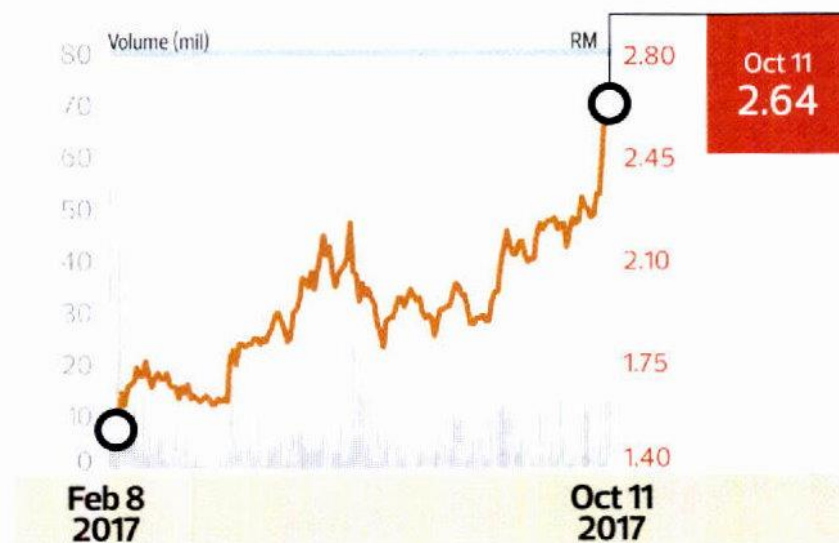


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**SECTION** : CAPITAL  
**HEADLINE** : SERBA DINAMIK HOLDINGS BERHAD  
**CATEGORY** : COMPANY  
**MEASUREMENT** : 30.4CM<sup>2</sup>  
**TO NE** : NEUTRAL  
**REMARKS** : NIL

## Serba Dinamik Holdings Bhd

Target price: **RM3.10 BUY**



**RHB INVESTMENT BANK RESEARCH (OCT 10):** Serba Dinamik announced a joint-venture agreement with Junaco Group to build a 45-tonne-per-day chlor-alkali plant in Tanzania. Serba Dinamik is expected to obtain the engineering procurement construction and commissioning (EPCC) contract for the construction and also provide operation and maintenance (O&M) services for the plant for 10 + 5 years.

With the new EPCC win, Serba Dinamik's current order book has ballooned to around RM5.2 billion. YTD, the company has secured RM1.2 billion worth of contracts across both its O&M and EPCC segments.

We remain positive on Serba Dinamik. The new JV agreement is in line with its strategy to obtain a stake in an asset, getting the EPCC contract, as well as being the O&M services provider. We increase our earnings forecasts for FY18F and FY19F by 3% in the light of the new contract win, upgrade our SOP-based target price to RM3.10 and maintain our "buy" recommendation.