Karim is in the best interest of SDHB. Accordingly, the Board, save for the Interested Directors, recommends that you vote in favour of the resolution pertaining to the Proposed Placement to Dato' Karim to be tabled at the forthcoming EGM of SDHB.

11. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all required approvals being obtained, the Proposed Private Placement is expected to be completed by the 1st quarter of 2021.

12. HISTORICAL SHARE PRICES

The monthly highest and lowest market prices of SDHB Shares traded on Bursa Securities for the past 12 months up to the LPD are set out below:

	Low RM	High RM
<u>2019</u>		
December	1.95	2.25
<u>2020</u>		
January	2.21	2.52
February	2.15	2.48
March	1.02	2.29
April	1.44	1.95
May	1.54	1.92
June	1.55	1.86
July	1.61	1.79
August	1.60	1.84
September	1.63	1.82
October	1.49	1.67
November	1.49	1.78
Last transacted price of SDHB Shares as at 7 December 2020 (being the latest trading day prior to the date of the Announcement)		1.95
Last transacted market price as at the LPD		1.74

(Source: Bloomberg)

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13. EGM

The EGM, notice of which is enclosed in this Circular, will be held **entirely through live streaming** from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Wednesday, 20 January 2021 at 10.00 a.m. or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the ordinary resolutions to give effect to the Proposed Private Placement.

If you are unable to attend and vote in person at the EGM, please complete, sign and return the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible and in any event so as to arrive at SDHB's Share Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time fixed for the EGM or any adjournment thereof.

The lodging of the Form of Proxy will not preclude you from attending and voting in person at the EGM should you subsequently wish to do so.

14. FURTHER INFORMATION

Shareholders are requested to refer to the attached appendix for further information.

Yours faithfully,
For and on behalf of the Board of
SERBA DINAMIK HOLDINGS BERHAD

DATO' MOHAMED NOR BIN ABU BAKAR
Independent Non-Executive/Chairman

FURTHER INFORMATION

1. RESPONSIBILITY STATEMENT

The Board has seen and approved the contents of this Circular, and they collectively and individually accept full responsibility for the accuracy of the information given in this Circular. The Board confirms that after making all reasonable enquires and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular false or misleading.

2. CONSENT AND DECLARATION OF CONFLICT OF INTEREST**2.1 Affin Hwang IB**

Affin Hwang IB, being the Principal Adviser, Joint Global Coordinator and Joint Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Save as disclosed below, Affin Hwang IB hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to the role of Affin Hwang IB as the Principal Adviser, Joint Global Coordinator and Joint Placement Agent to SDHB in relation to the Proposed Private Placement.

Affin Bank Berhad (the holding company of Affin Hwang IB) and its related and associated companies (the “**Affin Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. The Affin Group has engaged and may in the future, engage in transactions with and perform services for SDHB and/or SDHB’s affiliates, in addition to the roles set out in this Circular. In addition, in the ordinary course of business, any member of the Affin Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of the Group, SDHB’s shareholders, SDHB’s affiliates and/or any other entity or person, hold long or short positions in securities issued by SDHB and/or SDHB’s affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any members of the Group and/or SDHB’s affiliates.

As at the LPD, the Affin Group has in the ordinary course of its business extended credit facilities/services to the Group, its directors and its shareholders. The Affin Group may also in the future extend credit facilities/services to the Group and its shareholders. Nevertheless, the proceeds raised from the Proposed Private Placement will not be used to repay the credit facilities extended by the Affin Group to the Group.

Affin Hwang IB has considered the factors involved and believes its objective and independence as the Principal Adviser, Joint Global Coordinator and Joint Placement Agent to SDHB in relation to the Proposed Private Placement are maintained at all times notwithstanding the aforementioned roles and services performed as these are mitigated by the following:

- (i) the businesses of the Affin Group generally act independently of each other, and accordingly, there may be situations where parts of the Affin Group and/or its customers now have or in the future may have interest or take actions that may conflict with the interest of the Group. Nonetheless, the Affin Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and the erection of Chinese Walls between different business divisions;
- (ii) the said credit facilities/services, where relevant, have been extended by the Affin Group in its ordinary course of business;

FURTHER INFORMATION (CONT'D)

- (iii) the conduct of Affin Group in its banking business is strictly regulated by the Financial Services Act 2013, the Islamic Financial Services Act 2013, the CMSA and the Affin Group's own internal controls and checks;
- (iv) the total outstanding amount owed by the Group to the Affin Group is not material when compared to the audited NA of Affin Group as at 31 December 2019 of RM9.34 billion; and
- (v) save for the fees to be received by Affin Hwang IB as Principal Adviser, Joint Global Coordinator and Joint Placement Agent to SDHB for the Proposed Private Placement, there is no other direct interest to be derived by Affin Hwang IB in relation to the Proposed Private Placement, and neither is Affin Hwang IB interested in nor affected by the outcome of the Proposed Private Placement.

Accordingly, the Board has been fully informed and is aware of the roles of Affin Hwang IB mentioned above and is agreeable to the role of Affin Hwang IB as the Principal Adviser, Joint Global Coordinator and Joint Placement Agent to SDHB in relation to the Proposed Private Placement.

2.2 Credit Suisse Securities (Malaysia) Sdn Bhd

Credit Suisse Securities (Malaysia) Sdn Bhd, being the Joint Global Coordinator and Joint Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Credit Suisse Securities (Malaysia) Sdn Bhd hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Joint Global Coordinator and Joint Placement Agent to SDHB in relation to the Proposed Private Placement.

2.3 Credit Suisse (Singapore) Limited

Credit Suisse (Singapore) Limited, being the Joint Global Coordinator and Joint Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Credit Suisse (Singapore) Limited hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to its role as the Joint Global Coordinator and Joint Placement Agent to SDHB in relation to the Proposed Private Placement.

2.4 RHB Investment Bank Berhad

RHB Investment Bank Berhad, being the Joint Placement Agent for the Proposed Private Placement, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which they appear in this Circular.

Save as disclosed below, RHB Investment Bank Berhad hereby declares that there is no situation of conflict of interest that exists or is likely to exist in relation to the role of RHB Investment Bank Berhad as the Joint Placement Agent to SDHB in relation to the Proposed Private Placement.

Employees Provident Fund is a substantial shareholder of RHB Bank Berhad ("**RHB Bank**") (being the holding company of RHB Investment Bank Berhad) and SDHB. Nevertheless, Employees Provident Fund is not involved in the day-to-day operations of RHB Bank, and the subsidiaries and associated companies of RHB Bank ("**RHB Banking Group**") and SDHB.

FURTHER INFORMATION (CONT'D)

RHB Banking Group forms a diversified financial group and may extend credit facilities or engage in private banking, commercial banking and investment banking transactions including, amongst others, brokerage, securities trading, asset and fund management and credit transaction service businesses in its ordinary course of business with the Group. RHB Banking Group has engaged and may in the future, engage in transactions with and perform services to the Group in addition to the roles set out in this Circular.

Furthermore, in the ordinary course of business, any member of the RHB Banking Group may at any time offer or provide its services to or engage in any transactions (whether on its own account or otherwise) with any member of the Group, its shareholders, its affiliates and/or any other entity or person, hold long or short positions in the securities offered by any member of the Group, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of the Group.

As at the LPD, RHB Banking Group has extended various credit facilities with a combined limit of approximately RM220.00 million to the Group ("**RHB Credit Facilities**"), of which the outstanding amount as at the LPD is approximately RM35.91 million. Further, RHB Investment Bank Berhad has extended share margin financing facilities of up to RM60.00 million to Dato' Karim ("**RHB SMF Facilities**"), of which the outstanding amount as at the LPD is approximately RM55.05 million. While the RHB SMF Facilities were not extended to Dato' Karim for the purposes of the Proposed Private Placement, Dato' Karim can and may decide to utilise the unutilised amount in the RHB SMF Facilities to subscribe for his allocation for the Proposed Private Placement.

Further, the Equity Derivatives department of RHB Investment Bank Berhad ("**RHB EQD**") has issued call warrants over SDHB Shares where the call warrants will expire on 27 April 2021 ("**Call Warrants**"). The maximum issue size of the Call Warrants is 40 million units. The issuance of Call Warrants would expose RHB Investment Bank Berhad to the movement in share price of SDHB. RHB Investment Bank Berhad has utilised and will continue to utilise the proceeds received from the issuance of the Call Warrants for hedging activities that include purchasing of SDHB Shares to mitigate RHB Investment Bank Berhad's risk exposure to the Call Warrants. As at the LPD, RHB Investment Bank Berhad has purchased SDHB Shares amounting to RM358,962 as part of its hedging activities.

Notwithstanding the above and as at the LPD, RHB Investment Bank Berhad has confirmed that the abovementioned do not and are not likely to result in a conflict of interest in its capacity as the Joint Placement Agent for the Proposed Private Placement in view of the following:

- (i) the extended RHB Credit Facilities and RHB SMF Facilities by RHB Banking Group are made on an arm's length basis and in its ordinary course of business and are not material compared to the audited shareholders' fund of RHB Banking Group of approximately RM25.78 billion as at 31 December 2019. Further, the issuance of and hedging activities in relation to the Call Warrants by RHB Investment Bank Berhad are made on an arm's length basis and the value of SDHB Shares purchased by RHB Investment Bank Berhad is not material compared to the market capitalisation of SDHB of approximately RM5.87 billion as at the LPD;
- (ii) the extended RHB Credit Facilities and RHB SMF Facilities are not conditional upon RHB Investment Bank Berhad being appointed as the Joint Placement Agent for the Proposed Private Placement or upon any other proposal(s) being undertaken by any entity(ies) within RHB Banking Group;

FURTHER INFORMATION (CONT'D)

- (iii) RHB Investment Bank Berhad is a licensed investment bank and its appointment as the Joint Placement Agent for the Proposed Private Placement is in its ordinary course of business. RHB Investment Bank Berhad does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as the Joint Placement Agent for the Proposed Private Placement;
- (iv) the hedging activities of RHB EQD are governed by internal limits to manage RHB Banking Group's overall exposure to a particular underlying security where, in this case, RHB EQD can only acquire up to RM30.00 million of SDHB Shares ("**Exposure Limit**"). Nevertheless, depending on the market condition and underlying value of SDHB Shares, RHB EQD may increase the Exposure Limit subject to the necessary approval(s) from the Chief Executive Officer of RHB Investment Bank Berhad, Group Investment Underwriting Committee and/or Board Credit Committee (depending on the amount) of RHB Banking Group. Hence, RHB Investment Bank Berhad's potential exposure to the movement in price of SDHB Shares pursuant to the Call Warrants issued cannot be ascertained at this juncture.

In any event, based on the Exposure Limit, RHB Investment Bank Berhad may only acquire up to approximately 0.51% of SDHB market capitalisation computed as at the LPD, and RHB Banking Group is also governed by other regulatory requirements and its own internal control vis-à-vis exposures to a single counter party;

- (v) RHB Investment Bank Berhad is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its business operations. These guidelines require, among others, the establishment of Chinese wall policies, clear segregation between dealing and advisory activities and the formation of independent committees to review its business operations. In any event, the team in charge of the Proposed Private Placement in RHB Investment Bank Berhad is independent from the team handling the credit facilities and the issuance of Call Warrants. Further, there is no involvement by the team in charge of the Proposed Private Placement in respect of any credit application process undertaken by other departments within RHB Banking Group;
- (vi) the conduct of RHB Banking Group in its banking business is strictly regulated by the Financial Services Act 2013, the Capital Markets and Services Act 2007 and RHB Banking Group's own internal controls and checks which includes, segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees; and
- (vii) none of SDHB directors is a board member of the RHB Banking Group.

Save for the above, RHB Investment Bank Berhad is not aware of any existing or potential interest or any circumstances which would give rise to a conflict of interest by virtue of its role as the Joint Placement Agent for the Proposed Private Placement.

3. MATERIAL LITIGATION

As at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings which might materially or adversely affect the financial position or business of the Group.

FURTHER INFORMATION (CONT'D)

4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during normal office hours from Mondays to Fridays (except public holidays) from the date of this Circular up to and including the date of the EGM of SDHB, at the Registered Office of SDHB at Level 15, Menara Serba Dinamik, Presint 3.4, Persiaran Perbandaran, Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia:

- (i) Constitution of SDHB;
- (ii) the audited consolidated financial statements of SDHB for the past 2 FYEs 31 December 2018 and 2019 and the latest unaudited quarterly results of SDHB for the FPE 30 September 2020; and
- (iii) the letters of consent referred to in **Section 2** of the Appendix.

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SERBA DINAMIK
HOLDINGS BERHAD

(Registration No.: 201501042584 (1167905-P))
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of Serba Dinamik Holdings Berhad (“SDHB” or the “Company”) will be held **entirely through live streaming** from the Broadcast Venue at **Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Wednesday, 20 January 2021 at 10.00 a.m.** or at any adjournment thereof for the purpose of considering and if thought fit, passing with or without modifications, the following ordinary resolutions:

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 336,830,000 NEW ORDINARY SHARES IN SERBA DINAMIK HOLDINGS BERHAD (“SDHB” OR THE “COMPANY”), REPRESENTING APPROXIMATELY 10% OF THE EXISTING TOTAL NUMBER OF ISSUED SHARES IN SDHB (“PROPOSED PRIVATE PLACEMENT”)

“**THAT** subject to the approval of all relevant authorities and/or parties being obtained (where required), approval be and is hereby given to the Board of Directors of SDHB (“**Board**”) to allot and issue up to 336,830,000 new ordinary shares in SDHB (“**SDHB Shares**”) (“**Placement Shares**”), which includes the Proposed Placement to Dato’ Karim (as defined in **Ordinary Resolution 2** below), representing approximately 10% of the total number of issued shares in SDHB.

THAT approval be and is hereby given to the Board (save for Dato’ Dr. Ir. Ts. Mohd Abdul Karim Bin Abdullah, Dato’ Awang Daud Bin Awang Putera and Datuk Haji Abdul Kadier Sahib (“**Interested Directors**”)) to determine the issue price of the Placement Shares by way of book-building and at a price of not more than 10% to the 5-day volume weighted average market price of SDHB Shares immediately preceding the price-fixing date.

THAT the Placement Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the existing SDHB Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid by SDHB prior to the date of allotment and issuance of the Placement Shares.

THAT the Board be and is hereby authorised to utilise the proceeds from the Proposed Private Placement for the purposes set out in the circular to the shareholders dated 5 January 2021 (“**Circular**”), and the Board be authorised with full powers to vary the manner and/or purpose of the utilisation of such proceeds in such manner as the Board shall in its absolute discretion deem fit, necessary, expedient and/or appropriate and in the best interest of SDHB, subject to the approvals of relevant authorities (where required) being obtained.

AND THAT the Board be and is hereby empowered and authorised to do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of SDHB all such documents and/or arrangement (including, without limitations, the affixing of SDHB’s share seal) as may be necessary to give effect and complete the Proposed Private Placement and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of SDHB and to take such steps as they may deem necessary or expedient in order to implement, finalise, and give full effect and to complete the Proposed Private Placement.”

ORDINARY RESOLUTION 2

PROPOSED PLACEMENT TO DATO' DR. IR. TS. MOHD ABDUL KARIM BIN ABDULLAH ("DATO' KARIM") AND/OR PERSONS CONNECTED WITH HIM ("PROPOSED PLACEMENT TO DATO' KARIM")

"**THAT** subject to the passing of **Ordinary Resolution 1** and approval of all relevant authorities and/or parties being obtained (where required), and to the terms of **Ordinary Resolution 1**:

- (a) approval be and is hereby given for SDHB to place, and pursuant thereto for the Board to allot and issue up to 101,049,000 Placement Shares, representing approximately 3% of the total number of issued shares in SDHB, to Dato' Karim and/or persons connected with Dato' Karim on the terms of the Proposed Private Placement and at an issue price to be determined by way of book-building and at a price of not more than 10% discount to the 5-day volume weighted average market price of SDHB Shares immediately preceding the price-fixing date; and
- (b) the Board be and is hereby empowered and authorised to do all acts, deeds and things and execute, sign, deliver and cause to be delivered on behalf of SDHB all such documents and/or arrangement (including, without limitations, the affixing of SDHB's share seal) as may be necessary to give effect and complete the Proposed Placement to Dato' Karim and to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Board may deem necessary in the best interest of SDHB and to take such steps as they may deem necessary or expedient in order to implement, finalise, and give full effect and to complete the Proposed Placement to Dato' Karim."

BY ORDER OF THE BOARD

MUHAMMAD HAFIZ BIN OTHMAN (SSM PC NO. 202008003349) (MIA 37218)

NADIAH ILI BINTI ADNAN (SSM PC NO. 202008001698) (MAICSA 7062952)

Company Secretaries

Kuala Lumpur

5 January 2021

Notes:

- (1) *In view of the COVID-19 outbreak and as part of the safety measures, the EGM will be conducted on a **fully virtual basis** through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities via Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") **TIIH Online** website at <https://tiih.online>. Shareholders may exercise their rights to participate (including to post questions to the Board) and vote at the EGM by using the RPV facilities. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV facilities.*
- (2) *The broadcast venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **NO SHAREHOLDERS/PROXY(IES) WILL BE ALLOWED TO BE PHYSICALLY PRESENT AT THE BROADCAST VENUE.***
- (3) **Appointment of Proxy**
 - (a) *A member of SDHB entitled to attend, participate, speak and vote is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of him. Where a member appoints 2 proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of SDHB.*
 - (b) *A member of SDHB who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("**SICDA**") may appoint one proxy in respect of each securities account it holds with ordinary shares of SDHB standing to the credit of the said securities account.*
 - (c) *Where a member of SDHB is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in SDHB for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

- (d) *Where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (e) *A proxy may but need not be a member of SDHB. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.*
- (f) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*
- (g) *The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by SDHB not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote:*
 - (i) *In physical copy form (applicable to all members)*

In the case of an appointment made in physical copy form, the proxy form must be deposited with the Share Registrar of SDHB at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) *By electronic form (applicable to individual members only)*

The proxy form can be electronically lodged with Tricor via TIIH Online website at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Procedures for Electronic Lodgement of Proxy Form in the Administrative Guide for the EGM enclosed with the Circular.
- (h) *For the purpose of determining a member who shall be entitled to attend and vote at the meeting via RPV, SDHB shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to SDHB a Record of Depositors as at 13 January 2021 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting via RPV or appoint proxies to attend and vote in his stead.*



SERBA DINAMIK
HOLDINGS BERHAD

(Registration No.: 201501042584 (1167905-P))
(Incorporated in Malaysia)

FORM OF PROXY

I/We, _____ (NRIC/Passport/Company No.) _____
of _____
being a member/members of **SERBA DINAMIK HOLDINGS BERHAD**, do hereby appoint _____
(NRIC/Passport No.) _____ and/or
failing him/her _____ (NRIC/Passport No.) _____
or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on our behalf at the
Extraordinary General Meeting ("EGM") of the Company to be held entirely via live streaming at the Broadcast
Venue at **Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical
Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on
Wednesday, 20 January 2021 at 10.00 a.m. or any adjournment thereof.

My/our proxy is to vote as indicated below:

Ordinary Resolutions	FOR	AGAINST
1. Proposed Private Placement		
2. Proposed Placement to Dato' Karim		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this _____ day of _____ 2021

No. of shares held	CDS Account No.

Signature of Shareholder
Contact No.:

For appointment of 2 proxies, percentage of shareholdings to be represented by the proxies:		
	No. of Shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100 %

Notes:

- (1) *In view of the COVID-19 outbreak and as part of the safety measures, the EGM will be conducted on a **fully virtual basis** through live streaming and online remote voting using the Remote Participation and Voting ("RPV") facilities via Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") **TIH Online** website at <https://tiah.online>. Shareholders may exercise their rights to participate (including to post questions to the Board) and vote at the EGM by using the RPV facilities. Please follow the procedures provided in the Administrative Guide for the EGM in order to register, participate and vote remotely via the RPV facilities.*
- (2) *The broadcast venue of the EGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. **NO SHAREHOLDERS/PROXY(IES) WILL BE ALLOWED TO BE PHYSICALLY PRESENT AT THE BROADCAST VENUE.***
- (3) **Appointment of Proxy**
 - (a) *A member of SDHB entitled to attend, participate, speak and vote is entitled to appoint not more than 2 proxies to attend, participate, speak and vote instead of him. Where a member appoints 2 proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A proxy need not be a member of SDHB.*



- (b) *A member of SDHB who is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA") may appoint one proxy in respect of each securities account it holds with ordinary shares of SDHB standing to the credit of the said securities account.*
- (c) *Where a member of SDHB is an Exempt Authorised Nominee as defined under SICDA which holds ordinary shares in SDHB for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
- (d) *Where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- (e) *A proxy may but need not be a member of SDHB. A proxy appointed to attend and vote shall have the same rights as the member to speak at the meeting.*
- (f) *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its officer or its duly authorised attorney.*
- (g) *The appointment of a proxy may be made in a physical copy form or by electronic means in the following manner and must be received by SDHB not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof at which the person named in the appointment proposes to vote:*
 - (i) *In physical copy form (applicable to all members)*

In the case of an appointment made in physical copy form, the proxy form must be deposited with the Share Registrar of SDHB at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) *By electronic form (applicable to individual members only)*

The proxy form can be electronically lodged with Tricor via TIIH Online website at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Procedures for Electronic Lodgement of Proxy Form in the Administrative Guide for the EGM enclosed with the Circular.
- (h) *For the purpose of determining a member who shall be entitled to attend and vote at the meeting via RPV, SDHB shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to SDHB a Record of Depositors as at 13 January 2021 and only a member whose name appears on the Record of Depositors on that date shall be entitled to attend the meeting via RPV or appoint proxies to attend and vote in his stead.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar of Serba Dinamik Holdings Berhad
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
(197101000970) (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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SERBA DINAMIK
HOLDINGS BERHAD

(Registration No.: 201501042584 (1167905-P))
(Incorporated in Malaysia)

ADMINISTRATIVE GUIDE FOR THE EXTRAORDINARY GENERAL MEETING (“EGM”)

Day/Date	Wednesday, 20 January 2021
Time	10.00 a.m.
Broadcast Venue	Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia
Meeting Platform	https://tiih.online

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM via RPV provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) via its *TIIH Online* website at <https://tiih.online>. Please refer to Procedures for RPV.

Shareholders who have appointed a proxy(ies) or attorney(s) or authorised representative(s) to participate via RPV in the EGM must ensure that the duly executed proxy forms are deposited in a physical copy form or by electronic means to Tricor no later than **Monday, 18 January 2021 at 10.00 a.m.**

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor not later than **Monday, 18 January 2021 at 10.00 a.m.** to participate via RPV in the EGM.

Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than **Monday, 18 January 2021 at 10.00 a.m.** to participate via RPV in the EGM.

As the EGM is a fully virtual EGM, members who are unable to participate in this EGM may appoint the Chairperson of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this EGM via RPV must request his/her proxy to register himself/herself for RPV at *TIIH Online* website at <https://tiih.online>.

APPOINTMENT OF PROXY/CORPORATE REPRESENTATIVE / ATTORNEY

Members who appoint proxies/corporate representatives/attorneys to participate in the EGM via RPV must ensure that the duly executed proxy forms are deposited in a physical copy form or by electronic means to Tricor no later than **Monday, 18 January 2021 at 10.00 a.m.** in the following manner:

(i) In physical copy form (applicable to all members)

In the case of an appointment made in physical copy form, the proxy form must be deposited with Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form (applicable to individual members only)

The proxy form can be electronically lodged with Tricor via *TIIH Online* website at <https://tiih.online> (applicable to individual shareholders only). Kindly refer to the Procedure for Electronic Submission of Proxy Form.

Corporate members who wish to appoint corporate representatives are required to deposit their **ORIGINAL** certificate of appointment of corporate representative at Tricor's office as provided above not later than **Monday, 18 January 2021 at 10.00 a.m.** to participate via RPV in the EGM.

Attorneys appointed by power of attorney are to deposit their power of attorney at Tricor's office as provided above not later than **Monday, 18 January 2021 at 10.00 a.m.** to participate via RPV in the EGM.

A member who has appointed a proxy/authorised representative/attorney to participate in the EGM via RPV must request his/her proxy/authorised representative/attorney to register himself/herself for RPV at *TIIH Online* website at <https://tiih.online>. Please refer to Procedures for RPV.

PROCEDURES FOR RPV

Shareholder(s)/proxy(ies)/corporate representative(s)/attorneys who wish to participate in the EGM remotely using the RPV are to follow the requirements and procedures as summarised below:

Procedure	Action
BEFORE THE EGM DAY	
(a) Register as a user with <i>TIIH Online</i>	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services" menu. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one working day and you will be notified via email. If you are already a user with <i>TIIH Online</i>, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at <i>TIIH Online</i>.
(b) Submit your request	<ul style="list-style-type: none"> Registration is open from Tuesday, 5 January 2021 until the day of the EGM on Wednesday, 20 January 2021. Members/proxies/corporate representatives/attorneys are required to pre-register their attendance for the EGM to ascertain their eligibility to participate in the EGM using the RPV. Login with your user ID and password and select the corporate event: "(REGISTRATION) SERBA EGM". Read and agree to the Terms & Conditions and confirm the Declaration. Select "Register for Remote Participation and Voting". Review your registration and proceed to register. The <i>TIIH Online</i> system will send an e-mail to notify you that your registration for remote participation is received and will be verified. After verification of your registration against the General Meeting Record of Depositors as at 13 January 2021, the <i>TIIH Online</i> system will send you an e-mail to approve your registration for remote participation and the procedures to use the RPV are detailed therein. In the event your registration is not approved, you will also be notified via email. <p><i>(Note: Please ensure to allow sufficient for the TIIH Online system to approve you as a new user and register you for the RPV, to ensure that you can login to TIIH Online and participate in the EGM remotely).</i></p>
ON THE DAY OF THE EGM	
(c) Login to <i>TIIH Online</i>	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the EGM at any time from 9.30 a.m. i.e. 30 minutes before the commencement of the EGM on Wednesday, 20 January 2021 at 10.00 a.m.
(d) Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAM MEETING) SERBA EGM" to engage in the proceedings of the EGM remotely. If you have any question for the Chairperson/ Board, you may use the query box to transmit your question. The Chairperson/ Board will endeavour to respond to questions submitted by remote participants during the EGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

Procedure	Action
(cont'd)	<ul style="list-style-type: none"> Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(e) Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 10.00 a.m. on Wednesday, 20 January 2021 until a time when the Chairman announces the end of the voting session. Select the corporate event: “(REMOTE VOTING) SERBA EGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(f) End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairperson on the closure of the EGM, the live streaming will end.

Further Notes to Users on the RPV Facilities

- Should your application to join the meeting be approved, Tricor will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to *TIIH Online* on the day of the meeting will indicate your presence at the virtual meeting.
- The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or email to tiih.online@my.tricorglobal.com for assistance.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your proxy form electronically via Tricor's *TIIH Online* website are summarised below:

Procedure	Action
(a) Register as a user with <i>TIIH Online</i>	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please do refer to the tutorial guide posted on the homepage for assistance. If you are already a user with <i>TIIH Online</i>, you are not required to register again.
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login with your user name (i.e. email address) and password. Select the corporate event: “SUBMISSION OF PROXY FORM”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(s) and insert the required details of your proxy(s) or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(s) appointment. Print proxy form for your record.

POLL VOTING

The voting at the EGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from **10.00 a.m. on Wednesday, 20 January 2021** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely via the *TIIH Online* website at <https://tiih.online>.

Upon completion of the voting session for the EGM, the Scrutineers will verify the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTIONS

Shareholders may submit questions in relation to the agenda items of the EGM in advance via Tricor's *TIIH Online* website at <https://tiih.online>. Please select "e-Services" to login, pose questions and submit electronically no later than **Monday, 18 January 2021 at 10.00 a.m.** The Board/Company will endeavour to answer the questions received at the EGM. If there is time constraint, the responses will be emailed to you at the earliest possible, after the meeting.

NO DOOR GIFTS/FOOD VOUCHERS

There will be no distribution of door gifts or food vouchers for the EGM as the meeting will be conducted on a fully virtual basis.

The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

RECORD OF DEPOSITORS

For the purpose of determining whether a member shall be entitled to attend the EGM via RPV, the Company shall refer to the Record of Depositors and only a depositor whose name appears on the Record of Depositors as at **13 January 2021** shall be entitled to attend the said meeting or appoint proxies to participate and/or vote on his/her behalf.

ENQUIRIES

If you have any questions prior to the EGM, please contact the Share Registrar at:

Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia		Telephone Number
	<i>General Line</i>	603-2783 9299
	<i>Fax Number</i>	603-2783 9222
	<i>Encik Mohammad Amirul Iskandar Bin Azizan</i>	603-2783 9263
	<i>Email</i>	<i>is.enquiry@my.tricorglobal.com</i>