



UZMA BERHAD

(Company No: 200701011861 (769866-V))

Incorporated in Malaysia

**Quarterly Report on Consolidated Financial Results
For the Second Quarter Ended 31 December 2023**



UZMA BERHAD

(Company No : 200701011861 (769866-V))

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UZMA BERHAD

(Company No : 200701011861 (769866-V))

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2023

	(Unaudited) Current 3 Months Quarter Ended 31.12.2023 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2022 RM'000	(Unaudited) Cumulative 6 Months Year To Date 31.12.2023 RM'000	(Unaudited) Corresponding 6 Months Year To Date 31.12.2022 RM'000
Revenue	137,920	139,247	289,080	261,051
Cost of sales	<u>(78,986)</u>	<u>(89,280)</u>	<u>(165,261)</u>	<u>(157,638)</u>
Gross profit	58,934	49,967	123,819	103,413
Other income	1,914	3,000	6,604	7,767
Administrative expenses	(25,513)	(23,266)	(50,519)	(45,153)
Other expenses	(3,852)	(3,135)	(11,223)	(9,895)
Depreciation	(11,531)	(11,963)	(23,346)	(23,613)
Operating profit	<u>19,952</u>	<u>14,603</u>	<u>45,335</u>	<u>32,519</u>
Finance costs	(3,994)	(4,804)	(9,141)	(9,794)
Share of profit of investments accounted for using the equity method	<u>50</u>	<u>1,276</u>	<u>239</u>	<u>522</u>
Profit before taxation	16,008	11,075	36,433	23,247
Income tax expense	<u>(1,036)</u>	<u>(624)</u>	<u>(7,335)</u>	<u>(2,886)</u>
Profit after taxation	<u><u>14,972</u></u>	<u><u>10,451</u></u>	<u><u>29,098</u></u>	<u><u>20,361</u></u>
Profit after taxation attributable to: -				
Owners of the Company	12,634	10,300	24,573	19,128
Non-Controlling Interest	<u>2,338</u>	<u>151</u>	<u>4,525</u>	<u>1,233</u>
	<u><u>14,972</u></u>	<u><u>10,451</u></u>	<u><u>29,098</u></u>	<u><u>20,361</u></u>
Earning per share				
- Basic/Diluted (sen)	<u><u>3.26</u></u>	<u><u>2.93</u></u>	<u><u>6.35</u></u>	<u><u>5.43</u></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 2023 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 2023

	(Unaudited) 3 Months Quarter Ended 31.12.2023 RM'000	(Unaudited) 3 Months Quarter Ended 31.12.22 RM'000	(Unaudited) 6 Months Year To Date 31.12.2023 RM'000	(Unaudited) 6 Months Year To Date 31.12.22 RM'000
Profit after taxation	14,972	10,450	29,098	20,360
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	(1,831)	(3,086)	(1,831)	4,675
Total comprehensive income for the financial period	<u>13,141</u>	<u>7,364</u>	<u>27,267</u>	<u>25,035</u>
Total comprehensive income attributable to:-				
Owners of the Company	9,390	5,867	23,516	23,538
Non-Controlling Interest	<u>3,751</u>	<u>1,497</u>	<u>3,751</u>	<u>1,497</u>
	<u>13,141</u>	<u>7,364</u>	<u>27,267</u>	<u>25,035</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 2023 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 2023

	(Unaudited) As at 31.12.2023 RM'000	(Audited) As at 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	586,949	540,940
Right of use assets	21,022	25,455
Intangible assets	203,044	206,098
Investments in associates	13,066	12,827
Deferred tax assets	2,401	2,401
Trade and other receivables	5,982	5,982
Other investments	155	105
	<u>832,619</u>	<u>793,808</u>
Current assets		
Inventories	51,566	47,608
Trade and other receivables	302,180	241,150
Contract assets	98,493	101,390
Other investments	112	257
Current tax assets	4,546	7,049
Deposits, cash and bank balances	97,510	95,836
	<u>554,407</u>	<u>493,290</u>
TOTAL ASSETS	<u><u>1,387,026</u></u>	<u><u>1,287,098</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	328,838	307,535
Foreign currency translation reserve	38,783	39,840
Capital reserve	277	277
Merger deficit	(29,700)	(29,700)
Fair value reserve	(6,000)	(6,000)
Retained earnings	204,702	180,007
	<u>536,900</u>	<u>491,959</u>
Perpetual sukuk	40,852	40,852
Non-controlling interests	34,003	30,374
Total equity	<u>611,755</u>	<u>563,185</u>
Non-current liabilities		
Loan and borrowings	236,533	138,894
Lease liabilities	11,204	12,580
Deferred tax liabilities	27,090	24,454
Trade and other payables	23,849	23,540
Post employment benefit liabilities	249	2,619
Deferred income	13,029	13,614
	<u>311,954</u>	<u>215,701</u>
Current liabilities		
Loans and borrowings	174,984	223,666
Lease liabilities	2,896	5,978
Trade and other payables	232,470	227,575
Contract liabilities	52,877	50,832
Current tax liabilities	90	161
	<u>463,317</u>	<u>508,212</u>
Total liabilities	<u>775,271</u>	<u>723,913</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,387,026</u></u>	<u><u>1,287,098</u></u>
Net asset per share attributable to owners of the parent (RM)	<u>1.49</u>	<u>1.38</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 2023 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 2023

	<-----Non- Distributable----->					Distributable				
	Share Capital RM'000	Foreign Exchange 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 01.07.2023	307,535	39,840	277	(29,700)	(6,000)	180,007	491,959	40,852	30,374	563,185
Total comprehensive income for the financial year										
Profit for the financial year	-	-	-	-	-	24,573	24,573	-	4,525	29,098
Foreign currency translation reserve	-	(1,057)	-	-	-	-	(1,057)	-	(774)	(1,831)
Total comprehensive income	-	(1,057)	-	-	-	24,573	23,516	-	3,751	27,267
Transaction with owners										
Issuance of shares by the Company	21,303	-	-	-	-	-	21,303	-	-	21,303
Change in stake	-	-	-	-	-	122	122	-	(122)	-
Total transaction with owners	21,303	-	-	-	-	122	21,425	-	(122)	21,303
Balance at 31.12.2023	328,838	38,783	277	(29,700)	(6,000)	204,702	536,900	40,852	34,003	611,755

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 2023 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 2023

	<-----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 01.07.2022	307,535	35,578	375	(29,700)	(6,000)	146,402	454,190	40,852	29,582	524,624
Total comprehensive income for the financial year										
Profit for the financial year	-	-	-	-	-	36,679	36,679	-	1,402	38,081
Actuarial gain from employee benefits						40	40		4	44
Foreign currency translation reserve	-	4,262	(98)	-	-		4,164	-	-	4,164
Total comprehensive income	-	4,262	-	-	-	36,719	40,883	-	1,406	42,289
Transaction with owners										
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(614)	(614)
Distribution to perpetual sukuk holders	-	-	-	-	-	(3,114)	(3,114)	-	-	(3,114)
Total transaction with owners	-	-	-	-	-	(3,114)	(3,114)	-	(614)	(3,728)
Balance at 30.06.2023	307,535	39,840	277	(29,700)	(6,000)	180,007	491,959	40,852	30,374	563,185

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 2023 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 2023

	(Unaudited) Current Year To Date 31.12.2023 RM'000	(Unaudited) Corresponding Year To Date 31.12.22 RM'000
Profit before taxation	36,433	23,246
Adjustments for non-cash items:		
Depreciation of property, plant and equipment	23,346	22,642
Interest income	(271)	(257)
Interest expense	9,141	9,794
Net unrealised loss on foreign exchange	4,065	4,056
Others	6,254	2,575
Operating profit before working capital changes	78,968	62,056
Changes in working capital		
Increase in inventories	(3,958)	8,428
Increase in receivables	(62,258)	(95,357)
Decrease in payables	3,856	(51,263)
Net increase in amount owing to contract customer	4,942	131,662
Net cash generated from operations	21,550	55,526
Tax paid	(1,917)	(1,048)
Tax refunded	-	11,572
Net cash from operating activities	19,633	66,050
Cash flow from Investing activities		
Interest received	272	257
Purchase of property, plant and equipment	(69,606)	(4,500)
Placement of deposits pledged with licensed banks	8,358	3,983
Net cash for investing activities	(60,976)	(260)
Financing activities		
Interest paid	(9,141)	(9,794)
Net Drawdown/(Repayment) of borrowings	47,036	(44,072)
Proceeds from issuance of ordinary shares	21,303	
Net cash for financing activities	59,198	(53,866)
Net change in cash and cash equivalents	17,855	11,924
Cash and cash equivalents at beginning of the period	1,357	21,133
Effect of exchange rate changes	(5,286)	4,148
Cash and cash equivalents at end of the period	13,927	37,205
Cash and cash equivalents at end of the period comprised:		
Fixed deposit with licences banks	42,991	50,917
Cash and bank balances	54,520	70,820
Cash and cash equivalent as reported in the Statement of Financial Position	97,510	121,737
Less: Fixed deposits pledged with licensed banks and fixed deposits for more than 3 months	(42,991)	(42,751)
Less: Bank overdrafts	(40,593)	(41,781)
	13,927	37,205

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 2023 and the accompanying explanatory notes attached to this report.



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(Company No : 200701011861 (769866-V))

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2023

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF REPORTING PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134: “Interim Financial Reporting” and Chapter 9, part K paragraph 9.22 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”).

The accounting policies and methods of computations adopted by the Group in this interim financial report are consistent with those adopted in the latest annual audited financial statements for the financial year ended 30 June 2023, except for the following:

Adoption of new MFRSs:

In the current financial period, the Group adopted the following amendments to MFRSs issued by the MASB that are effective for annual financial periods beginning on or after 1 July 2023:

- MFRS 17 ‘Insurance Contracts and amendments to MFRS 17’
- Amendments to MFRS 17 ‘Initial Application of MFRS 9 and MFRS17 – Comparative Information’
- Amendments to MFRS 101 ‘Classification of Liabilities as Current and Non-current’
- Amendments to MFRS 101 ‘Disclosure of Accounting Policies’
- Amendments to MFRS 108 ‘Definition of Accounting Estimates’
- Amendments to MFRS 112 ‘Deferred Tax related to Assets and Liabilities arising from a Single Transaction’
- Amendments to MFRS 112 ‘International Tax Reform – Pillar Two Model Rules’

The adoption of these amendments to MFRSs did not have any material impact on the financial performance or position of the Group for the current financial period.

Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant Amendments to MFRSs, which were in issue but not yet effective and not early adopted by the Group are as listed below:

Effective for annual reporting periods beginning on or after 1 January 2024

- MFRS 16 Leases – ‘Lease Liability in a Sale and Leaseback’
- Amendments to MFRS 101 ‘Classification of Liabilities as Current or Non-current’
- Amendments to MFRS 101 ‘Non-current Liabilities with Covenants’
- Amendments to MFRS 107 and MFRS 7 ‘Supplier Finance Arrangement’

Effective for annual reporting periods beginning on or after 1 January 2025

- Amendments to MFRS 121 ‘Lack of Exchangeability’

Accounting pronouncement where the effective date has been deferred to a date to be determined by MASB is set out below:

- Amendments to MFRS 10 ‘Consolidated financial statements’
- MFRS 128 ‘Investments in associates and joint ventures – sale or contribution of assets between an investor and its associate or joint venture’.

The Group will adopt the above standards and amendments when they become effective and the adoption of these amendments is not expected to have any material impact on the financial statements of the Group in the period of initial application.



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(Company No : 200701011861 (769866-V))

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 2023.

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 cyclical 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 2023, 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 current financial quarter ended 31 December 2023.

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 December 2023.

7. DIVIDENDS

No dividend has been paid and or recommended during the financial period ended 31 December 2023.

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 the 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 Services 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) Trading | Trading segment includes 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. |



UZMA BERHAD

(Company No : 200701011861 (769866-V))

8. SEGMENTAL INFORMATION (CONT'D)

(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 31.12.2023		(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2022		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	116,016	72.5	101,736	65.4	14,280	14.0
Trading	38,459	24.0	52,269	33.6	(13,810)	(26.4)
New Energy	1,621	1.0	1,498	1.0	123	8.2
Digitalisation & Technology	160	0.1	-	0.0	160	100.0
Holding company and dormant companies	3,712	2.3	89	0.1	3,623	4,070.7
	<u>159,968</u>	<u>100.0</u>	<u>155,592</u>	<u>100.0</u>	<u>4,376</u>	<u>2.8</u>
Consolidation adjustments and eliminations	(22,048)		(16,345)		(5,703)	34.9
	<u>137,920</u>		<u>139,247</u>		<u>(1,327)</u>	<u>(1.0)</u>
OPERATING PROFITS						
Upstream O&G Services	34,022		22,805		11,217	49.2
Trading	1,698		836		862	103.1
New Energy	(2,358)		(1,893)		(465)	24.6
Digitalisation & Technology	57		(20)		77	(386.0)
Holding company and dormant companies	(10,024)		(3,893)		(6,131)	157.5
Consolidation adjustments and eliminations	(3,443)		(3,233)		(409)	12.7
	<u>19,952</u>		<u>14,602</u>		<u>5,151</u>	<u>35.3</u>

(II) THE RESULTS OF THE CURRENT PERIOD TO DATE COMPARED TO THE RESULTS OF THE CORRESPONDING PERIOD TO DATE

	(Unaudited) Current 6 Months Period Ended 31.12.2023		(Unaudited) Corresponding 6 Months Period Ended 31.12.2022		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	255,658	74.8	200,670	69.9	54,988	27.4
Trading	76,308	22.3	81,200	28.3	(4,892)	(6.0)
New Energy	1,745	0.5	5,073	1.8	(3,328)	(65.6)
Digitalisation & Technology	470	0.1	137	0.0	424	920.7
Holding company and dormant companies	7,424	2.17	-	-	7,333	-
	<u>341,605</u>	<u>100.0</u>	<u>287,080</u>	<u>100.0</u>	<u>54,525</u>	<u>876.4</u>
Consolidation adjustments and eliminations	(52,525)		(26,030)		(26,495)	101.8
	<u>289,080</u>		<u>261,050</u>		<u>28,030</u>	<u>10.7</u>
OPERATING PROFITS						
Upstream O&G Services	69,523		49,918		19,605	39.3
Trading	4,169		1,754		2,415	137.7
New Energy	(2,496)		(316)		(2,180)	689.9
Digitalisation & Technology	246		2		244	12,222.9
Holding company and dormant companies	(15,196)		(9,842)		(5,354)	54.4
Consolidation adjustments and eliminations	(10,912)		(8,997)		(2,114)	23.5
	<u>45,335</u>		<u>32,519</u>		<u>12,617</u>	<u>38.8</u>



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(Company No : 200701011861 (769866-V))

8. SEGMENTAL INFORMATION (CONT'D)

(A) REPORTABLE BUSINESS SEGMENTS (CONT'D)

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

	(Unaudited) Current Quarter Ended 31.12.2023		(Unaudited) Preceding Quarter Ended 30.09.2023		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	116,016	72.5	139,642	76.9	(23,626)	(16.9)
Trading	38,459	24.0	37,849	20.8	610	1.6
New Energy	1,621	1.0	123	0.1	1,498	1,218.3
Digitalisation & Technology	160	0.1	310	0.2	(150)	-
Holding company and dormant companies	3,712	2.32	3,712	2.04	0.0	0.0
	<u>159,968</u>	<u>100</u>	<u>181,636</u>	<u>100</u>	<u>(21,668)</u>	<u>-12</u>
Consolidation adjustments and eliminations	(22,048)		(30,476)		8,428	(27.7)
	<u>137,920</u>		<u>151,160</u>		<u>(13,240)</u>	<u>(8.8)</u>
OPERATING PROFITS						
Upstream O&G Services	34,022		35,500		(1,478)	(4.2)
Trading	1,698		2,472		(774)	(31.3)
New Energy	(2,358)		(138)		(2,220)	1,608.7
Digitalisation & Technology	57		189		(132)	(69.7)
Holding company and dormant companies	(10,024)		(5,171)		(4,853)	93.9
Consolidation adjustments and eliminations	(3,443)		(7,469)		3,827	(51.2)
	<u>19,952</u>		<u>25,383</u>		<u>(5,630)</u>	<u>(22.2)</u>

(B) GEOGRAPHICAL SEGMENTS

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

	(Unaudited) Current 3 Months Quarter Ended 31.12.2023		(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2022		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	137,995	86.3	128,859	82.8	9,136	7.1
Outside Malaysia	21,973	13.7	26,733	17.2	(4,760)	(17.8)
	<u>159,968</u>	<u>100.0</u>	<u>155,592</u>	<u>100</u>	<u>4,376</u>	<u>(10.7)</u>
Consolidation adjustments and eliminations	(22,048)		(16,345)		(5,703)	34.9
	<u>137,920</u>		<u>139,247</u>		<u>(1,327)</u>	<u>(1.0)</u>
OPERATING PROFITS						
Malaysia	24,653		14,547		10,106	69.5
Outside Malaysia	(1,258)		3,289			
Consolidation adjustments and eliminations	(3,443)		(3,233)		(4,547)	(138.2)
	<u>19,952</u>		<u>14,603</u>		<u>(409)</u>	<u>12.7</u>



UZMA BERHAD

(Company No : 200701011861 (769866-V))

8. SEGMENTAL INFORMATION (CONT'D)

(B) GEOGRAPHICAL SEGMENTS (CONT'D)

(II) THE RESULTS OF THE CURRENT PERIOD TO DATE COMPARED TO THE RESULTS OF THE CORRESPONDING PERIOD TO DATE

	(Unaudited) Current 6 Months Period Ended 31.12.2023		(Unaudited) Corresponding 6 Months Period Ended 31.12.2022		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	283,478	83.0	237,619	82.8	45,859	19.3
Outside Malaysia	58,127	17.0	49,461	17.2	8,666	17.5
	<u>341,605</u>	<u>100.0</u>	<u>287,080</u>	<u>100.0</u>	<u>54,525</u>	<u>36.8</u>
Consolidation adjustments and eliminations	<u>(52,525)</u>		<u>(26,030)</u>		<u>(26,495)</u>	101.8
	<u>289,080</u>		<u>261,050</u>		<u>28,030</u>	10.7
OPERATING PROFITS						
Malaysia	50,293		36,963		13,330	36.1
Outside Malaysia	5,954		4,553		1,401	30.8
Consolidation adjustments and eliminations	<u>(10,912)</u>		<u>(8,997)</u>		<u>(2,114)</u>	23.5
	<u>45,335</u>		<u>32,519</u>		<u>12,617</u>	38.8

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

	(Unaudited) Current Quarter Ended 31.12.2023		(Unaudited) Preceding Quarter Ended 30.09.2023		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	137,995	86.3	145,483	80.1	(7,488)	(5.1)
Outside Malaysia	21,973	13.7	36,153	19.9	(14,180)	(39.2)
	<u>159,968</u>	<u>100.0</u>	<u>181,636</u>	<u>100.0</u>	<u>(21,668)</u>	<u>(44.4)</u>
Consolidation adjustments and eliminations	<u>(22,048)</u>		<u>(30,476)</u>		<u>8,428</u>	(27.7)
	<u>137,920</u>		<u>151,160</u>		<u>(13,240)</u>	(8.8)
OPERATING PROFITS						
Malaysia	24,653		25,640			
Outside Malaysia	(1,258)		7,212		(987)	(3.8)
Consolidation adjustments and eliminations	<u>(3,443)</u>		<u>(7,469)</u>		<u>(8,470)</u>	(117.4)
	<u>19,952</u>		<u>25,383</u>		<u>3,827</u>	(51.2)

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 of 31 December 2023 is as follows:

	RM'000
Capital expenditure in respect of property, plant and equipment	
- Approved and contracted for	140,883



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11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE PERIOD

There were no material events subsequent to the end of the current quarter to the date of the report.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group for the current financial period ended 31 December 2023, including business combinations, obtaining or loss control of subsidiaries and long-term investments, restructurings and discontinued operations.

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 RM501 million as of 31 December 2023.

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 2023 are set out below. The relationships of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2023.

	Company RM'000
Related party transaction with subsidiaries:	
-Management fee income	7,424
-Interest income	1,257
-Rental expense	(613)
	(613)

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 investment sis 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	155	-	-	-	155
	155	-	-	-	155



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16. REVIEW OF PERFORMANCE

(A) COMPARISON WITH PRECEEDING YEAR CORRESPONDING QUARTER

	(Unaudited) Current 3 Months Quarter Ended 31.12.2023 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 31.12.2022 RM'000	Difference	
			RM'000	%
Revenue	137,920	139,247	(1,327)	(1.0)
Gross profit	58,934	49,967	8,967	17.9
Profit before taxation	16,008	11,074	4,934	44.6

The Group's revenue decreased in the current quarter ended 31.12.2023 by RM1.3 million as compared to the corresponding quarter ended 31.12.2022 mainly due to lower revenue from the trading in Liquefied Natural Gas ("LNG") and Oil and Gas ("O&G") segment from Integrated Well Solutions division. However, the decrease was mitigated with revenue from O&G Artificial Lift division and Petrochemical trading.

The Group's gross profit increased in the current quarter ended 31.12.2023 by RM9 million as compared to the corresponding quarter ended 31.12.2022 mainly due to the contribution from O&G Artificial Lift division.

The Group's profit before taxation reported an increase in the current quarter ended 31.12.2023 by RM4.9 million as compared to the corresponding quarter ended 31.12.2022 due to higher profit contribution from O&G segment.

(B) COMPARISON WITH PRECEEDING YEAR CORRESPONDING YEAR TO DATE

	(Unaudited) Current 6 Months Quarter Ended/ Period Ended 31.12.2023 RM'000	(Unaudited) Corresponding 6 Months Quarter Ended/ Period Ended 31.12.2022 RM'000	Difference	
			RM'000	%
Revenue	289,080	261,051	28,029	10.7
Gross profit	123,819	103,413	20,406	19.7
Profit before taxation	36,433	23,246	13,187	56.7

The Group's revenue increased by RM28.0 million or 10.7% for the 6 months financial period ended 31.12.2023 compared to corresponding period of 31.12.2022 mainly due to increased activities in the revenue in O&G Artificial Lift division and Petrochemical trading.

The Group's gross profit increased by RM20.4 million or 19.7% mainly attributable to higher profit contribution from O&G Artificial Lift and Integrated Well Solutions divisions.

For the current financial period ended 31.12.2023, the Group's profit before taxation increased by RM13 million as compared to the corresponding quarter YTD 31.12.2022 mainly due to higher profit contributions in the O&G segment in particular Artificial Lift and Integrated Well Solutions divisions.



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

	(Unaudited) Current Quarter Ended 31.12.2023 RM'000	(Unaudited) Preceding Quarter Ended 30.09.2023 RM'000	Difference	
			RM'000	%
Revenue	137,920	151,160	(13,240)	(8.8)
Gross profit	58,934	64,885	(5,951)	(9.2)
Profit before taxation	16,008	20,425	(4,417)	(21.6)

The Group's revenue decreased by RM13.2 million or 8.8% for the current quarter under review 31.12.2023 compared to the preceding quarter 30.09.2023. This reduction was primarily attributed to a decrease in revenue from O&G Integrated Well Solutions division.

The Group's gross profit decreased by RM6.0 million or 9.2% for the current quarter under review 31.12.2023 compared to the preceding quarter 30.09.2023 due to lower profit contribution from O&G segment in particular the Integrated Well Solutions division.

The Group's profit before taxation decreased by RM4.4 million or 21.6% for the current quarter under review 31.12.2023 compared to the preceding quarter 30.09.2023 attributable to lower profit contribution in O&G segment but mitigated by lower operating costs.

18. COMMENTARY ON PROSPECTS

The prospects of the respective business segments of the Group for the financial year ending 30 June 2024 are set out below:

Upstream O&G Services Segment

The geopolitical landscape at the outset of 2024 is fraught with ongoing conflicts in Gaza and Ukraine, presenting complex political, social, and humanitarian challenges with ramifications beyond their immediate regions. Concurrently, trade wars exacerbate global economic strains, disrupting industries, supply chains, and market dynamics. These tensions have driven up Oil and Gas prices due to disrupted supplies, prompting increased capital expenditure in the O&G industry to address the heightened demand and uncertainties.

Based on the PETRONAS Activity Outlook 2024 – 2026, there are numerous ongoing and upcoming projects in the pipeline, such as:

- Exploration activities: more than 25 wells are expected to be drilled each year over the next three years
- Development activities: more than 45 upstream projects are expected to be executed which include the fabrication of four central processing platforms, construction of three onshore facilities and fabrication and installation of 1,130km of pipelines.
- Operation activities: about 300 facilities improvement plans to be carried out each year for the next three years which include rejuvenation and major maintenance activities
- Decommissioning activities: plugging and abandonment of about 130 wells and the abandonment of about 50 facilities over the next three years.

Several major contracts have been awarded by PETRONAS and other oil majors to the Group with an estimated contract value more than RM 1.0 billion in year 2023. Recently, a contract from Hibiscus Oil & Gas Malaysia Limited has been secured for the supply of chemicals and related services for PM3 over a five-year contract term. This achievement reflects positively on the Group's capabilities and competitiveness in the industry. By actively pursuing new opportunities, the Group aims to further strengthen its top-line performance and enhance its market position.



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18. COMMENTARY ON PROSPECTS (CONT'D)

The prospects of the respective business segments of the Group for the financial year ending 30 June 2024 are set out below (cont'd):

New Energy 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.

The prospects for the renewable energy ("RE") sector in Malaysia appear promising, buoyed by the Government's proactive measures to elevate the RE capacity to 70% of the country's overall energy composition, coupled with an ambitious target to attain net zero emissions by 2050. According to the Malaysia Energy Transition Outlook 2023, the power sector anticipates a surge in RE capacity to 31% by 2025 and a subsequent rise to 40% by 2035. Notably, solar energy is positioned to emerge as the primary source of renewable energy within this framework.

Our renewable energy business is thriving, marked by the Energy Commission's extension of the Power Purchase Agreement ("PPA") for our 50MW Large Scale Solar 4 ("LSS4") project. Notably, the project received key approvals and achieved Financial Close in July 2023, progressing with solar panel installation and interconnection facility construction. Additionally, we secured Net Energy Metering ("NEM") contracts as both EPCC and PPA holder.

Malaysia's National Energy Transition Roadmap (NETR), launched on July 27, 2023, is a pivotal development. Phase 1 introduced 10 catalyst initiatives to attract investments, create jobs, and reduce CO2 emissions. On August 7, 2023, our Consortium received notification for the Corporate Green Power Program ("CGPP") under NETR, committing to developing a 12.16MW project in Bahau, Negeri Sembilan. Phase 2 of NETR is set for launch in the second half of 2023.

On 26 January 2024, the Ministry of Energy Transition and Public Utilities (as it then was, and now known as Ministry of Energy Transition and Water Transformation) ("Ministry") announced several new programmes to be launched in 2024 including Large Scale Solar (LSS). The latest LSS programme is said to open 2,000MW quota out of which 500MW shall be dedicated to floating solar category. The Ministry further announced that the participation limit per company shall be up to 500MW, marking a significant leap in terms of participation limit in the previous large-scale programmes. Other requirements shall be further detailed in the request for proposal, available for purchase on 1 April 2024 as per the Ministry's announcement.

The Group is focusing its attention and resources in preparing for this opportunity and is committed to complete all necessary deliverables to ensure its readiness to participate in the exercise. Participation in the upcoming LSS bidding aligns with Uzma Group's strategic objectives and government's Energy Transition towards 2050 Net-zero target.

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.



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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 31.12.2023 RM'000	(Unaudited) Corresponding Quarter Ended 3 months 31.12.2022 RM'000	(Unaudited) Current Year To Date 6 months 31.12.2023 RM'000	(Unaudited) Corresponding Year To Date 6 months 31.12.2022 RM'000
Current tax	(1,458)	(985)	(5,722)	(3,396)
Deferred tax	422	361	(1,613)	510
	<u>(1,036)</u>	<u>(624)</u>	<u>(7,335)</u>	<u>(2,886)</u>
Effective tax rate excluding share of profit of joint ventures and associate (%)	(6.5)	(6.4)	(20.3)	(12.7)

The effective tax rate for the current period ended 31 December 2023 is lower than the statutory rate of 24% mainly due to the Group's reversal of overprovision of taxes in previous financial year based on higher estimated revenue.

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 consolidated statements of comprehensive income and as disclosed above, there are no other exceptional items for the quarter and financial period under review.

	(Unaudited) Current Quarter Ended 3 Months 31.12.2023 RM'000	(Unaudited) Current Period To Date 6 Months 31.12.2023 RM'000
<u>Profit for the quarter/year is arrived at after crediting/(charging):</u>		
- Interest income	155	271
- Interest expenses	(3,994)	(9,141)
- Depreciation of property plant and equipment	(11,531)	(23,346)
- Net unrealised loss on foreign exchange	(1,706)	(4,065)

22. STATUS OF CORPORATE PROPOSAL

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



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23. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at 31 December 2023					
	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	-	32,443	-	236,533	-	268,976
Medium term notes	-	-	-	-	-	-
Invoice financing	-	47,854	-	-	-	47,854
Revolving credits	-	50,462	-	-	-	50,463
Overdrafts	-	40,593	-	-	-	40,593
<u>Foreign Currency</u>						
Term loan (USD)	772	3,631	-	-	772	3,631
Total	<u>772</u>	<u>174,983</u>	<u>-</u>	<u>236,533</u>	<u>772</u>	<u>411,517</u>

	As at 30 June 2023					
	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	-	33,571	-	64,751	-	98,322
Medium term notes	-	50,000	-	74,143	-	124,143
Invoice financing	-	46,579	-	-	-	46,579
Revolving credits	-	39,889	-	-	-	39,889
Overdrafts	-	43,130	-	-	-	43,130
<u>Foreign Currency</u>						
Term loan (USD)	2,386	10,497	-	-	2,386	10,497
Total	<u>2,386</u>	<u>223,666</u>	<u>-</u>	<u>138,894</u>	<u>2,386</u>	<u>362,560</u>

23. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter and period ended 31 December 2023.



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24. MATERIAL LITIGATION

In addition to previously disclosed in our quarterly announcement, the current updates are as follows:

Appeals in the Court of Appeal between Uzma Engineering Sdn Bhd (UESB) and Khan Co. Ltd (Khan) and Kong Offshore Malaysia Sdn. Bhd. (Kong)

- (a) UESB's appeals against the High Court Decision dated 22 May 2023 in allowing Khan and Kong's applications for a stay of all proceedings pending arbitration and dismissal of UESB's injunction application

The Court of Appeal has fixed 29 February 2024 for hearing of UESB's 3 appeals against the decisions of the High Court on 22 May 2023 allowing Khan and Kong's applications for stay of proceedings pending arbitration and the dismissal of UESB's injunction application.

- (b) UESB's application under Section 24A of Courts of Judicature Act 1964

The Court of Appeal has fixed 29 February 2024 for hearing of UESB's appeal against the decision of the High Court on 28 July 2023 in dismissing UESB's application filed pursuant to Section 24A of the Courts of Judicature Act 1964 for the whole cause or matter to be tried before an arbitrator.

- (c) Khan's application for assessment of damages under Order 37 of the Rules of Court 2012

The Court of Appeal has fixed 4 March 2024 for case management for UESB's appeal against the decision of the High Court on 4 August 2023 in allowing Khan's application for assessment of damages.

Arbitration between Shapadu Energy Services Sdn Bhd (SES) and Uzma Engineering Sdn Bhd (UESB)

On 20 November 2023, the Arbitrator issued the Procedural Order No. 1 in respect of the arbitration procedure and timeline for the filing of the cause papers to be complied by the parties.



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25. EARNINGS PER SHARE (“EPS”)

	(Unaudited) Current Quarter Ended 3 Months 31.12.2023	(Unaudited) Corresponding Quarter Ended 3 Months 31.12.2022	(Unaudited) Current Year To Date 6 Months 31.12.2023	(Unaudited) Corresponding Year To Date 6 Months 31.12.2022
Net profit attributable to owners of the Company (RM'000)	12,634	10,300	24,573	19,128
Weighted average number of ordinary shares in issue ('000)	387,231	352,031	387,231	352,031
Basic EPS (sen)	3.26	2.93	6.35	5.43

(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 2023.

(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 2023.

By Order of the Board
Dato’ Kamarul Redzuan Bin Muhamed
Group Chief Executive Officer

Petaling Jaya