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## Serba Dinamik attains strong growth from O&M

by MARK RAO

SERBA Dinamik Holdings Bhd recorded a revenue of RM511.51 million for the third-quarter ended Sept 30, 2016 (3Q16), driven largely by its operating and maintenance (O&M) business.

The Main Board-bound oil and gas (O&G) service provider's core O&M business delivered RM468.83 million or 91.7% of its total revenues.

For the quarter under review, Serba Dinamik Holdings recorded a profit of RM44.66 or 4.2 sen earnings per share.

Group MD and chief executive director Datuk Dr Mohd

Karim Abdullah said the services division has helped offset the overall slowdown in its business.

"Despite the downturn in the O&G industry since 2014, we managed to strengthen our financial position over the period as the services offered by our group are essential in extending the life of the equipment and structures used in the O&G industry," Mohd Karim said in a statement.

"The machines require more maintenance as they age and our services are required to extend the life cycle of the assets."

Besides its O&M business, the company is also involved in engineering, procurement, construction and commissioning. These divisions accounted for 7.9% of the group's total revenue. The revenues are largely derived from contracts with Sarawak Shell Sdn Bhd, Petronas Methanol (Labuan) Sdn Bhd and Petrofac E&C Sdn Bhd.

Meanwhile, Mohd Karim said the company will benefit from its scheduled listing on Bursa Malaysia Securities Bhd tomorrow.

"With the upcoming listing on Bursa Securities, we will gain a stronger positioning

within the industry as we strengthen our financial position. This will evidently drive the group as we work towards becoming a one-stop solutions provider and continue to create value for our investors."

The O&G service provider's initial public offering (IPO) of 26.7 million shares was oversubscribed by 4.96 times, with an offer price of RM1.50 per share.

The company had undertaken the IPO of 389.4 million ordinary shares at 50 sen each on Dec 30 last year, representing approximately 29.17% of its enlarged issued and paid-up share capital.

It said 73.69% of the RM407.1 million raised from the public issue will be used for the expansion of business and operational facilities, while 14.75% will be utilised for repayment of bank borrowings.

Its subsidiary, Serba Dinamik Sdn Bhd, entered into sale of shares agreement at the start of this year for a 100% equity interest in Supreme Vista Industries Sdn Bhd worth RM2 million.

It said the takeover is expected to be completed by 3Q17.

Serba Dinamik Holdings' total borrowings stood at RM555.68 million in 3Q16.