



UZMA BERHAD

(Company No: 200701011861 (769866-V))

**Quarterly Report on Consolidated Financial Results
For the Second Quarter Ended 31 December 2021**

UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

	(Unaudited) Current 3 Months Quarter Ended 31.12.21 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 31.12.20 RM'000	(Unaudited) Cumulative 6 Months Year To Date 31.12.21 RM'000	(Unaudited) Corresponding 6 Months Year To Date 31.12.20 RM'000
Revenue	75,676	92,336	177,070	191,941
Cost of sales	<u>(37,650)</u>	<u>(51,447)</u>	<u>(97,377)</u>	<u>(106,828)</u>
Gross profit	38,026	40,889	79,693	85,113
Other income	2,550	15,747	3,220	18,049
Administrative expenses	(22,225)	(27,443)	(41,194)	(47,101)
Other expenses	(1,515)	(513)	(4,494)	(6,403)
Depreciation	(12,001)	(11,500)	(24,316)	(22,793)
Operating profit	<u>4,835</u>	<u>17,180</u>	<u>12,909</u>	<u>26,865</u>
Finance costs	(4,780)	(6,306)	(11,445)	(12,698)
Share of profit of investments accounted for using the equity method	<u>185</u>	<u>804</u>	<u>(187)</u>	<u>804</u>
Profit before taxation	<u>240</u>	<u>11,678</u>	<u>1,277</u>	<u>14,971</u>
Income tax expense	<u>(167)</u>	<u>(3,912)</u>	<u>(618)</u>	<u>(4,784)</u>
Profit after taxation	<u>73</u>	<u>7,766</u>	<u>659</u>	<u>10,187</u>
Profit after taxation attributable to :-				
Owners of the Company	51	7,441	398	9,093
Non-Controlling Interest	<u>22</u>	<u>325</u>	<u>261</u>	<u>1,094</u>
	<u>73</u>	<u>7,766</u>	<u>659</u>	<u>10,187</u>
Adjusted PAT attributable to Owners of the Company*	<u>31</u>	<u>5,463</u>	<u>4,006</u>	<u>12,025</u>
Earning per share				
- Basic/Diluted (sen)	<u>0.01</u>	<u>2.33</u>	<u>0.11</u>	<u>2.84</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 2021 and the accompanying explanatory notes attached to this report.



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

	(Unaudited) 3 Months Quarter Ended 31.12.21 RM'000	(Unaudited) 3 Months Quarter Ended 31.12.20 RM'000	(Unaudited) 6 Months Year To Date 31.12.21 RM'000	(Unaudited) 6 Months Year To Date 31.12.20 RM'000
Profit after taxation	73	7,766	659	10,187
Other comprehensive income/(loss), net of tax				
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	(912)	2,490	229	(3,141)
Total comprehensive income/(loss) for the financial period	<u>(839)</u>	<u>10,256</u>	<u>888</u>	<u>7,046</u>
Total comprehensive income/(loss) attributable to:-				
Owners of the Company	(474)	10,943	653	6,131
Non-Controlling Interest	<u>(365)</u>	<u>(687)</u>	<u>235</u>	<u>915</u>
	<u>(839)</u>	<u>10,256</u>	<u>888</u>	<u>7,046</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 2021 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 DECEMBER 2021**

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 30.06.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	503,199	519,073
Right of use assets	17,182	18,154
Intangible assets	205,433	207,567
Investments in associates	12,186	12,113
Investments in joint ventures	1	1
Deferred tax assets	5,412	5,693
Trade and other receivables	6,750	6,750
Other investments	4,285	4,285
	<u>754,448</u>	<u>773,636</u>
Current assets		
Inventories	40,322	35,813
Trade and other receivables	133,936	135,346
Contract assets	152,818	172,958
Other investments	1,172	1,374
Current tax assets	18,751	13,258
Deposits, cash and bank balances	133,505	136,834
	<u>480,504</u>	<u>495,583</u>
TOTAL ASSETS	<u>1,234,952</u>	<u>1,269,219</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	307,535	290,069
Foreign currency translation reserve	31,102	30,847
Capital reserve	375	375
Merger deficit	(29,700)	(29,700)
Fair value reserve	(6,000)	(6,000)
Retained earnings	165,161	164,763
	<u>468,473</u>	<u>450,354</u>
Perpetual sukuk	40,852	40,852
Non-controlling interests	32,518	31,385
Total equity	<u>541,843</u>	<u>522,591</u>
Non-current liabilities		
Loan and borrowings	269,561	305,183
Lease liabilities	4,185	6,806
Deferred tax liabilities	18,326	18,922
Trade and other payables	3,910	3,910
Post employment benefit liabilities	2,898	2,898
Deferred income	15,497	5,995
	<u>314,377</u>	<u>343,714</u>
Current liabilities		
Loans and borrowings	202,496	208,083
Lease liabilities	5,988	5,988
Trade and other payables	169,312	187,907
Contract liabilities	385	385
Current tax liabilities	551	551
	<u>378,732</u>	<u>402,914</u>
Total liabilities	<u>693,109</u>	<u>746,628</u>
TOTAL EQUITY AND LIABILITIES	<u>1,234,952</u>	<u>1,269,219</u>
Net asset per share attributable to owners of the parent (RM)	<u>1.45</u>	<u>1.53</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 2021 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 YEAR ENDED 30 JUNE 2021**

	←-----Non-Distributable----->					Distributable				
	Share Capital RM'000	Foreign Exchange Translation Reserves RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Attributable To The Owners Of The Company RM'000	Perpetual Sukuk RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 01.07.2020	290,069	50,642	426	(29,700)	(6,000)	151,637	457,074	-	33,014	490,088
Total comprehensive loss for the financial year										
Profit for the financial year	-	-	-	-	-	13,443	13,443	-	1,155	14,598
Actuarial gain from employee benefits	-	-	-	-	-	84	84	-	12	96
Foreign currency translation reserve	-	(20,983)	-	-	-	-	(20,983)	-	(5)	(20,988)
Total comprehensive loss	-	(20,983)	-	-	-	13,527	(7,456)	-	1,162	(6,294)
Transaction with owners										
Disposal of a subsidiary	-	1,188	(51)	-	-	51	1,188	-	(1,063)	125
Issuance of shares by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	817	817
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(2,545)	(2,545)
Issuance of perpetual sukuk	-	-	-	-	-	-	-	40,852	-	40,852
Distribution to perpetual sukuk holders	-	-	-	-	-	(452)	(452)	-	-	(452)
Total transaction with owners	-	1,188	(51)	-	-	(401)	736	40,852	(2,791)	38,797
Balance at 30.06.2021	290,069	30,847	375	(29,700)	(6,000)	164,763	450,354	40,852	31,385	522,591

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 2021 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 SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

	←-----Non- Distributable-----→					Distributable				
	Share Capital RM'000	Foreign Exchange Translation Reserves RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Attributable To The Owners Of The Company RM'000	Perpetual Sukuk RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 01.07.2021	290,069	30,847	375	(29,700)	(6,000)	164,763	450,354	40,852	31,385	522,591
Total comprehensive income for the financial year										
Profit for the financial year	-	-	-	-	-	398	398	-	261	659
Foreign currency translation reserve	-	255	-	-	-	-	255	-	(26)	229
Total comprehensive income	-	255	-	-	-	398	653	-	235	888
Transaction with owners										
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(355)	(355)
Issuance of Private Placement	17,466	-	-	-	-	-	17,466	-	-	17,466
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	1,253	1,253
Total transaction with owners	17,466	-	-	-	-	-	17,466	-	898	18,364
Balance at 31.12.2021	307,535	31,102	375	(29,700)	(6,000)	165,161	468,473	40,852	32,518	541,843

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 2021 and the accompanying explanatory notes attached to this report.

UZMA BERHAD*(Company No : 200701011861 (769866-V))***CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2021**

	(Unaudited) Current Year To Date 31.12.21 RM'000	(Unaudited) Corresponding Year To Date 31.12.20 RM'000
Profit before taxation	1,277	14,971
Adjustments for non-cash items :		
Depreciation of property, plant and equipment	23,344	21,940
Depreciation of right of use assets	972	613
Interest expense	11,445	12,698
Unrealised foreign exchange loss	1,599	4,566
Amortisation of intangible assets	2,283	2,904
Gain on disposal of property, plant and equipment	-	(46)
Unrealised foreign exchange gain	(274)	(13,038)
Share of result from equity accounted method	187	(804)
Dividend income	(1,700)	(560)
Interest income	(338)	(436)
Allowance for doubtful debt	-	307
Operating profit before working capital changes	38,795	43,115
Changes in working capital	(6,437)	29,935
Tax paid	(3,302)	(2,699)
Net cash from operating activities	29,056	70,351
Investing activities		
Proceeds from disposal of plant and equipment	1,710	1,026
Proceeds from disposal of equity shares in subsidiary	1,000	-
Interest received	338	436
Dividend received from an associate	560	980
Purchase of property, plant and equipment	(5,220)	(19,759)
Placement of deposits pledged with licensed banks	1,520	(3,288)
Net cash from/(for) investing activities	(92)	(20,605)
Financing activities		
Interest paid	(11,445)	(9,192)
Proceeds from issuance of private placement	17,466	-
Proceeds from government grant	9,502	-
Dividend paid to non-controlling interest	(1,253)	(1,985)
Net (Repayment)/Drawdown of Borrowings	(43,925)	(26,402)
Net cash for financing activities	(29,655)	(37,579)
Net change in cash and cash equivalents	(691)	12,167
Effect of exchange rate changes	(1,212)	(3,871)
Cash and cash equivalents at beginning of the period	50,731	77,540
Cash and cash equivalents at end of the period	48,828	85,836
Cash and cash equivalents at end of the period comprised:		
Fixed deposit with licences banks	73,507	102,538
Cash and bank balances	59,998	56,440
Cash and cash equivalent as reported in the Statement of Financial Position	133,505	158,978
Less: Fixed deposits pledged with licensed banks	(41,773)	(35,917)
Less: Bank overdrafts	(42,904)	(37,225)
	48,828	85,836

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 2021 and the accompanying explanatory notes attached to this report.

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 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 2021. 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 2021.

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 2021.

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 Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above standards 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 periods 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 2021 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2021/ 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 2021/ 1 January 2022 [^]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	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 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] Annual Improvements to MFRS Standards 2018-2020

[#] Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

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 ended 30 June 2021.

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 December 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 December 2021.

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

On 9 September 2021, the Company had proposed to undertake a private placement of up to 32,002,000 new ordinary shares in the Company ("Uzma Shares" or "Shares"), representing 10% of the existing total number of issued Shares (excluding treasury shares) ("Private Placement"). On 20 October 2021, the Company increased its issued and paid-up ordinary share capital from RM290,069,106 to RM299,027,506 by way of issuance of 16,000,000 ordinary shares of RM0.5599 each through first tranche of the Private Placement. On 18 November 2021, the Company increased its issued and paid-up ordinary share capital from RM299,027,506 to RM307,697,390 by way of issuance of 16,002,000 ordinary shares of RM0.5418 each through second and final tranche of the Private Placement.

7. DIVIDENDS

No dividend has been paid and or recommended during the financial period ended 31 December 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 31.12.2021		(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	69,549	84.9	77,474	82.8	(7,925)	(10.2)
Other O&G Services	11,744	14.3	14,719	15.7	(2,975)	(20.2)
New Energy	460	0.6	492	0.5	(32)	(6.5)
Digitalisation & Technology	161	0.2	891	1.0	(730)	(81.9)
	81,914	100	93,576	100		
Consolidation adjustments and eliminations	(6,238)		(1,240)		(4,998)	>100.0
	<u>75,676</u>		<u>92,336</u>		<u>(16,660)</u>	<u>(18.0)</u>
OPERATING PROFITS						
Upstream O&G Services	11,625		18,824		(7,199)	(38.2)
Other O&G Services	989		939		50	5.3
New Energy	(578)		(1,515)		937	(61.8)
Digitalisation & Technology	(54)		92		(146)	>(100.0)
Holding company and dormant companies	(3,104)		9,652		(12,756)	>(100.0)
Consolidation adjustments and eliminations	(4,043)		(10,812)		6,769	(63)
	<u>4,835</u>		<u>17,180</u>		<u>(12,345)</u>	<u>(71.9)</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 6 Months Year To Date 31.12.2021		(Unaudited) Corresponding 6 Months Year To Date 31.12.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	174,444	86.7	156,517	79.7	17,927	11.5
Other O&G Services	24,266	12.1	31,150	15.9	(6,884)	(22.1)
New Energy	1,498	0.7	6,501	3.3	(5,003)	(77.0)
Digitalisation & Technology	988	0.5	2,295	1.2	(1,307)	(56.9)
	<u>201,196</u>	<u>100.0</u>	<u>196,463</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	(24,126)		(4,522)		(19,604)	>100.0
	<u>177,070</u>		<u>191,941</u>		<u>(14,871)</u>	<u>(7.7)</u>
OPERATING PROFITS						
Upstream O&G Services	28,467		37,615		(9,148)	(24.3)
Other O&G Services	2,059		2,451		(392)	(16.0)
New Energy	(467)		(1,322)		855	(64.7)
Digitalisation & Technology	(275)		347		(622)	>(100.0)
Holding company and dormant companies	(4,900)		7,004		(11,904)	>(100.0)
Consolidation adjustments and eliminations	(11,975)		(19,230)		7,255	(37.7)
	<u>12,909</u>		<u>26,865</u>		<u>(13,956)</u>	<u>(51.9)</u>

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

	(Unaudited) Current Quarter Ended 31.12.2021		(Unaudited) Preceding Quarter Ended 30.09.2021		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	69,549	84.9	99,869	87.4	(30,320)	(30.4)
Other O&G Services	11,744	14.3	12,521	11.0	(777)	(6.2)
New Energy	460	0.6	1,037	0.9	(577)	(55.6)
Digitalisation & Technology	161	0.2	827	0.7	(666)	(80.5)
	<u>81,914</u>	<u>100</u>	<u>114,254</u>	<u>100</u>		
Consolidation adjustments and eliminations	(6,238)		(12,860)		6,622	(51.5)
	<u>75,676</u>		<u>101,394</u>		<u>(25,718)</u>	<u>(25.4)</u>
OPERATING PROFITS						
Upstream O&G Services	11,625		16,843		(5,218)	(31.0)
Other O&G Services	989		1,070		(81)	(7.6)
New Energy	(578)		111		(689)	>(100.0)
Digitalisation & Technology	(54)		(221)		167	(75.6)
Holding company and dormant companies	(3,104)		(1,797)		(1,307)	72.7
Consolidation adjustments and eliminations	(4,043)		(8,303)		4,260	(51.3)
	<u>4,835</u>		<u>7,703</u>		<u>(2,868)</u>	<u>(37.2)</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 31.12.2021		(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	64,886	79.2	75,381	80.6	(10,495)	(13.9)
Outside Malaysia	17,028	20.8	18,195	19.4	(1,167)	(6.4)
	<u>81,914</u>	<u>100.0</u>	<u>93,576</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	(6,238)		(1,240)		(4,998)	>100.0
	<u>75,676</u>		<u>92,336</u>		<u>(16,660)</u>	<u>(18.0)</u>
OPERATING PROFITS						
Malaysia	7,544		27,636		(20,092)	(72.7)
Outside Malaysia	1,334		356		978	274.7
Consolidation adjustments and eliminations	(4,043)		(10,812)		6,769	(62.6)
	<u>4,835</u>		<u>17,180</u>		<u>(12,345)</u>	<u>(71.9)</u>

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

	(Unaudited) Current 6 Months Year To Date 31.12.2021		(Unaudited) Corresponding 6 Months Year To Date 31.12.2020		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	166,823	82.9	156,360	79.6	10,463	6.7
Outside Malaysia	34,373	17.1	40,103	20.4	(5,730)	(14.3)
	<u>201,196</u>	<u>100.0</u>	<u>196,463</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	(24,126)		(4,522)		(19,604)	433.5
	<u>177,070</u>		<u>191,941</u>		<u>(14,871)</u>	<u>(7.7)</u>
OPERATING PROFITS						
Malaysia	22,771		42,172		(19,401)	(46.0)
Outside Malaysia	2,113		3,923		(1,810)	(46.1)
Consolidation adjustments and eliminations	(11,975)		(19,230)		7,255	(37.7)
	<u>12,909</u>		<u>26,865</u>		<u>(13,956)</u>	<u>(51.9)</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 31.12.2021		(Unaudited) Preceding Quarter Ended 30.09.2021		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	64,886	79.2	95,376	83.5	(30,490)	(32.0)
Outside Malaysia	17,028	20.8	18,878	16.5	(1,850)	(9.8)
	<u>81,914</u>	<u>100.0</u>	<u>114,254</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(6,238)</u>		<u>(12,860)</u>		<u>6,622</u>	<u>(51.5)</u>
	<u>75,676</u>		<u>101,394</u>		<u>(25,718)</u>	<u>(25.4)</u>
OPERATING PROFITS						
Malaysia	7,544		14,596		(7,052)	(48.3)
Outside Malaysia	1,334		1,410		(76)	(5.4)
Consolidation adjustments and eliminations	<u>(4,043)</u>		<u>(8,303)</u>		<u>4,260</u>	<u>(51.3)</u>
	<u>4,835</u>		<u>7,703</u>		<u>(2,868)</u>	<u>(37.2)</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 December 2021 is as follows:

	RM'000
Capital expenditure in respect of property, plant and equipment - Approved and contracted for	<u>8,389</u>

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD

On 3 January 2022, the Company's wholly-owned subsidiary, Tenggara Analisis Sdn Bhd ("TASB") had disposed 10% of equity interest equivalent to 10 units of ordinary shares in Uzma Artificial Lift Sdn. Bhd. for a total cash consideration of RM2,000,000.

12. CHANGES IN THE COMPOSITION OF THE GROUP

On 9 July 2021, the Company's wholly-owned subsidiary, Environergy Sdn. Bhd. ("Enviro") had incorporated a wholly-owned subsidiary, namely Uzma Kuala Muda Sdn. Bhd. ("Kuala Muda") with an issued and paid-up capital of 2 ordinary shares of RM1 each. The intended principal activity of Kuala Muda is provision of renewable energy services.

On 9 July 2021, the Company's wholly-owned subsidiary, Uzma Energy Venture (Sarawak) Sdn. Bhd. had incorporated a wholly-owned subsidiary, namely Uzma Energy Venture SK433 Sdn. Bhd. ("SK433") with an issued and paid-up capital of 2 ordinary shares of RM1 each. The intended principal activity of SK433 is provision of geoscience and reservoir engineering, drilling, project and operation services and other specialised services within the oil and gas industry.

On 15 July 2021, the Company's wholly-owned subsidiary, Enviro had incorporated a wholly-owned subsidiary, namely Uzma Nexus Sdn. Bhd. ("Nexus") with an issued and paid-up capital of 1 ordinary shares of RM1 each. The intended principal activity of Nexus is provision of renewable energy services.

On 16 July 2021, the Company's wholly-owned subsidiary, Enviro had incorporated a wholly-owned subsidiary, namely Uzma Solar Sdn. Bhd. ("Uzma Solar") with an issued and paid-up capital of 1 ordinary shares of RM1 each. The intended principal activity of Uzma Solar is provision of renewable energy services.

On 16 July 2021, the Company's wholly-owned subsidiary, UESB had disposed the entire 120,000 ordinary shares, representing 60% of equity interest in Uzma Integrated Solutions Sdn. Bhd. ("UIS") for a total cash consideration of RM120,000.

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 RM125.5 million as at 31 December 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 December 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 2021.

	Company RM'000
Related party transaction with subsidiaries:	
- Dividend income	1,700
- Management fee income	8,342
- Interest income	3,918
- Rental expense	(913)
	<hr/>

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	4,285	-	-	4,285	4,285

16. REVIEW OF PERFORMANCE

	(Unaudited) Current 3 Months Quarter Ended 31.12.2021 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2020 RM'000	Difference	
			RM'000	%
Revenue	75,676	92,336	(16,660)	(18.0)
Gross profit	38,026	40,889	(2,863)	(7.0)
PAT attributable to the Owners of the Company	51	7,441		
Adjust for:				
- Net unrealised loss on foreign exchange	(1,173)	(3,430)		
- Amortisation of intangible assets	1,153	1,452		
Adjusted PAT attributable to the Owners	31	5,463	(5,432)	(99.4)

The Group's revenue decreased by RM16.7 million or 18.0% for the current quarter under review 31.12.2021 compared to corresponding quarter 31.12.2020. Both current and corresponding quarters experienced 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 increased to 50.2% in current quarter ended 31.12.2021 as compared to corresponding quarter 31.12.2020 at 44.3% due to lower crew cost for the financial period ended 31.12.2021 compared to 31.12.2020.

For the current quarter under review 31.12.2021, the Group recorded PAT attributable to Owners of RM0.05 million and Adjusted PAT attributable to Owners of RM0.03 million, after adjusting for non-cash transactions which mainly comprise amortisation of intangible assets of RM1.2 million and net unrealised loss on foreign exchange of RM1.2 million.

16. REVIEW OF PERFORMANCE (CONT'D)

	(Unaudited) Current 6 Months Year To Date 31.12.2021 RM'000	(Unaudited) Corresponding 6 Months Year To Date 31.12.2020 RM'000	Difference	
			RM'000	%
Revenue	177,070	191,941	(14,871)	(7.7)
Gross profit	79,693	85,113	(5,420)	(6.4)
PAT attributable to the Owners of the Company	398	9,093		
Adjust for:				
- Net unrealised loss on foreign exchange	1,325	28		
- Amortisation of intangible assets	2,283	2,904		
Adjusted PAT attributable to the Owners	<u>4,006</u>	<u>12,025</u>	(8,019)	>(100.0)

The Group's revenue significantly decreased by RM14.9 million or 7.7% for the financial period ended 31.12.2021 compared to 31.12.2020. This is due to the lower and delayed activities as a result of COVID-19 pandemic which has led to unprecedented impacts on the industry.

The gross profit margin stable at 45.0% for the financial period ended 31.12.2021 compared to 44.3% 31.12.2020 despite lower revenue generated for the current period under review. This was also resulted from lower operating costs incurred as a result of continuous cost optimisation initiatives started in previous financial period.

For the financial period ended 31.12.2021, the Group recorded PAT attributable to Owner of RM0.4 million and Adjusted PAT attributable to Owner of RM4.0 million, after adjusting for non-cash transactions mainly comprising from amortisation of intangible assets amounted to RM2.3 million and net unrealised loss on foreign exchange of RM1.3 million.

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

	(Unaudited) Current Quarter Ended 31.12.2021 RM'000	(Unaudited) Preceding Quarter Ended 30.09.2021 RM'000	Difference RM'000	%
Revenue	75,676	101,394	(25,718)	(25.4)
Gross profit	38,026	41,667	(3,641)	(8.7)
PAT after taxation attributable to the Owners of the Company	51	347	(296)	(85.3)
Adjust for:				
- Net unrealised (gain)/loss on foreign exchange	(1,173)	2,498		
- Amortisation of intangible assets	1,153	1,130		
Adjusted PAT attributable to the Owners	31	3,975	(3,944)	>100.0

The Group's revenue decreased by RM25.7 million or 25.4% for the current quarter under review 31.12.2021 compared to preceding quarter 30.09.2021. Both current and preceding quarters experienced 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 increased to 50.2% for the current quarter ended 31.12.2021 as compared to preceding quarter ended 30.09.2021 at 41.1% due to lower crew cost for the financial period ended 31.12.2021 compared to 31.12.2020.

For the current quarter under review 31.12.2021, the Group recorded PAT attributable to Owners of RM0.05 million and Adjusted PAT attributable to Owners of RM0.03 million after adjusting for non-cash transactions which mainly comprise amortisation of intangible assets of RM1.1 million and net unrealised loss on foreign exchange of RM1.2 million.

18. PROSPECTS FOR NEXT FINANCIAL YEAR

Oil & Gas (“O&G”) Segment

Due to the pandemic many countries imposing movement control orders. This has resulted in additional cost in conducting our business and lower demand for our services in previous few trailing quarters. Fortunately, looking ahead, the crude oil price is steadily increasing and the movement restrictions are easing.

Consequently, we foresee the utilisation of our services increasing, particularly for our Well Solution Services including wireline services, coil tubing services, pumping and cementing services, hydraulic workover unit for plug and abandonment services, and workover services. Our Production Solution Services remain the same.

In tandem with the above, our other O&G services such as trading, also seen an increasing demand for oilfield chemical solution, domestically and internationally. Further, our petrochemical distribution and logistics reporting maiden sales in the coming quarter, with increasing demand in the industry.

Non-O&G Segment

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.

Our renewable energy business is steadily growing. In addition to our 50 megawatt (“MW”) Large Scale Solar 4 (“LSS4”) Power Purchase Agreement (“PPA”), our associate company, Suria Infiniti Sdn Bhd had been awarded Engineering, Procurement, Construction, Commissioning (“EPCC”) work for 29.99 MW LSS4 project. We also secured several Net Energy Metering (“NEM”) contracts; both as EPCC and PPA holder.

The Board 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 31.12.2021 RM'000	(Unaudited) Corresponding Quarter Ended 3 months 31.12.2020 RM'000	(Unaudited) Current Year To Date 6 months 31.12.2021 RM'000	(Audited) Corresponding Year To Date 6 months 31.12.2020 RM'000
Current tax	(444)	(4,237)	(1,166)	(5,433)
Deferred tax	277	325	548	649
	(167)	(3,912)	(618)	(4,784)
Effective tax rate excluding share of profit of joint ventures and associate (%)	>100.0	36.0	42.21	33.8

The effective tax rate for the current period ended 31 December 2021 is higher than the statutory tax rate of 24%, mainly due to the Group's non allowable expenses during current quarter under review.

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

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.

	(Unaudited) Current Quarter Ended 3 Months 31.12.2021 RM'000	(Unaudited) Current Period To Date 6 Months 31.12.2021 RM'000
<u>Profit for the quarter/year is arrived at after crediting/(charging):</u>		
- Amortisation of intangible assets	(1,774)	(2,904)
- Realised foreign exchange gain	567	1,841
- Realised foreign exchange loss	(1,075)	(2,484)
- Interest income	224	338

22. STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at the date of this report.

23. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at 31 December 2021					
	Short term		Long term		Total	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	43,511	-	105,869	-	149,380
Lease Liabilities	-	5,972	-	3,910	-	9,882
Medium term notes	-	50,000	-	148,445	-	198,445
Invoice financing	-	12,422	-	-	-	12,422
Revolving credits	-	38,412	-	-	-	38,412
Overdrafts	-	42,904	-	-	-	42,904
<u>Foreign Currency</u>						
Term loan (USD)	3,661	15,247	3,661	15,247	7,322	30,494
Lease liabilities (THB)	2,198	16	130	274	2,328	290
Total		<u>208,484</u>		<u>273,745</u>		<u>482,229</u>

	As at 30 June 2021					
	Short term		Long term		Total	
	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)	Foreign Currency ('000)	RM ('000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	43,804	-	115,070	-	158,874
Lease Liabilities	-	5,687	-	6,806	-	12,493
Medium term notes	-	50,000	-	173,237	-	223,237
Invoice financing	-	8,987	-	-	-	8,987
Revolving credits	-	51,865	-	-	-	51,865
Overdrafts	-	42,810	-	-	-	42,810
<u>Foreign Currency</u>						
Term loan (USD)	2,643	10,617	4,201	16,876	6,844	27,493
Lease liabilities (THB)	2,328	301	-	-	-	301
Total		<u>214,071</u>		<u>311,989</u>		<u>526,060</u>

24. DERIVATIVE FINANCIAL INSTRUMENTS

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

The Writ and Statement of Claim was served on Kong through their solicitors on 29 March 2021. Kong has filed an application dated 12 April 2021 for a stay of proceedings pursuant to Section 10 of the Arbitration Act 2005. With regards to Khan, UESB has obtained court order to extend the validity of the Writ and Statement of Claim until 15 September 2022 to enable service out of jurisdiction. UESB is in the process preparing for service of out jurisdiction of the Writ and Statement of Claim on Khan.

26. EARNINGS PER SHARE (“EPS”)

	(Unaudited) Current Quarter Ended	(Unaudited) Corresponding Quarter Ended	(Unaudited) Current Year To Date	(Unaudited) Corresponding Year To Date
(a) Basic EPS	3 Months 31.12.2021	3 Months 31.12.2020	6 Months 31.12.2021	6 Months 31.12.2020
Net profit attributable to owners of the Company (RM'000)	51	7,441	398	9,093
Weighted average number of ordinary shares in issue ('000)	352,031	320,029	352,031	320,029
Basic EPS (sen)	0.01	2.33	0.11	2.84

(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 December 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 December 2021.

BY ORDER OF THE BOARD

Dato' Kamarul Redzuan Bin Muhamed
Group Chief Executive Officer