



UZMA BERHAD

(Company No: 200701011861 (769866-V))

**Quarterly Report on Consolidated Financial Results
For the Third Quarter Ended 31 March 2021**



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2021**

	(Unaudited) Current 3 Months Quarter Ended 31.03.21 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 31.03.20 RM'000	(Unaudited) Cumulative 9 Months Year To Date 31.03.21 RM'000	(Unaudited) (Audited) 9 Months Year To Date 31.03.20 RM'000
Revenue	93,429	122,958	285,370	406,303
Cost of sales	<u>(57,409)</u>	<u>(45,659)</u>	<u>(164,237)</u>	<u>(221,596)</u>
Gross profit	36,020	77,299	121,133	184,707
Other income	<u>9,444</u>	<u>862</u>	<u>18,993</u>	<u>1,601</u>
	45,464	78,161	140,126	186,308
Administrative expenses	(21,556)	(47,901)	(66,800)	(93,904)
Depreciation	(11,285)	(11,766)	(33,838)	(34,867)
Operating profit	<u>12,623</u>	<u>18,494</u>	<u>39,488</u>	<u>57,537</u>
Finance costs	(5,746)	(7,999)	(18,444)	(22,891)
Share of profit of investments accounted for using the equity method	<u>(2,707)</u>	<u>117</u>	<u>(1,903)</u>	<u>433</u>
Profit before taxation	4,170	10,612	19,141	35,079
Income tax expense	3,193	(3,724)	(1,590)	(6,038)
Profit after taxation	<u>7,363</u>	<u>6,888</u>	<u>17,551</u>	<u>29,041</u>
Profit after taxation attributable to :-				
Owners of the Company	7,277	5,436	16,370	21,624
Non-Controlling Interest	<u>86</u>	<u>1,452</u>	<u>1,181</u>	<u>7,417</u>
	<u>7,363</u>	<u>6,888</u>	<u>17,551</u>	<u>29,041</u>
Adjusted PAT attributable to Owner of the Company*	<u>8,061</u>	<u>10,304</u>	<u>20,086</u>	<u>27,030</u>
Earning per share				
- Basic/Diluted (sen)	<u>2.27</u>	<u>1.70</u>	<u>5.12</u>	<u>6.76</u>

*Please refer to Note 16 of the Report on the Adjusted PAT reconciliation.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2021**

	(Unaudited) 3 Months Quarter Ended 31.03.21 RM'000	(Unaudited) 3 Months Quarter Ended 31.03.20 RM'000	(Unaudited) 9 Months Year To Date 31.03.21 RM'000	(Unaudited) 9 Months Year To Date 31.03.20 RM'000
Profit after taxation	7,363	6,888	17,551	29,041
Other comprehensive income, net of tax				
Item that will not be reclassified subsequently to profit or loss:				
-Actuarial gain/(loss) from employee benefits	-	1	-	(10)
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	(16,362)	3,662	(19,503)	2,904
Total comprehensive income for the financial period	<u>(8,999)</u>	<u>10,551</u>	<u>(1,952)</u>	<u>31,935</u>
Total comprehensive income attributable to:-				
Owners of the Company	(8,999)	9,127	(2,867)	24,245
Non-Controlling Interest	-	1,424	915	7,690
	<u>(8,999)</u>	<u>10,551</u>	<u>(1,952)</u>	<u>31,935</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

UZMA BERHAD*(Company No : 200701011861 (769866-V))***CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021**

	(Unaudited) As at 31.03.2021 RM'000	(Audited) As at 30.06.2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	495,107	509,679
Right of use assets	19,447	20,419
Intangible assets	209,623	213,879
Investments in associates	4,765	12,048
Investments in joint ventures	31	-
Deferred tax assets	5,975	6,284
Trade and other receivables	6,477	6,477
Other investments	4,285	4,285
	<u>745,710</u>	<u>773,071</u>
Current assets		
Inventories	40,786	41,142
Trade and other receivables	166,435	212,730
Contract assets	158,228	138,980
Other investments	1,217	1,398
Current tax assets	4,720	5,650
Deposits, cash and bank balances	123,575	144,444
	<u>494,961</u>	<u>544,344</u>
TOTAL ASSETS	<u>1,240,671</u>	<u>1,317,415</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	290,069	290,069
Foreign currency translation reserve	31,139	50,642
Capital reserve	426	426
Merger deficit	(29,700)	(29,700)
Fair value reserve	(6,000)	(6,000)
Retained earnings	168,007	151,637
	<u>453,941</u>	<u>457,074</u>
Non-controlling interests	33,125	33,014
Total equity	<u>487,066</u>	<u>490,088</u>
Non-current liabilities		
Loan and borrowings	343,323	380,183
Lease liabilities	9,317	9,915
Deferred tax liabilities	17,012	17,985
Trade and other payables	3,776	3,776
Post employment benefit liabilities	2,932	2,932
Deferred income	5,981	7,467
	<u>382,341</u>	<u>422,258</u>
Current liabilities		
Loans and borrowings	192,758	195,205
Lease liabilities	6,105	6,870
Trade and other payables	171,654	202,247
Current tax liabilities	747	747
	<u>371,264</u>	<u>405,069</u>
Total liabilities	<u>753,605</u>	<u>827,327</u>
TOTAL EQUITY AND LIABILITIES	<u>1,240,671</u>	<u>1,317,415</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

UZMA BERHAD*(Company No : 200701011861 (769866-V))***CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2021**

	←-----Non-Distributable----->						Distributable			
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserves RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable To The Owners Of The Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 01.07.2019	290,069	-	42,124	(29,700)	426	(6,000)	205,439	502,358	52,950	555,308
Loss after taxation for the financial year	-	-	-	-	-	-	(22,881)	(22,881)	7,272	(15,609)
Other comprehensive income for the financial year, net of tax										
- Actuarial gain from employee benefits	-	-	-	-	-	-	(159)	(159)	4	(155)
- Foreign currency translation differences	-	-	8,518	-	-	-	-	8,518	278	8,796
Total comprehensive income for the financial year	-	-	8,518	-	-	-	(23,040)	(14,522)	7,554	(6,968)
Contribution by and distribution to owners of the Company										
Changes in ownership interests in subsidiary	-	-	-	-	-	-	(30,762)	(30,762)	(22,038)	(52,800)
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(5,452)	(5,452)
Total transaction with owners	-	-	-	-	-	-	(30,762)	(30,762)	(27,490)	(58,252)
Transfer of share premium to share capital	-	-	-	-	-	-	-	-	-	-
Balance at 30.06.2020	290,069	-	50,642	(29,700)	426	(6,000)	151,637	457,074	33,014	490,088

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

UZMA BERHAD

(Company No : 200701011861 (769866-V))

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2021

	←-----Non-Distributable-----→					Distributable				Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserves RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable To The Owners Of The Company RM'000	Non- Controlling Interests RM'000	
Balance at 01.07.2020	290,069	-	50,642	(29,700)	426	(6,000)	151,637	457,074	33,014	490,088
Profit after taxation for the financial period	-	-	-	-	-	-	16,370	16,370	1,181	17,551
Other comprehensive income for the financial period, net of tax										
- Actuarial gain from employee benefits	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	(19,503)	-	-	-	-	(19,503)	915	(18,588)
- Income tax relating to components of other comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(19,503)	-	-	-	16,370	(3,133)	2,096	(1,037)
Contribution by and distribution to owners of the Company										
- Dividend										
- by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(1,985)	(1,985)
Balance at 31.03.2021	290,069	-	31,139	(29,700)	426	(6,000)	168,007	453,941	33,125	487,066

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER AND PERIOD ENDED 31 MARCH 2021**

	(Unaudited) Current Period Ended 31.03.21 RM'000	(Unaudited) Corresponding Period Ended 31.03.20 RM'000
Profit before taxation	19,141	35,079
Adjustments for non-cash items :		
Depreciation of property, plant and equipment	33,838	34,867
Depreciation of right of use assets	972	-
Interest expense	18,444	22,891
Unrealised foreign exchange loss	5,907	3,157
Amortisation of intangible assets	4,256	2,249
Gain on disposal of property, plant and equipment	(55)	(81)
Gain on disposal of associate	(3,600)	-
Unrealised foreign exchange gain	(6,447)	-
Reversal of provision for post employee benefit	-	(606)
Share of profit of investments accounted for using the equity method	-	(433)
Interest income	(623)	(1,044)
Allowance for doubtful debt	34	-
Operating profit before working capital changes	71,867	96,079
Changes in working capital	58	301
	71,925	96,380
Tax paid	(7,243)	(1,252)
Tax refunded	268	-
Interest paid	(15,939)	(22,891)
Net cash from operating activities	49,011	72,237
Investing activities		
Proceeds from disposal of plant and equipment	58	3,500
Proceeds from disposal of associate	8,000	-
Interest received	623	1,044
Dividend received from an associates	980	-
Investment in joint venture	(31)	-
Purchase of short term investment	-	(3)
Purchase of property, plant and equipment	(39,736)	(37,363)
Investment in a subsidiary	-	(52,800)
Placement of deposits pledged with licensed banks	10,466	(62,005)
Net cash for investing activities	(19,640)	(147,627)
Financing activities		
Dividend paid to non-controlling interest	(1,985)	(3,110)
Net (repayment)/drawdown of borrowings	(48,566)	60,091
Net cash (for)/from financing activities	(50,551)	56,981
Net change in cash and cash equivalents	(21,180)	(18,409)
Effect of exchange rate changes	2,883	3,087
Cash and cash equivalents at beginning of the period	77,540	23,165
Cash and cash equivalents at end of the period	59,243	7,843
Cash and cash equivalents at end of the period comprised:		
Fixed deposit with licences banks	90,906	81,079
Cash and bank balances	32,669	43,650
Cash and cash equivalent as reported in the Statement of Financial Position	123,575	124,729
Less: Fixed deposits pledged with licensed banks	(22,161)	(80,965)
Less: Bank overdrafts	(42,171)	(35,921)
	59,243	7,843

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31 MARCH 2021

1. BASIS OF REPORTING PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provision of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”), and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 30 June 2020. The explanatory notes attached to the unaudited condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The significant accounting policies adopted in preparing these unaudited condensed consolidated financial statements are consistent with those applied by the Group in its audited financial statements for the financial year ended 30 June 2020.

During the current financial year, the Company and its subsidiary companies (“Group”) have adopted the following new accounting standards and interpretations (including the consequential amendments):-

Amendments/Improvements to MFRSs

MFRS 3	Business Combination
MFRS 9	Financial Instruments
MFRS11	Joint Arrangements
MFRS 101	Amendments to Definition of Material
MFRS 108	Amendments to Definition of Material
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

New IC Interpretation (“IC Int”)

IC Int 23	Uncertainty over Income Tax Treatments
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The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.

1. BASIS OF REPORTING PREPARATION (CONT'D)

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

MFRSs and IC Interpretations (Including the Consequential Amendments)

		Effective for financial years beginning on or after
<u>New MFRSs</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2020/ 1 January 2022 [#]
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2020/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] The annual improvements to MFRS standards 2018-2020

[#] Amendments as the consequence of MFRS 17 Insurance Contracts come into effect

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualification on the audited financial statements of the Group and Company for the financial year ended 30 June 2020.

3. SEASONAL OR CYCLICAL FACTORS

The Group's products and services are dependent on the level of activity, and the corresponding capital spending by oil and gas companies which are consequently affected by volatile oil and natural gas prices, and cyclicity in the offshore drilling and oilfield services industries.

4. ITEMS OF UNUSUAL NATURE AND AMOUNT

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow for the financial period ended 31 March 2021, other than as disclosed in these unaudited condensed consolidated financial statements.

5. MATERIAL CHANGES IN ESTIMATES

There were no changes in the estimates of amount relating to the prior financial years that have a material effect in the financial period ended 31 March 2021.

6. ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES

There were no issuances, repurchases, and repayments of debt and equity securities during the financial period ended 31 March 2021.

7. DIVIDENDS

No dividend has been paid and or recommended during the financial period ended 31 March 2021.

8. SEGMENTAL INFORMATION

The Group has four reportable segments, as the Group's strategic business units. For each of the strategic business units, the Group Chief Executive Officer together with Management Committee, reviews the internal management report on monthly basis. The Group's reportable segments are described as follows:

- | | | |
|-------|-----------------------------|---|
| (i) | Upstream O&G Services | - The services under Upstream Oil & Gas ("O&G") Services segments include Well Solutions, Production Solutions, Subsurface Solutions and other upstream related services which involves the provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry. |
| (ii) | Other O&G Services | - Other services segment include manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services. |
| (iii) | New Energy | - The services under New Energy segment include developing and operating innovative ways to garner energy from non-fossil fuel and renewable energy, EPC contractor for solar PV and geothermal. |
| (iv) | Digitalisation & Technology | - The services under Digitalisation & Technology segment include technology and modernisation through software development and digital solutions; supply technology/digitalisation equipment and consumables; aviation and aerospace services. |

(A) REPORTABLE BUSINESS SEGMENTS

(I) THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE CORRESPONDING QUARTER

	(Unaudited) Current 3 Months Quarter Ended 31.03.2021		(Unaudited) Corresponding 3 Months Quarter Ended 31.03.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	91,077	87.5	105,486	76.2	(14,409)	(13.7)
Other O&G Services	10,229	9.8	23,430	16.9	(13,201)	(56.3)
New Energy	929	1.0	7,616	5.5	(6,687)	(87.8)
Digitalisation & Technology	1,804	1.7	1,907	1.4	(103)	(5.4)
	<u>104,039</u>	<u>100</u>	<u>138,439</u>	<u>100</u>		
Consolidation adjustments and eliminations	<u>(10,610)</u>		<u>(15,481)</u>		<u>4,871</u>	<u>(31.5)</u>
	<u>93,429</u>		<u>122,958</u>		<u>(29,529)</u>	<u>(24.0)</u>
OPERATING PROFITS						
Upstream O&G Services	11,838		27,250		(15,412)	(56.6)
Other O&G Services	(260)		(4,533)		4,273	(94.3)
New Energy	176		2,486		(2,310)	(92.9)
Digitalisation & Technology	369		609		(240)	(39.4)
Holding company and dormant companies	4,973		(4,649)		9,622	>(100)
Consolidation adjustments and eliminations	<u>(4,473)</u>		<u>(2,669)</u>		<u>(1,804)</u>	<u>67.6</u>
	<u>12,623</u>		<u>18,494</u>		<u>(5,871)</u>	<u>(31.7)</u>

8. SEGMENTAL INFORMATION (CONT'D)

(A) REPORTABLE BUSINESS SEGMENTS

(II) THE RESULTS OF THE CURRENT YEAR COMPARED TO THE RESULTS OF THE CORRESPONDING YEAR

	(Unaudited) Current 9 Months Year To Date 31.03.2021		(Unaudited) Corresponding 9 Months Year To Date 31.03.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	247,593	82.4	357,204	80.4	(109,611)	(30.7)
Other O&G Services	41,379	13.8	74,623	16.8	(33,244)	(44.5)
New Energy	7,431	2.4	7,610	1.7	(179)	(2.4)
Digitalisation & Technology	4,099	1.4	4,982	1.1	(883)	(17.7)
	<u>300,502</u>	<u>100</u>	<u>444,419</u>	<u>100</u>		
Consolidation adjustments and eliminations	<u>(15,132)</u>		<u>(38,116)</u>		<u>22,984</u>	<u>(60.3)</u>
	<u>285,370</u>		<u>406,303</u>		<u>(120,933)</u>	<u>(29.8)</u>
OPERATING PROFITS						
Upstream O&G Services	49,454		75,374		(25,920)	(34.4)
Other O&G Services	2,190		(5,267)		7,457	>(100.0)
New Energy	(1,147)		1,675		(2,822)	>(100.0)
Digitalisation & Technology	716		1,362		(646)	(47.4)
Holding company and dormant companies	11,978		7,373		4,605	62.5
Consolidation adjustments and eliminations	<u>(23,703)</u>		<u>(22,980)</u>		<u>(723)</u>	<u>3.1</u>
	<u>39,488</u>		<u>57,537</u>		<u>(18,049)</u>	<u>(31.4)</u>

8. SEGMENTAL INFORMATION (CONT'D)

(A) REPORTABLE BUSINESS SEGMENTS

(III) THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	(Unaudited) Current Quarter Ended 31.03.2021		(Unaudited) Preceding Quarter Ended 31.12.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	91,077	87.5	77,474	82.8	13,603	17.6
Other O&G Services	10,229	9.8	14,719	15.7	(4,490)	(30.5)
New Energy	929	1.0	492	0.5	437	88.8
Digitalisation & Technology	1,804	1.7	891	1.0	913	>100.0
	<u>104,039</u>	<u>100</u>	<u>93,576</u>	<u>100</u>		
Consolidation adjustments and eliminations	<u>(10,610)</u>		<u>(1,240)</u>		<u>(9,370)</u>	<u>>100.0</u>
	<u>93,429</u>		<u>92,336</u>		<u>1,093</u>	<u>1.2</u>
OPERATING PROFITS						
Upstream O&G Services	11,838		18,824		(6,986)	(37.1)
Other O&G Services	(260)		939		(1,199)	>(100.0)
New Energy	176		(1,515)		1,691	>(100.0)
Digitalisation & Technology	369		92		277	>100.0
Holding company and dormant companies	4,973		9,652		(4,679)	(48.5)
Consolidation adjustments and eliminations	<u>(4,473)</u>		<u>(10,812)</u>		<u>6,339</u>	<u>(58.6)</u>
	<u>12,623</u>		<u>17,180</u>		<u>(4,557)</u>	<u>(26.5)</u>

8. SEGMENTAL INFORMATION (CONT'D)

(B) GEOGRAPHICAL SEGMENTS

(I) THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE CORRESPONDING QUARTER

	(Unaudited) Current 3 Months Quarter Ended 31.03.2021		(Unaudited) Corresponding 3 Months Quarter Ended 31.03.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	77,038	74.0	117,623	85.0	(40,585)	(34.5)
Outside Malaysia	27,001	26.0	20,816	15.0	6,185	29.7
	<u>104,039</u>	<u>100.0</u>	<u>138,439</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(10,610)</u>		<u>(15,481)</u>		<u>4,871</u>	<u>(31.5)</u>
	<u>93,429</u>		<u>122,958</u>		<u>(29,529)</u>	<u>(24.0)</u>
OPERATING PROFITS						
Malaysia	15,062		18,907		(3,845)	(20.3)
Outside Malaysia	2,034		2,256		(222)	(9.8)
Consolidation adjustments and eliminations	<u>(4,473)</u>		<u>(2,669)</u>		<u>(1,804)</u>	<u>67.6</u>
	<u>12,623</u>		<u>18,494</u>		<u>(5,871)</u>	<u>(31.7)</u>

(II) THE RESULTS OF THE CURRENT YEAR COMPARED TO THE RESULTS OF THE CORRESPONDING YEAR

	(Unaudited) Current 9 Months Year To Date 31.03.2021		(Unaudited) Corresponding 9 Months Year To Date 31.03.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	233,398	77.7	388,115	87.3	(154,717)	(39.9)
Outside Malaysia	67,104	22.3	56,304	12.7	10,800	19.2
	<u>300,502</u>	<u>100.0</u>	<u>444,419</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(15,132)</u>		<u>(38,116)</u>		<u>22,984</u>	<u>(60.3)</u>
	<u>285,370</u>		<u>406,303</u>		<u>(120,933)</u>	<u>(29.8)</u>
OPERATING PROFITS						
Malaysia	57,233		73,049		(15,816)	(21.7)
Outside Malaysia	5,958		7,468		(1,510)	(20.2)
Consolidation adjustments and eliminations	<u>(23,703)</u>		<u>(22,980)</u>		<u>(723)</u>	<u>3.1</u>
	<u>39,488</u>		<u>57,537</u>		<u>(18,049)</u>	<u>(31.4)</u>

8. SEGMENTAL INFORMATION (CONT'D)

(B) GEOGRAPHICAL SEGMENTS

(III) THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	(Unaudited) Current Quarter Ended 31.03.2021		(Unaudited) Preceding Quarter Ended 31.12.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	77,038	74.0	75,381	80.6	1,657	2.2
Outside Malaysia	27,001	26.0	18,195	19.4	8,806	48.4
	<u>104,039</u>	<u>100.0</u>	<u>93,576</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(10,610)</u>		<u>(1,240)</u>		<u>(9,370)</u>	<u>>100.0</u>
	<u>93,429</u>		<u>92,336</u>		<u>1,093</u>	<u>1.2</u>
OPERATING PROFITS						
Malaysia	15,062		28,014		(12,952)	(46.2)
Outside Malaysia	2,034		(22)		2,056	>(100.0)
Consolidation adjustments and eliminations	<u>(4,473)</u>		<u>(10,812)</u>		<u>6,339</u>	<u>(58.6)</u>
	<u>12,623</u>		<u>17,180</u>		<u>(4,557)</u>	<u>(26.5)</u>

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

10. CAPITAL COMMITMENTS

Capital expenditure for property, plant and equipment approved and not provided for in these unaudited condensed consolidated financial statements as at 31 March 2021 is as follows:

	RM'000
Capital expenditure in respect of property, plant and equipment - Approved and contracted for	<u>7,840</u>

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD

There were no material events subsequent to the end of the current quarter to the date of this report, other than as disclosed in Note 22 of this report.

12. CHANGES IN THE COMPOSITION OF THE GROUP

On 1 March 2021, Uzma Environergy Sdn. Bhd. ("Enviro"), a wholly owned subsidiary of Uzma Berhad, had entered into a conditional share sale agreement ("SSA") for the acquisition of 49% equity interest in Suria Infiniti Sdn. Bhd. ("SI") and 100% equity interest in Mahendran Surya Innovations Sdn. Bhd. ("MSI"). The acquisition was completed on 21 May 2021.

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent assets of the Group during the quarter under review.

The Company has given corporate guarantees to licensed financial institutions for banking facilities utilised by its subsidiaries amounting to approximately RM235.1 million as at 31 March 2021.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which were entered into on agreed terms and prices for the financial period ended 31 March 2021 are set out below. The relationships of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2020.

	Company RM' 000
Related party transaction with subsidiaries:	
- Dividend income	6,746
- Management fee income	13,519
- Interest income	11,623
- Rental expense	(1,660)

15. FAIR VALUE MEASUREMENT

The table below shows the carrying amounts and fair value of the other investments, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of other investments is determined by reference to the redemption price at the end of the reporting period.

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair value RM'000
Financial assets					
- Other investments	5,502	1,217	-	4,285	5,502

16. REVIEW OF PERFORMANCE

	(Unaudited) Current 3 Months Quarter Ended 31.03.2021 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 31.03.2020 RM'000	Difference	
			RM'000	%
Revenue	93,429	122,958	(29,529)	(24.0)
Gross profit	36,020	77,299	(41,279)	(53.4)
PAT attributable to the Owner of the Company	7,277	5,436	1,841	33.9
Adjust for:				
- Net unrealised loss/(gain) on foreign exchange	(568)	4,118		
- Amortisation of intangible assets	1,352	750		
Adjusted PAT attributable to Owner	8,061	10,304	(2,243)	(21.8)

The Group's revenue significantly decreased by RM29.5 million or 24.0% for the current quarter under review 31.03.2021 compared to corresponding quarter 31.03.2020. This is due to the lower as well as delayed activities as a result of COVID-19 pandemic, which has led to unprecedented impacts on the industry.

The gross profit margin decreased from 63% in quarter ended 31.03.2020 to 39% in quarter ended 31.03.2021. In the corresponding quarter 31.03.2020, there were one-off modification services revenue from sales of assets amounted to RM15.5 million and the reclassification of payroll cost from cost of sales to operating expenses amounted to RM13.0 million. This has improved the margin recorded in the corresponding quarter 31.03.2020 and it was one off.

For the current quarter under review 31.03.2021, the Group recorded PAT attributable to Owner of RM7.3 million and Adjusted PAT attributable to Owner of RM8.1 million, after adjusting for non-cash transactions which mainly comprised the amortisation of intangible assets of RM1.4 million and net unrealised gain on foreign exchange amounted to RM0.6 million.

16. REVIEW OF PERFORMANCE (CONT'D)

	(Unaudited) Current 9 Months Year To Date 31.03.2021 RM'000	(Unaudited) Corresponding 9 Months Year To Date 31.03.2020 RM'000	Difference	
			RM'000	%
Revenue	285,370	406,303	(120,933)	(29.8)
Gross profit	121,133	184,707	(63,574)	(34.4)
PAT attributable to the Owner of the Company	16,370	21,624	(5,254)	(24.3)
Adjust for:				
- Net unrealised loss/(gain) on foreign exchange	(540)	3,157		
- Amortisation of intangible assets	4,256	2,249		
Adjusted PAT attributable to Owner	<u>20,086</u>	<u>27,030</u>	(6,944)	(26)

The Group's revenue significantly decreased by RM120.9 million or 29.8% for the financial period ended 31.03.2021 compared to 31.03.2020. This is due to the lower as well as delayed activities as a result of COVID-19 pandemic, which has led to unprecedented impacts on the industry.

The gross profit margin stable at 42% for the current financial period ended 31.03.2021 and 45% for the corresponding financial period ended 31.03.2020.

For the financial period ended 31.03.2021, the Group recorded PAT attributable to Owner of RM16.4 million and Adjusted PAT attributable to Owner of RM20.1 million, after adjusting for non-cash transactions which comprised the amortisation of intangible assets amounted to RM4.3 million and net unrealised gain on foreign exchange amounted to RM0.6 million.

17. MATERIAL CHANGES IN THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	(Unaudited) Current Quarter Ended 31.03.2021 RM'000	(Unaudited) Preceding Quarter Ended 31.12.2020 RM'000	Difference	
			RM'000	%
Revenue	93,429	92,336	1,093	1.2
Gross profit	36,020	40,889	(4,869)	(11.9)
PAT after taxation attributable to the Owner of the Company	7,277	7,441	(164)	(2.2)
Adjust for:				
- Net unrealised loss/(gain) on foreign exchange	(568)	(3,430)		
- Amortisation of intangible assets	1,352	1,452		
Adjusted PAT attributable to Owner	<u>8,061</u>	<u>5,463</u>	2,598	47.6

The Group's revenue slightly improved by RM1.1 million or 1.2% for the current quarter under review 31.03.2021 compared to preceding quarter 31.12.2020 as projects which were earlier delayed due to the pandemic as well as new projects commenced in the current quarter under review 31.03.2021.

The gross profit margin slightly lower for the current quarter ended at 39% as compared to preceding quarter ended 31.12.2020 at 44%.

For the current quarter under review 31.03.2021, the Group recorded PAT attributable to Owner of RM7.3 million and Adjusted PAT attributable to Owner of RM8.1 million, after adjusting for non-cash transactions which comprised the amortisation of intangible assets amounted to RM1.4 million and net unrealised gain on foreign exchange amounted to RM0.6 million.

For the preceding quarter ended 31.12.2020, the Group recorded PAT attributable to Owner of RM7.4 million and Adjusted PAT attributable to Owner of RM5.5 million, after adjusting for non-cash transactions which comprised the amortisation of intangible assets of RM1.5 million and net unrealised gain on foreign exchange of RM3.4 million.

18. PROSPECTS FOR NEXT FINANCIAL YEAR

The recent upturn of crude oil price potentially brings positive impact the global economic and O&G industry outlook. With the availability of vaccine for COVID-19, as well as the recent strengthening of the crude oil price, the O&G industry is poised for a recovery. However, the trajectory is expected to be gradual as oil majors increased their prudence in the level of spending and potentially focus on brownfield, domestically in particular, as fresh new waves of COVID-19 cases continues.

Generally, our operations are not materially impacted by the pandemic, as our industry is deemed as essential services and exempted from the Movement Control Order (“MCO”) implemented in Malaysia. However, there are some operational issues for specific contracts due to the quarantine requirements for crew change at off-shore locations, as well as inter-state travel within Malaysia. We have mitigated this issue by reviewing our overall crew scheduling and at the same time working with our clients to minimise impact to overall project delivery. The delays may partly affect our cost.

Despite the extremely challenging business landscape ahead, as a brownfield O&G player, we remain committed to deploy initiatives identified under our strategic plan, to fortify our internal capabilities as well as to strengthen our financial resilience. We remain focused to deliver our ongoing projects, as well as undertaken reviews and implemented initiatives to achieve robust cost management structure including operating cost optimisation, supply chain optimisation and capital expenditure reviews, in turn protecting our business margins, optimising operational efficiency and returns from our existing assets and building our cash reserves to fund our future growth plans.

We continue to be resilient in our O&G business, we have carried out consolidation of capabilities within the Group to reinforce our competitive strengths, adopted a more integrated approach in our service offerings, extensively reviewed commercial opportunities and aims to capitalise on opportunities available as the industry recovers. We also have expanded our chemical business to include drilling chemical and will soon expand to downstream specialty chemical, and non-O&G sector. Concurrently, we pursued to expand our O&G business into regional market, especially in Thailand and Indonesia. In recent months, we have started a few projects that were delayed due to COVID-19 and low oil price environment, as well as started new projects recently awarded.

Further, we accelerated our efforts to pursue opportunities to diversify and balance our business portfolio beyond the O&G sector, venturing into new key growth areas such as New Energy and, Digitalisation & Technology. We are currently seeking for growth opportunities through merger & acquisitions, and strategic partnerships with existing players in these markets. We have ventured into VSAT services as part of Digitalisation & Technology segment, by capitalising our existing O&G clients. In addition, with our recent geothermal business outside Malaysia, marks the inception of our New Energy segment, and recently been awarded with 50MW LSS4 contract by Suruhanjaya Tenaga will boost this segment. Further, our new license for the import of liquified natural gas into regasification terminal opens opportunity for us in greener alternative energy business.

We are assured in our ability to consistently secure new contracts. Recently, we secured two material contracts which are 3-year provision of electric wireline logging services contract and 3-year provision of hydraulic workover unit services (in Thailand), as announced on 23 March 2021 and 18 March 2021, respectively. These contracts will contribute positively to the Group’s financial results. In addition, our orderbook currently stands at RM2.4 billion, inclusive of firm workorders from umbrella contracts, as well as contracts within and outside Malaysia, O&G and Non-O&G.

As part of the capital management plan, on 30 April 2021, we had issued the first tranche of Perpetual Sukuk Musharakah of RM42.25 million in nominal value under the Perpetual Sukuk Musharakah Programme - First Tranche.

We remain cautiously confident to stay resilient facing challenges during these uncertain times and we believe that our commitment on the execution of our strategic plans will continue to steer our Group towards a sustainable growth.

19. VARIANCE OF REVENUE OR PROFIT ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS

The Group has not previously disclosed or announced any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public documents.

20. TAXATION

	(Unaudited) Current Quarter Ended 3 months 31.03.2021 RM'000	(Unaudited) Corresponding Quarter Ended 3 months 31.03.2020 RM'000	(Unaudited) Current Year To Date 9 months 31.03.2021 RM'000	(Unaudited) Corresponding Year To Date 9 months 31.03.2020 RM'000
Current tax	2,869	(3,068)	(2,564)	(6,361)
Deferred tax	324	(656)	974	323
	3,193	(3,724)	(1,590)	(6,038)
Effective tax rate excluding share of profit of joint ventures and associate	46.4%	-35.5%	-7.6%	-17.4%

The effective tax rate for the financial period ended 31 March 2021 is higher than the statutory tax rate of 24%, mainly due to the reversal of overprovision of tax for current and previous financial year.

Domestic income tax is calculated at the Malaysian statutory corporate tax rate of 24% of the estimated assessable profit for the period, whilst taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

21. ADDITIONAL DISCLOSURE

	(Unaudited) Current Quarter Ended 3 Months 31.03.2021 RM'000	(Unaudited) Current Period To Date 9 Months 31.03.2021 RM'000
<u>Profit for the quarter/year is arrived at after crediting/(charging):</u>		
- Amortisation of intangible assets	1,352	4,256
- Realised foreign exchange gain	11,438	19,938
- Realised foreign exchange loss	(5,229)	(11,643)
- Interest income	(1,059)	(623)

Other than as presented in the unaudited condensed consolidated statements of comprehensive income and as disclosed the above, there is no other exceptional items for the quarter and financial period under review.

22. STATUS OF CORPORATE PROPOSAL

On 30 December 2020, the Company lodged with the Securities Commission Malaysia (“SC”) all required information and relevant documents relating to the Perpetual Sukuk Musharakah Programme (“Perpetual Sukuk”) pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and revised on 12 November 2020.

On 30 April 2021, the Company completed the issuance of the first tranche of Perpetual Sukuk Musharakah of RM42.25 million in nominal value under its Perpetual Sukuk Musharakah Programme - First Tranche.

23. GROUP BORROWINGS AND DEBT SECURITIES

The details of the Group's borrowings are as follows:

	As at 31 March 2021				Total	
	Short term		Long term		Foreign	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Currency ('000)	RM ('000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	40,769	-	132,288	-	173,057
Lease Liabilities	-	6,105	-	8,546	-	14,651
Medium term notes	-	50,000	-	173,134	-	223,134
Invoice financing	-	2,417	-	-	-	2,417
Revolving credits	-	45,845	-	16,578	-	62,423
Overdrafts	-	42,171	-	-	-	42,171
<u>Foreign Currency</u>						
Term loan (USD)	2,639	10,602	3,190	21,204	5,829	31,806
Term loan (THB)	2,761	370	2,085	119	4,846	489
Lease liabilities (THB)	-	-	2,327	771	2,327	771
Overdraft (THB)	4,357	584	-	-	4,357	584
Total		<u>198,863</u>		<u>352,640</u>		<u>551,503</u>

	As at 30 June 2020				Total	
	Short term		Long term		Foreign	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Currency ('000)	RM ('000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	19,811	-	143,418	-	163,229
Lease Liabilities	-	6,264	-	9,593	-	15,857
Medium term notes	-	25,000	-	222,822	-	247,822
Invoice financing	-	5,448	-	-	-	5,448
Revolving credits	-	52,357	-	-	-	52,357
Overdrafts	-	33,900	-	-	-	33,900
<u>Foreign Currency</u>						
Term loan (USD)	13,421	57,445	3,190	13,653	16,611	71,098
Term loan (THB)	6,266	869	2,085	289	8,351	1,158
Lease liabilities (THB)	4,370	606	2,327	323	6,697	929
Overdraft (THB)	2,700	375	-	-	2,700	375
Total		<u>202,075</u>		<u>390,098</u>		<u>592,173</u>

24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter and financial period ended 31 March 2021.

25. MATERIAL LITIGATION

On 30 October 2019, Uzma Engineering Sdn. Bhd. (“UESB”), a wholly owned subsidiary of the Group, had filed a Writ and Statement of Claim in Kuala Lumpur High Court to commence legal action against Khan Co. Ltd (“Khan”) and Kong Offshore Malaysia Sdn. Bhd. (“Kong”) on 29 October 2019 amounting to approximately RM63.0 million.

Kong entered appearance on 21 November 2019 and filed an application on 29 November 2019 to stay the court proceedings pursuant to Section 10 of the Arbitration Act 2005. UESB filed the Request to Serve the Notice of Writ out of jurisdiction to Khan in Korea and the request is pending processing by the Court. The Court will proceed to hear Kong’s application.

Kong was subsequently wound up on 10 December 2019. Kong’s previous solicitors are seeking consent from the liquidator to continue to act for Kong in this writ action. UESB filed an application at the Sabah High Court to obtain leave to commence or proceed with the court proceedings or arbitration against Kong.

The leave was later granted by the Sabah High Court on 12 January 2021 to UESB to commence or continue action or proceedings against Kong either by way of originating process or counter claim, in court and/or arbitration. On 10 February 2021, UESB withdrew the suit action with liberty to file afresh.

On 16 March 2021, UESB has filed a fresh Writ and Statement of Claim against Khan and Kong in Kuala Lumpur High Court.

26. EARNINGS PER SHARE (“EPS”)

	(Unaudited) Current Quarter Ended 3 Months 31.03.2021	(Unaudited) Corresponding Quarter Ended 3 Months 31.03.2020	(Unaudited) Current Year To Date 9 Months 31.03.2021	(Unaudited) Corresponding Year To Date 9 Months 31.03.2020
Net profit attributable to owners of the Company (RM'000)	7,277	5,436	16,370	21,624
Weighted average number of ordinary shares in issue ('000)	320,029	320,029	320,029	320,029
Basic EPS (sen)	2.27	1.70	5.12	6.76

26. EARNINGS PER SHARE (“EPS”) (CONT’D)

(a) Basic EPS

The basic EPS is calculated based on the Group's Profit Attributable to Owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period ended 31 March 2021.

(b) Fully diluted EPS

Fully diluted EPS were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the financial period ended 31 March 2021.

BY ORDER OF THE BOARD

Dato’ Kamarul Redzuan Bin Muhamed
Group Chief Executive Officer