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# Serba Dinamik in M & A talks with overseas firms



Serba Dinamik provides maintenance, repair and overhaul services for rotating equipment, including gas and steam turbines, engines, motors, pumps, compressors and industrial fans.

KUALA LUMPUR: Serba Dinamik Holdings Bhd, in a bid to become a one-stop service provider for the oil and gas sector, is in talks with a few entities in Europe, the United States and Middle East for merger and acquisition (M & A) exercises.

Group chief executive officer Datuk Dr Mohd Abdul Karim Abdullah said the rationale of this exercise was to enhance the company's ability in the field of technology and parts manufacturing.

"Some of these talks are still ongoing and some of them are almost at the conclusion. We will make a major M & A announcement in a month," he told a media briefing after the company's AGM in Kuala Lumpur on Friday.

Group chief financial officer Syed Nazim Syed Faisal said the company allocated about RM40mil for these strategic acquisitions, which were expected to greatly reduce its operations cost as it would be able to manufacture its own parts.

Furthermore, he said, the group looked at these ventures as a way to bring back all of these technology to Malaysia to expand its capabilities and better position itself as an integrated player.

When asked on the impact of low global oil price to its business, Mohd Abdul Karim said the company was still seeing good demand for its services given that oil and gas companies would still require maintenance works despite the oil price movement.

"However, we do have our own mitigation plan whereby if we see a slowdown in demand from local companies, we compensate it with revenue contribution from other countries.

"Currently, revenue from our domestic operations made up about 35% while that of international business is at 65%," he said.

Furthermore, he said shareholders should be fairly comforted that the company had other sustainable income streams such as its 30% stake in One River Power Sdn Bhd, a company that was granted a 21-year concession to build and produce power of 30 megawatts in Kota Marudu, Sabah.

At the same time, he said Serba Dinamik had also negotiated an engineering, procurement, construction and commissioning contract for the project, whereby it would construct and commission the plant, and hand it over to One River Power.

"Moving forward, when the plant is up and running, we will also sign a 21-year operations and maintenance contract, which will give us recurring revenue for 21 years," Mohd Abdul Karim added. - Bernama

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