UZMA BERHAD

ANNUAL REPORT 2020

MOVING FORWARD

Uzma Berhad

ANNUAL REPORT

MOVING FORWARD **2020**

COVER THEME RATIONALE

Uzma Berhad

MOVING FORWARD

At Uzma, we believe that every single day is an opportunity for us to start anew. We remain focused and steadfast in overcoming obstacles and we shall be moving forward with a determination in accomplishing our goals amidst uncertainties. The cover design and the theme of 'Moving Forward' symbolises our journey and reflects the spirit and resilience of our people in achieving a sustainable future. Together, we will manage the uncertainties of the current climate within the oil and gas industry. We shall embrace these challenges and realise all opportunities by strengthening our strategy and supported by our robust business fundamentals.

ABOUT THIS REPORT

SCOPE

Uzma Berhad's Annual Report is the main report covering the Company and all the Group's primary business activities and business segments. We seek to present information that is relevant to stakeholders for the financial year ended 30 June 2020. This report presents information that is accurate and relevant at the time of publication.

FORWARD LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements with the use of words or phrases such as "might", "forecast", "anticipate", "project", "may", "believe", "predict", "expect", "continue", "will", "estimate", "target", and other similar expressions with respect to the financial condition, results, operations and business of Uzma Berhad. These statements and forecasts involve risk and uncertainty because they relate to forecast information such as improvements in business performance or mention certain decisions that we may undertake and occur in the future. These statements do not guarantee future operating, financial or other results due to future risks and uncertainties and thus it is important to note that this Annual Report shall not be construed as a profit forecast nor shall the statements herein be interpreted as to be providing any guarantee that potential results mentioned in these forward-looking statements will be achieved.

FEEDBACK AND INQUIRIES

Uzma is open to receiving feedbacks and inquiries on the information presented in this report which can be channeled towards our Communications unit at +603 7611 4000 or by email at communications@uzmagroup.com.

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SECTION 2 : OVERVIEW

OUR STORY

Uzma, established in 2000, started its business by providing professional consultancy services to its clients. Since then, the Group has gone through rapid growth driven by its vision to be a leading OGSE company in South East Asia. The Group's growth was fueled by adding new innovative service offerings beyond consultancy services, and a market expansion beyond Malaysia.

Uzma Berhad and its subsidiary companies ("Uzma" or "the Group") offers a spectrum of cost-effective integrated solutions which leverage on innovation across the exploration, development and production value chain for the O&G industry. Uzma has operates in many countries with strong footprints in Malaysia, Thailand, Indonesian and the Philippines. Some of this growth was generated through strategic acquisitions and partnerships.

Over the past several years, Uzma has been putting into effect its strategic decision to reposition its core business on integrated solutions and asset/technology-based solutions.

OUR MISSION & VISION

OUR MISSION — WHO ARE WE

We are an integrated regional Oil and Gas Service and Equipment ("OGSE") company with a diverse portfolio that adds value through our niche and innovative solutions.

OUR VISION — WHAT WE ASPIRE TO BE

We aspire to be one of the top 5 Oil & Gas Service and Equipment ("OGSE") company in Malaysia.

SERVICE OVERVIEW

OIL AND GAS SERVICES

Uzma's core services that assist its clients to "find", "connect" and "produce" their hydrocarbon.

SUBSURFACE SOLUTION

FIND
└── **Potential Hydrocarbon Assets**

- Geoscience Studies
- Reservoir Engineering Solutions
- Production Enhancement and Optimisation
- Integrated Studies
- Geological and Production Enhancement Laboratory Services

INTEGRATED WELL SOLUTIONS

CONNECT
└── **Hydrocarbon Assets to Surface**

- Hydraulic Workover Services
- Coiled Tubing
- Wireline
- Well Pumping
- Cementing
- Desander
- Directional Drilling
- Plug and Abandonment
- Drill Bits & Enlargement Equipment and Services
- Annulus Wash & Cementing Assurance (AWCA)
- Well Stimulation
- Well Chemicals

PRODUCTION SOLUTIONS

PRODUCE
└── **Hydrocarbon Optimally**

- Advanced Production Enhancement System
- Water Injection Facilities
- Portable Water Injection Module
- Gas Handling System
- Well Testing Equipment Rental and Services
- Early Production Facilities
- Operations and Maintenance
- Filtration Services
- Artificial Lift
- Production Chemicals
- Pump Manufacturing
- Supply and Installation of Non-Metallic Pipeline
- Supply of Equipment and Consumables

LATE LIFE ASSETS

Leveraging existing capabilities towards decommissioning the asset in phase

- Operation and Maintenance of Late Life Assets
- Decommissioning Services

NEW ENERGY

Develop and operate innovative ways to garner energy from non-fossil fuel and renewable energy

- Developer and operator of renewable and clean energy
- EPC contractor for solar PV and Geothermal

NON-OIL AND GAS PRODUCTS AND SERVICES

- Software Development and Digital Solutions
- Supply of Equipment and Consumables
- Aviation and Aerospace Services

Uzma is an integrated group of companies providing innovative and cost-effective solutions to the exploration, development and production value chain of the O&G industry, integrating its core strengths throughout the region. The principal activities of the Group include the provision of integrated well solutions, production solutions, subsurface solutions and other upstream services which involves the provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the chemicals, petrochemical and chemical products, equipment and services. The Group categorises these segments to assist its clients to "find" their potential subsurface assets, "connect" their hydrocarbon assets to the surface and "produce" the hydrocarbon optimally by providing subsurface, integrated well and production solutions, respectively.

Since 2017, as part of its strategy towards the energy transition from fossil fuel, the Group has embarked on areas beyond the O&G industry. The specific industries targeted to diversify the Group's O&G business are Digitalisation, Renewable Energy and Aviation/Aerospace products and services.

OUR ASSETS 13
Uzma Berhad Annual Report 2020

OUR ASSETS

HYDRAULIC WORKOVER UNIT

DESCRIPTION OF SERVICE / ASSET

Hydraulic workover functions are performed with the help of hydraulic workover units (HWU's). These units can quickly perform various workover operations such as repairing of well casings and casing levels, sand cleanout from the well, change out completions, well deepening, tailpipe and liners installations, plug milling, cementing, and repairing of downhole safety valves. Hydraulic workover units are very cost-effective and efficient machines considering the cost involved in the exploration and production activities. The units are designed to work in both offshore and onshore sites.

UZMA HWU has been specially designed to optimise their ability in workover and plug & abandonment operations.

KEY SPECIFICATIONS / ADVANTAGES

- Cost efficient
- Small footprint and less weight
- Decreased environmental impact
- Optimised for offshore use
- Modular design
- Rapid mobilisation / demobilisation

WATER INJECTION FACILITIES

DESCRIPTION OF SERVICE / ASSET

The first ever Water Injection Facilities ("uzmaWIF") (without any other Oil & Gas production equipment) installed on a mobile self-elevated platform. The uzmaWIF is a standalone facility designed for large quantity of injection. Since its inception in 2016, uzmaWIF has injected cumulative total of over 5 million barrels of water with recorded monthly uptime of up to 100%.

KEY SPECIFICATIONS / ADVANTAGES

- Up to 66,000 BWPD injection capacity
- Mobile – self-elevated platform able to work throughout monsoon
- 60 pax spacious accommodation living quarters
- 10-Year design life
- Zero capital expenditure ("CAPEX") ultimate solution for the client

LIGHT WEIGHT WELL TESTING

DESCRIPTION OF SERVICE / ASSET

Surface well testing is the only technique available today that assesses the true reservoir potential at full scale under dynamic conditions. It validates well performance during cleanup and commissioning and provides reservoir monitoring for better field management. Conventional well testing equipment is typically more suited to be deployed on a drilling rig or production platform where this facilities can accommodate the space and use higher crane lifting limit. Over the years, our Well Testing services made it possible to do the job.

UZMA has developed a light weight Well Testing equipment to counter the limiting factors, and has been successful since the introduction to Malaysian market in 2018.

KEY SPECIFICATIONS / ADVANTAGES

- Cost efficient
- Small footprint
- Modular design
- Rapid mobilisation / demobilisation

WIRELINE

DESCRIPTION OF SERVICE / ASSET

Dealing with logging services that involve retrieving logging measurements (data) through the well casing, or the metal piping that is inserted into the well during completion. These services are run in the wells to assess well's integrity, improve reservoir management and to inspect for bypassed production before plugging and abandoning the well.

KEY SPECIFICATIONS / ADVANTAGES

Cased hole logging services such as Perforation Services, Pipe Recovery, Casing and Tubing inspection, Production Logging Services, Mechanical Services and Well Intervention Services.

PORTABLE WATER INJECTION MODULE

DESCRIPTION OF SERVICE / ASSET

uzmaWIM™ is a portable, fit for purpose, water injection system. The service includes the supply of equipment, personnel, filters, other consumables and the chemicals used to treat the sea water to meet the required water quality for injection. uzmaWIM™, the first of its kind in Malaysia.

This unmanned compact system is the most cost-effective solution available. It is easy to operate and has the flexibility to be re-installed on similar platforms. The unit has small footprint enabling it to fit on small wellhead platforms commonly found at offshore locations.

KEY SPECIFICATIONS / ADVANTAGES

- Quick Deployment – 12 to 16 weeks
- No CAPEX involved – the cost is paid during project cycle
- Relocatable between platforms
- Complies with international standards but designed to be fit for purpose and economical in terms of equipment and material selections
- Equipment comes in skids for easy mobilisation and installation
- Modular Design
- Proven success in Malaysia since 2013 with a total cumulative injected water of about 8 million bbls

ADVANCED PRODUCTION ENHANCEMENT SYSTEM (uzmAPRES)™

DESCRIPTION OF SERVICE / ASSET

A cost effective solution in reviving idle wells and enhancing the low-pressure wells production by reducing the surface system pressure down close to atmospheric pressure.

KEY SPECIFICATIONS / ADVANTAGES

- 12 years uzmAPRES track record
- 13 total installations
- The 1st in Malaysia pioneer in mobile low-pressure system
- 9 million+ uzmAPRES cumulative oil gain (bbls)

DIRECTIONAL DRILLING (DD) UNIT

DESCRIPTION OF SERVICE / ASSET

DD Unit includes mud motors, drilling jars, and various stabilisers and drilling subs. They perform drilling operation with addition of other BHA components (bits, HWDP, and DP). These assets can be run together within UZMA DD unit or combined with other units/tools provided by other parties. The units are designed to work in both offshore and onshore sites. The key differentiator for our unit is that it can withstand higher temperature compared to the normal and conventional tools in the industry.

UZMA DD has been specifically designed to handle both mature fields and in hostile drilling environment, for water-based and oil-based mud type of drilling fluid.

KEY SPECIFICATIONS / ADVANTAGES

- Cost efficient
- Long lasting and good durability
- Tough and robust
- Modular design

MEASUREMENT WHILE DRILLING (MWD) UNIT

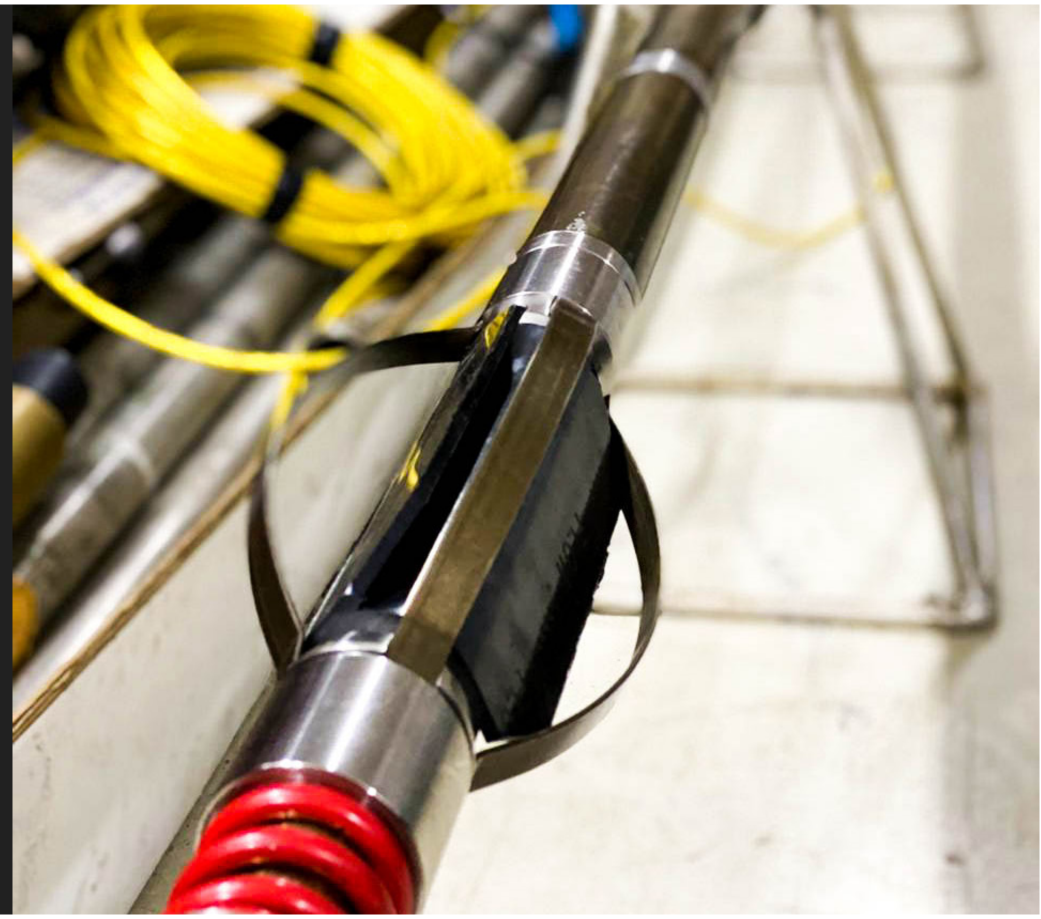
DESCRIPTION OF SERVICE / ASSET

UZMA MWD comprises of single telemetry and dual telemetry mode, can be through mud pulse and can be with mud pulse/ electromagnetic telemetry simultaneously. Our unit can be fished and retrieved in the case of stuck event, which would be very beneficial for operator. It can be run in offshore and onshore sites.

UZMA MWD has been specifically designed to handle both mature field and hostile drilling environment, for water-based and oil-based mud type of drilling fluid.

KEY SPECIFICATIONS / ADVANTAGES

- Cost efficient
- Multiple mode of telemetry
- Retrievable



COILED TUBING UNIT

DESCRIPTION OF SERVICE / ASSET

Coiled tubing has become one of the most widely used tools in well intervention/work over operations, stimulating production & maintaining performance. Our packages are designed to increase production and treat well problems that would otherwise hinder the flow of oil and gas.

KEY SPECIFICATIONS / ADVANTAGES

- Performing Coiled Tubing services in Malaysia since 2016
- Engineering software support such as CIRCA and CYCLE & STIMPRO
- Pressure rating up to 10,000 psi
- Tubing sizes: 1.25" – 2"

WELL PUMPING

DESCRIPTION OF SERVICE / ASSET

Well pumping is one of the most essential services required throughout the life of a well. Well pumping is commonly used for well stimulation and well integrity restoration whereby chemicals are pumped from the surface into the well to stimulate the flow of oil and gas from the reservoir or to seal off selected zones and leakages, therefore improving the productivity of the well.

KEY SPECIFICATIONS / ADVANTAGES

- PDAS – Pumping Data Acquisition System (real-time data monitoring/acquisition)
- The first Malaysian-owned and operated service providers to the upstream oil and gas sector
- Providing expertise in pumping and well services since 2009
- Pump rate: 5 – 8 bpm
- Pressure ratings up to 10,000 psi

DESANDER /FLOWBACK

DESCRIPTION OF SERVICE / ASSET

Surface handling system to handle the sand returns from the well. Our service provides a complete surface handling package to manage sand returns from the well while ensuring no disruption with downstream production equipment.

KEY SPECIFICATIONS / ADVANTAGES

- Pressure rating ranging from 5,000 – 10,000 psi
- Liquid capacity up to 6,500 bbl/day
- Gas capacity up to 50 MMscfd
- Sand capacity up to 265kg/pod
- Filter size up to 50 micron

CEMENTING

DESCRIPTION OF SERVICE / ASSET

The purpose of cement is to support and protect well casing as well as to achieve zonal isolation. Zonal isolation is created and maintained in the wellbore by the cementing process. A good cement job is critical for safe, environmentally sound and profitable wells. Our cementing services provides a wide range of technologies and solutions to ensure long-term integrity of the wells.

KEY SPECIFICATIONS / ADVANTAGES

- Capable to operate 10,000 psi
- Pump rate up to 7 bpm, Triplex pump
- Fully developed Cementing Laboratory in East and West Malaysia
- Real-time Data Acquisition System
- Engineering software support such as PLUGPRO & CEMPRO

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Abdullah Bin Karim
Independent Non-Executive Chairman

Dato' Kamarul Redzuan Bin Muhamed
Managing Director / Group Chief Executive Officer

Dato' Che Nazahatuhisamudin Bin Che Haron
Executive Director

Ahmad Yunus Bin Abd Talib
Executive Director

Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim
Independent Non-Executive Director

Yahya Bin Razali
Independent Non-Executive Director

Dato' Hajjah Zurainah Binti Musa
Independent Non-Executive Director

Ikhlas Bin Abdul Rahman
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim – Chairman
Independent Non-Executive Director

Yahya Bin Razali – Member
Independent Non-Executive Director

Datuk Abdullah Bin Karim – Member
Independent Non-Executive Chairman

NOMINATION AND REMUNERATION COMMITTEE

Datuk Abdullah Bin Karim – Chairman
Independent Non-Executive Chairman

Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim – Member
Independent Non-Executive Director

Ikhlas Bin Abdul Rahman – Member
Independent Non-Executive Director

SECRETARIES

Tai Yit Chan
(SSM PC No. 202008001023)
(MAICSA 7009143)

Wong Wei Fong
(SSM PC No. 201908001352)
(MAICSA 7006751)

REGISTERED OFFICE

12th Floor, Menara Symphony,
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13,
46200 Petaling Jaya
Selangor Darul Ehsan

Tel : (603) 7890 4800
Fax : (603) 7890 4650

AUDITORS

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Tel : (603) 2297 1000
Fax : (603) 2282 9980

STOCK EXISTING LISTING

Main Market - Bursa Malaysia Securities Berhad
Listed Since : 29 July 2008
Stock Name : UZMA
Stock Code : 7250
Sector : Energy

CORPORATE OFFICE

Uzma Tower
No. 2, Jalan PJU 8/8A
Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

Tel : (603) 7611 4000
Fax : (603) 7611 4100

Email : malaysia@uzmagroup.com
Website : www.uzmagroup.com

SHARE REGISTRAR

11th Floor, Menara Symphony,
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13,
46200 Petaling Jaya
Selangor Darul Ehsan

Tel : (603) 7890 4700
Fax : (603) 7890 4670

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
[198201008390 (88103-W)]

AmBank (M) Berhad
[196901000166 (8515-D)]

AmBank Islamic Berhad
[199401009897 (295576-U)]

HSBC Amanah Malaysia Berhad
[200801006421 (807705-X)]

Kenanga Investment Bank Berhad
[197301002193 (15678-H)]

Maybank Islamic Berhad
[200701029411 (787435-M)]

OCBC Al-Almin Bank Berhad
[200801017151 (818444-T)]

RHB Islamic Bank Berhad
[200501003283 (680329-V)]

RHB Bank Berhad
[196501000373 (6171-M)]

Standard Chartered Bank Malaysia Berhad
[198401003274 (115793-P)]

UZMA BERHAD: Corporate Structure

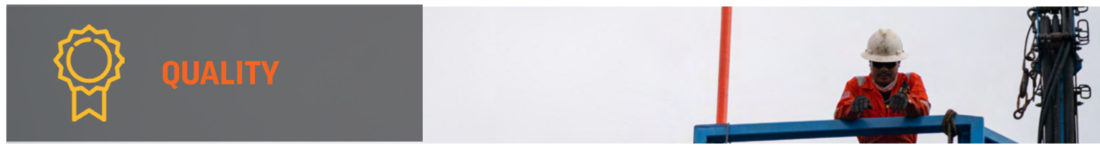
- UZMA ENGINEERING SDN. BHD. 100%
  - UZMA WELL SERVICES (THAILAND) CO., LTD. 49%
    - MMSVS GROUP HOLDING CO., LTD. 100%
  - SVJ HOLDING LIMITED 100%
    - MMSVS GROUP HOLDING CO., LTD. 100%
  - PT UZMA 95%
    - PT UZMA DEVELOPMENT SERVICES 90%
  - UZMA INTEGRATED SOLUTION SDN. BHD. 60%
  - UZMA TRACER SDN. BHD. 70%
  - KHAUSAR ENERGY SDN. BHD. 50%
  - UZMA ARCHAEOLOGICAL RESEARCH SDN. BHD. 100%
- UZMA INTEGRASI PADU BERHAD 100%
- UZMA TELUK KALONG SDN. BHD. 100%
- UZMA (LABUAN) LTD. 100%
- UZMA RESOURCE SOLUTIONS SDN. BHD. 100%
  - JANNATUL FIRDAUS INTERNATIONAL SDN. BHD. 51%
- TENGGARA ANALISIS SDN. BHD. 100%
  - SETEGAP VENTURES PETROLEUM SDN. BHD. 86%
  - UZMA ARTIFICIAL LIFT SDN. BHD. 85%
- UZMA TERAS SDN. BHD. 100%
  - SAZMA AVIATION SDN. BHD. 40%
- UZMA ENERGY VENTURE (SARAWAK) SDN. BHD. 100%
- UZMA ENGINEERING PTY. LTD. 100%
- UZMA ENVIRONERGY SDN. BHD. 100%
- PREMIER ENTERPRISE CORPORATION (M) SDN. BHD. 100%
- UZMA LABORATORY SDN. BHD. 94%
- MALAYSIAN ENERGY CHEMICAL & SERVICES SDN. BHD. 70%
- UZMA CONSULTING LIMITED 49%
- AEROSUN UZMA MALAYSIA SDN. BHD. 48%
- ROCKWASH PREP & STORE LTD. 30%

THE uzmaWAY

Uzma is an integrated group of companies that provide cost effective solutions to the Oil & Gas industry at every step in the exploration, development and production value chain. We are driven by the aspiration to exceed our stakeholders' expectations. We deliver this aspiration by adopting a set of unifying corporate values, known as the **uzmaWAY**, which forms the core pillars of our corporate identity and culture throughout our organization.

Uzma believes in providing a healthy, secure and safe working environment in all of our operations and activities regardless of where we are on the globe. ***Positive health and safety culture*** are inculcated into our organization. Our stakeholders and all their loved ones shall have a ***peace of mind*** knowing that they are in good hands all the time.

Uzma aspires to be the employer of choice and to be a catalyst for a balanced ***passion*** towards work and life. We nurture ***leadership, teamwork*** and ***innovation*** in achieving our common goals. We develop personal and professional ***competency*** of our people. We remain ***humble, respectful*** and exude positive attributes in communicating with our stakeholders.



Uzma embraces ***pro-activity*** and ***cost effectiveness*** in planning, executing and ***continuously improving*** our deliverables to ***exceed every expectation*** of our stakeholders. We ensure that our people are ***efficient*** and ***effective*** in executing their responsibilities. We possess the ***agility*** to quickly adapt to stakeholders' expectation and we strive to be the best in everything we do.

Uzma adopts the highest standards of personal and professional integrity in executing its business activities within the organisation and externally to the organisation. We are committed to ***ethical*** business practices and good ***corporate governance*** in order to be an exemplary corporate citizen.

Uzma believes in ***co-existing*** with and ***preserving*** the environment. Our stakeholders can rest assured that we constantly do our very best to ensure that we leave ***minimal environmental footprints*** in every activity that we do on this precious planet.

These core values are embraced, practiced and demonstrated by everybody in the organization. Realizing that we are only as strong as our weakest link, we ensure that our employees, partners, consultants and supply chain fully understand and voluntary subscribing to the ***uzmaWAY.***

AWARDS AND RECOGNITION

Uzma's unwavering commitment to deliver on outstanding services continued to garner us a host of awards and recognitions that validate our commitment to the highest standards of operational and business practices.

24 JUL 2019

PETRONAS CARIGALI SDN BHD ("PCSB")

Completed all scopes for CTU campaign on time, despite many challenges.

26 SEP 2019

EASTERN PACIFIC INDUSTRIAL CORPORATION BERHAD ("EPIC")

Recognition as Kemaman Supply Base ("KSB") tenant with Best Health, Safety and Environment ("HSE") Practice Award 2019 during EPIC HSE Week.

29 SEP 2019

PCSB

Together with Geowell Sdn Bhd, Uzma received the award for job completion on fishing of three hard packoff and the first ever scale milling safely without any incident, thereby benefitting PETRONAS with cost savings of RM20 million on rigging cost.

08 OCT 2019

MALAYSIAN EMPLOYERS FEDERATION ("MEF")

Uzma was presented with the Bronze Award at the MEF Employer Excellence Award 2019. Benchmarked against industry best policies and practices, Uzma was selected as one of the winners based on a series of assessments and interviews conducted by MEF and industry experts. This award is a stepping stone towards becoming the "People's Choice" in line with Uzma's Five-Year Plan ("uzma5YP"), and is a testament of our commitment to continuously enhance our Group's policies and practices, and positioning Uzma among the top employers in the region.

12 NOV 2019

THE EDGE MALAYSIAN-CENTURION CLUB

At The Edge Malaysian-Centurion Club and Corporate Awards 2019, Uzma was awarded with the 'Highest Growth in Profit After Tax Over Three Years' in Energy Industry category.

14 NOV 2019

PCSB

Contributed 2000 barrels of oil per day ("bopd") gain compared to the planned 500 bopd. Great team work and excellent communications at BA-20 and BA-22 Baram oilfields were highlighted.

PCSB

Continuous water injection operation with good HSE practice and compliance, as well as 1,000 days free of Lost Time Injury ("LTI") since commencing onsite operations in June 2016.

PCSB

Zero LTI and Zero related events for the period of 1 January 2019 till 31 October 2019. Passionate and positive collaboration with PCSB on the PETRONAS Carigali Sdn. Bhd. - Sarawak Operations ("PCSB-SKO") Contractor HSE Mentorship Programme was highlighted, along with active participation by SVP.

19 NOV 2019

ENQUEST

Delivering excellence in HSE and Operational performance for EnQuest as the contractor conscientiously worked on delivering safe results.

25 NOV 2019

PCSB

Received PETRONAS Carigali Sdn. Bhd. - Sabah Assets ("PCSB-SBA") Care Award 2019 in the 'Effective HSE Cultural Enhancement Programme Implementation' category whereby Setegap Venture Petroleum Sdn. Bhd. ("SVP") carried out Behavioural Based Safety Program ("BBS") as complemented by New Hires.

10 JAN 2020

PCSB

Acknowledgement of 1.2 million safe-manhours and Zero LTI, 100% preventive maintenance and 93% healthy strings and total gain of 11,000 barrels per day ("kbd") annualised availability gain for PETRONAS Carigali Sdn. Bhd. - Sarawak Operations ("PCSB-SKO") production.

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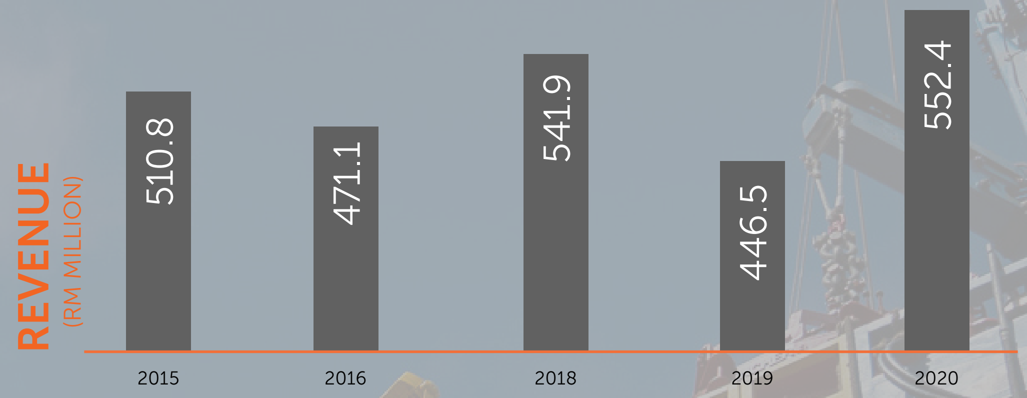
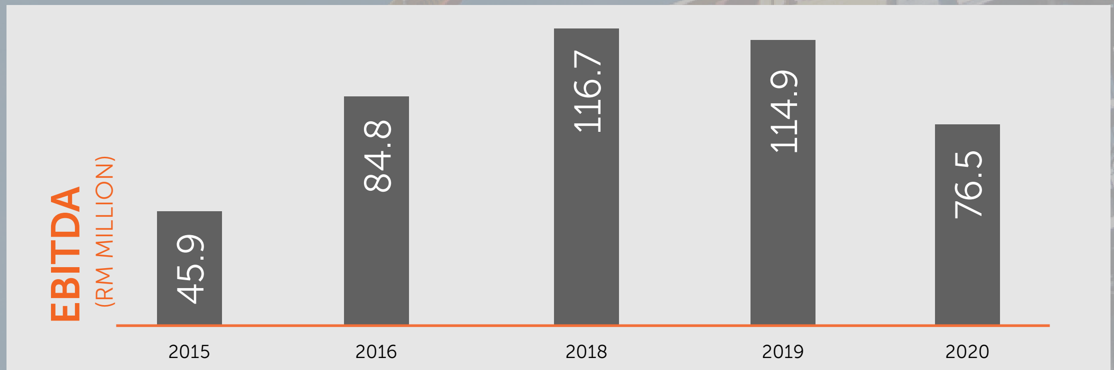
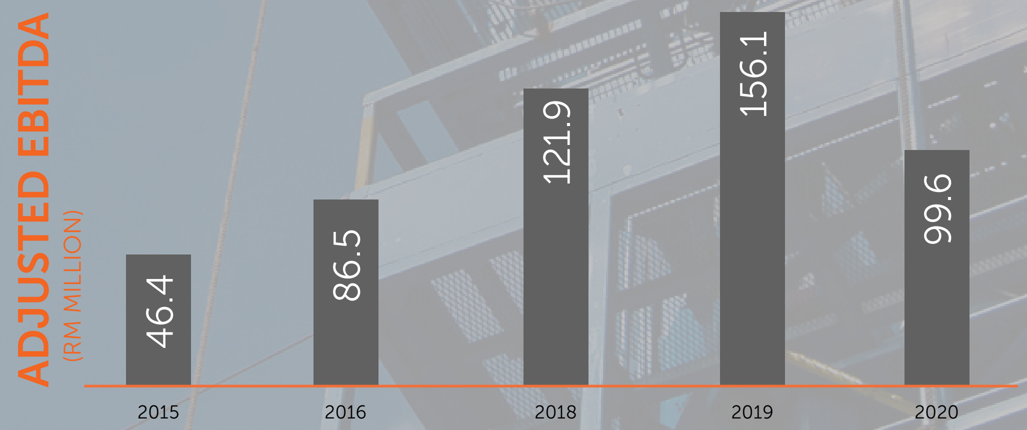
SECTION 3 : PERFORMANCE REVIEW

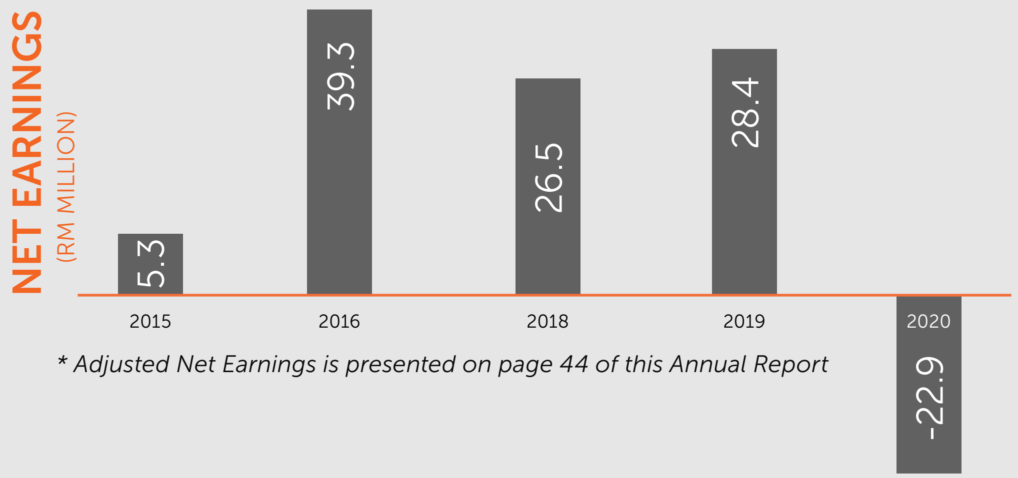
FIVE YEAR FINANCIAL HIGHLIGHTS



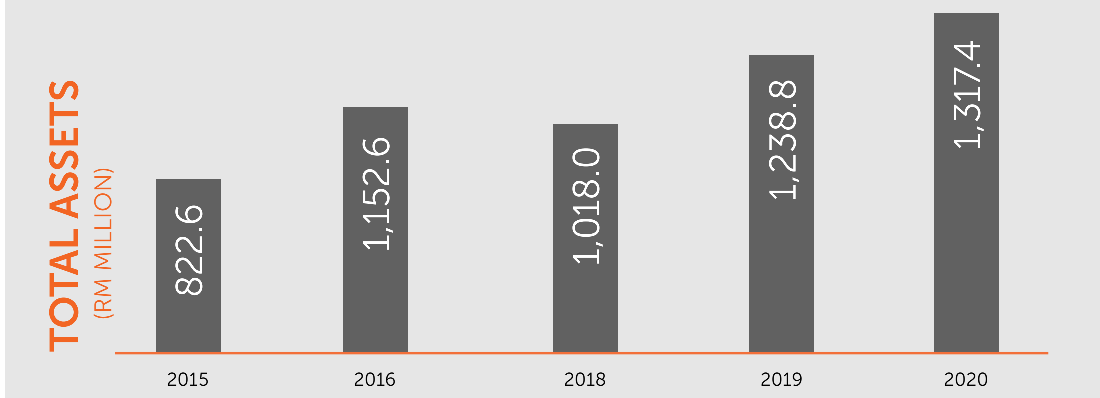




** Adjusted EBITDA is after adding back impairment loss provision*



** Adjusted Net Earnings is presented on page 44 of this Annual Report*



CHAIRMAN'S FOREWORD

Dear Stakeholders,

I am pleased to present to you Uzma Berhad's ("Uzma" or "the Group") Annual Report for the Financial Year Ended 30 June 2020 ("FY2020"). Despite the intense challenges that defined FY2020, Uzma's focused execution of our strategic Uzma Five Year Plan ("uzma5YP") kept us on course with achieving our growth objectives, to record a 24% increase in Group revenue to RM552.4 million.

The past year has seen the world grapple with unprecedented challenges in the wake of the COVID-19 pandemic. Despite the pandemic's multifaceted impacts, Uzma has strived to remain on course with our longer-term objectives. Our robust and resilient business fundamentals have ensured that we have been able to mitigate the near-term impacts of the pandemic on both our business operations and our people, to ensure our long-term business sustainability.

— Datuk Abdullah Bin Karim
Independent Non-Executive Chairman

Sustained Resilience in the Face of Challenges

The COVID-19 pandemic has brought great uncertainty within the global Oil and Gas ("O&G") sector. Businesses struggled to remain afloat in the face of plummeting oil prices as a result of disruptions in global and local supply and demand chains, as well as restrictions on movements and travel imposed to contain the spread of the pandemic. Despite the extremely challenging operating landscape, Uzma's sound business fundamentals and agile management response has ensured that the Group continued to deliver on our strategic objectives, whilst mitigating COVID-19 related risks in a timely manner.

Uzma was spared some of the most serious impacts of volatile oil price movements as a result of our business proposition as a brownfield service provider focusing on maintaining oil wells currently in operation, and optimising production levels on existing O&G assets and platforms. Our wide range of service offerings within the brownfield space ensured a diversity in our revenue portfolio with the various contracts we have in our books. These comprise project-based contracts such as Wells Plug and Abandonment, and Wells Workover services; long-term call-out contracts centred on wells maintenance such as Wireline, Coiled Tubing Units ("CTU") and Production Chemicals; and long-term daily rate leasing contracts such as Water Injection Facilities and Low Pressure Systems. Due to these resilient revenue streams, the Group was able to counteract some of the negative impacts of oil price volatilities.

During the financial year under review, we sharpened our focus on growing our business footprint beyond Malaysian shores, to expand into neighbouring ASEAN countries namely Thailand, the Philippines and Indonesia. We have successfully penetrated these growing markets to offer services such as Hydraulic Workover, Pumping and Directional Drilling. Our secure financial position is underlined by our healthy orderbook which currently stands at RM1.5 billion, along with a bid book of more than 40 projects worth approximately RM1.45 billion that include projects in four ASEAN countries.

We have maintained our strategic efforts to embark into new growth areas beyond the O&G industry. Since 2017, Uzma's new ventures have sought to seize opportunities available as a result of the energy transition trend from fossil-based energy to zero-carbon energy. We have honed in on the areas of Digitalisation and Renewable Energy products and services in our quest to diversify our business.

> *"Despite this extremely challenging operating landscape, Uzma's sound business fundamentals and agile management response has ensured that the Group continued to deliver on our strategic objectives, whilst mitigating COVID-19 related risks in a timely manner."*

The cumulative effects of our focused strategic endeavours have augmented the Group's ability to withstand external shocks, to ensure our long-term business viability and sustainability.

COMMITTED TO PROTECTING THE HEALTH AND SAFETY OF UZMARIANS

Uzma has always believed that one of the most important aspects of our business is the health and safety of all our employees. In this regard, we continued to prioritise the effective management of workplace processes that prevent work-related injuries, incidents and disease.

Since the COVID-19 pandemic was highlighted as a global public health emergency, we have been proactively monitoring the outbreak throughout our various business and operational sites that include our offices, yards and offshore platforms. As the O&G sector was identified as an essential services sector throughout the Movement Control Order ("MCO") period that was announced by the Government on 18 March 2020, Uzma continued to service our ongoing contractual obligations. As such, ensuring the health and safety of our employees was of paramount importance to safeguard our workers, even as we sustained our business operations. We also extended our HSE commitment to include aspects of our clients' and partners' operations that were within our area of control and responsibility.

The Uzma COVID-19 Business Continuity Plan ("BCP") Committee swiftly responded to the MCO imposed by the Government by identifying how we could best minimise risks on our staff, clients and our surrounding communities, with guidance from Government and health authorities. We implemented the Uzma COVID-19 Guidelines and Preventive Measures to ensure full compliance with all Standard Operating Procedures ("SOP") that had been imposed by the Government to stem the spread of the pandemic.

During the MCO period, Uzma instituted 'Work from Home' measures for employees who could perform their job functions from the safety of their homes. As for staff with job functions where their onsite presence was unavoidable, we implemented stringent health and safety measures in line with social distancing requirements.

UPHOLDING STRONG GOVERNANCE

Upholding robust governance processes, structures and activities remained at the forefront of our organisational efforts throughout FY2020. In line with Bursa Malaysia Listing Requirements with regards to the composition of the Board of Directors ("Board"), the Group has a balanced composition of eight Directors consisting of three Executive Directors and five Independent Non-Executive Directors.

Having merged the Nomination Committee and Remuneration Committee in May 2019, we further improved the efficiency and effectiveness of the governance function overview throughout our various business divisions and subsidiaries. In particular, the new Nomination and Remuneration Committee ("NRC") has been able to simultaneously nominate suitable candidates as well as recommend appropriate remuneration in line with quality and core competencies highlighted during the nomination process that factor in their potential contribution to the Group. We have populated the NRC with members who have the appropriate levels of experience and knowledge to effectively discharge their duties and responsibilities.

In line with the new Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which came into effect on 1 June 2020, Uzma strengthened the efficacy of our anti-bribery and anti-corruption measures. These included the publication of Uzma's Whistle Blowing Policy and Anti-Bribery and Corruption Policy on the company website. The policies detail out the anti-bribery policies and procedures that we have developed, based on guidelines and principles of the Ministerial Guideline and paragraph 15.29 of the Main Market Listing Requirements in relation to anti-bribery practices. Further to this, we conducted an anti-bribery training programme in May 2020 encompassing Bribery Risk Assessment for all key management personnel and relevant employees, as well as briefing and training sessions on Uzma's Anti-Bribery Framework and Policies for all employees.

We enhanced our Executive Directors' abilities to govern our organisation through a "Leaders on Board" Training Programme conducted by the People Division. To ensure that our governance values and commitment were cascaded throughout the organisation, we conducted training for our Management Committee ("MC") and Heads of Departments that focused on improving the corporate performance monitoring process, leadership competency and financial literacy. We also published an internal Policy on Donation and Sponsorship to ensure that all our activities in this area are conducted with the highest standards of ethics and integrity.

AWARDS AND RECOGNITIONS

Uzma's unswerving commitment to deliver on outstanding services continued to garner us a host of awards and recognitions that validate our commitment to the highest standards of operational and business practices. Among others, these include the PETRONAS Carigali Sdn. Bhd. - Sabah Asset ("PCSB-SBA") Care Award 2019 for the "Effective HSE Cultural Enhancement Programme Implementation" category and The Edge Malaysian-Centurion Club and Corporate Awards 2019 where Uzma was awarded with the 'Highest Growth in Profit After Tax Over Three Years' in the Energy Industry category.

ACKNOWLEDGEMENTS

Along with the rest of the world, we expect a challenging year ahead as we continue to traverse the various challenges associated with the continuing COVID-19 pandemic. Nevertheless, Uzma is deeply committed to expanding our best efforts as we continue with our value creation journey to deliver on the promises we have made to our shareholders and stakeholders.

As we progress into the future, we would like to thank each and every one of our stakeholders for their invaluable contribution over the past year. To my fellow Board members, my deepest appreciation for their unyielding commitment to steer Uzma through the unprecedented challenges of the COVID-19 pandemic, as we maintain our strategic course to achieve the business goals we have identified.

On behalf of the Board, I wish to thank each and every one of our Uzmarians, for staying the course and expending their best efforts in conducting their job functions and responsibilities through extremely challenging times. We are indebted to our business partners, suppliers and vendors who collaboratively worked the Group as we strove to deliver on our vision and mission. To our clients, our heartfelt appreciation for their continued faith and trust in Uzma's ability to deliver. As for our shareholders, we thank them for remaining on this journey with us, as we continue to progress with our strategy to ensure the long-term sustainability of the Group.

We look forward to continuing with our onward journey hand in hand with all our stakeholders, to steadfastly and continuously create meaningful and tangible value for us all.

Datuk Abdullah Bin Karim
Independent Non-Executive Chairman

" Uzma is deeply committed to expanding our best efforts as we continue with our value creation journey to deliver on the promises we have made to our shareholders and stakeholders. "

I am honoured to present to you Uzma's Annual Report for the Financial Year Ended 30 June 2020 ("FY2020"). The past year under review has been an intensely challenging one for businesses the world over, as companies from all sectors grappled with the impacts of the COVID-19 pandemic. Uzma responded swiftly to dampen the impacts on the Group, and proactively implement various measures that ensured the resilience of our business.

CEO'S REVIEW OF OPERATIONS

– DATO' KAMARUL REDZUAN BIN MUHAMED
Managing Director / Group CEO

KEY PERFORMANCE HIGHLIGHTS 2020

On 18 March 2020, the Malaysian Government announced the Movement Control Order ("MCO") in its bid to contain the spread of the COVID-19 pandemic throughout the country. At the onset, only businesses identified as providing essential services, which included companies in the Oil and Gas ("O&G") sector among others, were allowed to continue with operations.

Despite being designated an essential services business, Uzma was not spared the impacts of the COVID-19 crisis. Several areas within the Group's operations had to contend with additional costs incurred as a result of compliance with Standard Operating Procedures ("SOPs") issued by the Government during the MCO. While our crew members were able to continue working on our clients' projects, there were quarantine requirements to adhere to in the interest of public safety and health. As for employees working out of our office premises, there were social distancing requirements which necessitated the implementation of work from home measures for those who could perform their job duties remotely, leading to the Group operating with a reduced workforce at our offices.

The COVID-19 pandemic precipitated an uncertain global economic outlook, that was compounded by the decision of the Organisation of Petroleum Exporting Countries and its allies ("OPEC+") to reduce crude oil production as a result of demand levels plunging on the back of travel restrictions as well as a significant reduction in manufacturing activities worldwide. This led to many global oil companies embarking on cost cutting exercises and deferring their capital expenditure spending, which in turn impacted the O&G supply chain which Uzma is part of.

Against this backdrop, Uzma recorded a 24% year-on-year ("YoY") increase in revenue to RM552.4 million for FY2020. Our robust revenue growth was driven by the execution of new contracts secured during the year by the Integrated Well Solutions division, and a stable revenue stream from long-term contracts of the Production Solutions division relating to the water injection facility and oilfield chemical business. Another significant reason for our robust revenue growth was the successful expansion of our business in the ASEAN region, into the countries of Thailand, the Philippines and Indonesia. We leveraged on our credible and proven track record in the O&G sector to offer services in the regional space focusing on Hydraulic Workover Unit ("HWU"), Pumping and Directional Drilling. Contribution from overseas revenue to the Group's overall revenue increased to 10% in FY2020, compared to 8% the previous year.

Uzma's gross profit margin was stable at between 30% to 33% in FY2019 and FY2020, on the back of higher margin contracts and our focused cost reduction exercise. The Group's strategy to balance project revenue against recurring revenue and to focus on higher margin services provided us with resilience against the oil price fluctuations that marked the crude oil commodities market in FY2020.

As a result of the continuation of the COVID-19 pandemic, we expect that the challenges posed to the O&G sector will remain, which will result in the lower utilisation rate of our assets. In recognition of this, and as a prudent measure to ensure our longer-term business sustainability, the Group recognised RM21.7 million for impairment provision of assets. This necessary move to mitigate financial risks we anticipate, has led to the Group recording a loss on Net Earnings amounted to RM22.9 million (with Adjusted Net Earnings of RM9.9 million) in FY2020. While the impairment of assets is a prudent measure to protect our longer-term business viability, it does not affect the fundamental soundness of our business.

We remain confident of our future prospects, as the Group has a healthy order book which currently stands at RM1.5 billion, and a bid book of more than 40 projects worth approximately RM1.45 billion, inclusive of projects in four ASEAN countries.

REVENUE (RM)

552.4
MILLION
FY2020

446.5
MILLION
FY2019

MAINTAINING ON COURSE WITH OUR TRANSFORMATION PROGRAMME

In FY2019, the Group had unveiled the uzma5YP as the business strategy we had developed charting our course to transform into one of the Top 5 OGSE companies in Malaysia. In light of the massive shifts we are witnessing within the O&G sector as well as the greater global economy, we have evolved the uzma5YP strategy to enhance the Group's ability to withstand the challenges of an unpredictable business landscape.

We took a number of key factors that impacted our long-term business sustainability into consideration in re-imagining the uzma5YP strategy. This included the overall downturn that the O&G sector has faced over the past few years, and expectations that it will continue into the near future especially as a result of the pandemic. Profits within the O&G industry are trending downwards, and returns to shareholders have not kept pace with the S&P500 since 2015, resulting in the OGSE subsector recording lower or even negative profit positions in more recent years. We also took into account the longer-term impacts of the COVID-19 pandemic, and the uncertainties associated with economic recovery both domestically and internationally.

While the uzma5YP strategy still retains its Four Focus Areas of People's Choice, Financial Resilience, Balanced Portfolio and Modernisation and Technology, we have refined the overarching strategy by incorporating two key strategic themes that will shape our growth journey in the years to come. The First Strategic Theme ("Strategic Theme 1") is that O&G will remain as our core business, but we need to increase resiliency and operate differently to survive and strive in the new normal the world in finding itself in. The Second Strategic Theme ("Strategic Theme 2") is that we will focus on non-O&G sectors as our growth engines, honing in on high growth industries such as New Energy, Digitalisation and Technology.

Strategic Theme 1 relates to our core O&G business, where we will be taking a more capital disciplined approach, by ensuring that the assets we invest in offer us the best return on capital. We are also rebalancing our portfolio between project-based revenue stream and long-term recurring revenue stream type businesses.

Strategic Theme 2 defines our strategic approach to venture into high potential new growth areas, in alignment with global mega trends. In the longer term, we foresee the acceleration of both the energy transition towards clean energy and the adoption of digitalisation.

Based on these strategies, we have refocused our efforts to effect a more balanced business portfolio that is in line with our high growth aspirations, with 60% of our business in the O&G sector, and the remaining 40% in new growth areas such as New Energy, Digitalisation and Technology industries. With regards to new growth areas, we will advance our ambitions by exploring inorganic growth opportunities such as mergers and acquisitions ("M&A") of companies within the digitalisation sector.

EXPANDED OUR REGIONAL FOOTPRINT

One of our key achievements in FY2020 was successfully expanding our business in the ASEAN region into the countries of Thailand, the Philippines and Indonesia, in line with our business strategy. This has provided the Group with a strong base from which we can further expand our regional presence supported by our host country subsidiaries which are manned by local talents and with their own supply chain and base operations. Our initial focus has been on the provision of core O&G services such as HWU, Pumping and Directional Drilling in these markets

STRENGTHENED OUR CORE O&G UPSTREAM SERVICES BUSINESS

We obtained strategic wins in FY2020 in terms of growing our core upstream services in the regional market, by securing a number of contracts for well plug and abandonment ("P&A"), coil tubing services and well testing services, with an accumulated value of RM160 million covering our businesses in Malaysia, Indonesia and Thailand. These contracts have placed the Group in a strong position to continue with the growth journey we have charted towards becoming a regional OGSE player in the value chain.

The details of these contracts are as follows:

- Uzma Engineering Sdn. Bhd.("UESB") was awarded a contract by Sarawak Shell Berhad ("SSB") and Sabah Shell Petroleum Company Limited ("SSPC") for the provision of well abandonment integrated services, covering five oil wells for Shell-operated platforms in Sarawak. The plug and abandonment works will be done at two (2) Shell operated platforms involving five wells.
- Setegap Ventures Petroleum Sdn. Bhd. ("SVP") was awarded a work order from an umbrella contract from Vestigo Petroleum Sdn. Bhd. ("VPSB") for the provision of integrated well services. The duration for the performance of work under this work order is effective from November 2019 until completion of the scope of works.
- UESB was awarded a work order from an umbrella contract for the provision of well testing and tubing conveyed perforations by PETRONAS Carigali Sdn. Bhd. ("PCSB") for light weight well testing services. The duration for the performance of work under this work order is effective as of January 2020 and will expire on March 2021 or until completion of the scope of works.
- MP B5 Ltd., a subsidiary of Mubadala Petroleum in Thailand, awarded our Thailand subsidiary MMSVS Group Holding Co. Ltd. ("MMSVS") a contract for the provision of coil tubing services. The three-year contract includes a two-year extension option, effective February 2020.
- SVP was awarded a contract from ExxonMobil Exploration and Production Malaysia Inc. ("EMEPMI") for provision of pumping equipment and services. The contract duration is for a primary term of four years, with EMEPMI having the option to extend the contractual term for another year on the same terms and rates.

TOTAL BID BOOK VALUE
~RM1.45 Billion

TOTAL ORDER BOOK VALUE
~RM1.5 Billion

- PT Uzma Development Services ("PT UDS") has secured a contract from Indonesian state-owned oil and natural gas company, PT Pertamina. PT UDS will provide directional drilling and manpower services for the drilling of Pertamina's Sumatera one exploitation wells. The tenure of the contract is for 24 months effective June 2020.
- UESB was awarded a contract by PCSB for the provision of portable water injection module ("PWIM") for the Sepat platform. The scope of the project involves design, engineering, procurement, fabrication, installation, hook-up, commissioning, operation and maintenance of the PWIM at Sepat platform. The contract was effective from April 2020 and will expire 30 months after the initial start of water injection at Sepat platform.
- Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS") was awarded a contract by SSPC for the supply of production chemicals for Malikai Deepwater Project – Stage 1 chemical. The scope of the contract includes supplying, managing and providing technical support and consultancy for low dosage hydrate inhibitor, corrosion inhibitor, pour point depressant, scale inhibitor and demulsifier. The contract duration is for a primary term of five years and effective from January 2016. In FY2020, SSPC exercised their option for an extension of two years effective from January 2021.

With these new contracts, Uzma's orderbook value of RM1.5 billion as at end FY2020 demonstrates that the Group is well placed to maintain our strategic growth trajectory in our bid to be Malaysia's leading integrated solutions provider and a regional player in the upstream services sub-sector focusing on subsurface, integrated wells and production solutions.

CONTINUED TO INVEST IN OUR TALENT

In the face of an extremely challenging year, Uzma's top priority remained to protect the health and wellbeing of our people and other stakeholders such as our partners, vendors and clients. To ensure this, we enforced stringent health protocols across the organisation, which allowed us to transition quickly to a new norm where our workers were able to effectively maintain social distancing while at the same conduct their functions and duties with minimal disruptions to our business. Despite the challenges, Uzma remained committed to serving our clients and providing excellent quality and levels of service as we had in the past.

The Group responded swiftly to the COVID-19 crisis by implementing the Uzma COVID-19 Business Continuity Plan, which among other matters rolled out the Uzma COVID-19 Guidelines and Preventive Measures to safeguard our employees' safety, whilst maintaining our contractual obligations in line with Government SOPs to our clients. To facilitate the continuous learning and development of our people during the pandemic, we moved our training and development modules to the online space to enable our people to maintain their progress on upskilling themselves and building their capabilities, as well as assisting them adapt their working styles and mindsets to the new normal of the post-COVID-19 world.

PROACTIVELY MITIGATING OUR RISKS

Uzma has always maintained a proactive approach in identifying and mitigating our risks to ensure our operational and business continuity. In line with this, the Board has always undertaken a strict approach in its risk oversight function, as assisted by the Uzma's Management Committee ("MC") and the Audit Committee ("AC").

In FY2020, we have augmented our risk management process by enhancing our Corporate Risk Management as our strategic response towards the Volatile, Uncertain, Complex and Ambiguous ("VUCA") nature of the prevailing and future outlook pertaining to the global economy and the O&G sector. This was effected through a new Terms of Reference ("TOR") for Corporate Risk Management, which embeds risk management as an integral part of the business as usual requirements across the Group, by incorporating the risk management process within the Corporate Key Performance Indicators ("KPIs"). The new Corporate Risk Management will be effected in FY2021 and we are confident that our enhanced risk management and mitigation approach will add to Uzma's business resilience and enable the Group to rise above the challenges we foresee as economic recovery takes place in the post-COVID-19 world.

UZMA'S FORWARD MOVING STRATEGIC PLANS

We are cognisant of the massive uncertainties that will mark the year ahead, as economies worldwide continue to grapple with the impacts of the ongoing COVID-19 pandemic. Nevertheless, the Group is optimistic of our continuing success, based on our strategic achievements in FY2020. Our successful expansion into the ASEAN region has given us the credibility and confidence to set ourselves a high revenue target of between 15% and 20% for our overseas operations in the near-term future.

Moving forward, the Group will continue to build resilience in our core O&G business, by consolidating our subsidiaries' capabilities with the aim of fortifying our competitive strengths and capitalising on opportunities available in the industry recovery phase. Among other measures, we will be adopting best practices at Group level, which will be deployed to all our subsidiaries. As well as that, we will consolidate capabilities within the Group to adopt a more integrated approach in our service offerings. To increase our business resiliency to oil price volatilities, we intend to expand the chemical business beyond production to including drilling chemical, downstream specialty chemical and even into the non-O&G sector. A key agenda moving forward is maintaining our sight on improving our capital discipline, to ensure higher returns from our existing assets.

In our bid to future proof ourselves, we will accelerate our efforts to diversify and balance our business portfolio beyond the O&G sector. The key new growth areas we are venturing into are Digitalisation and Technology, and Renewable Energy. We will seek out non-organic growth opportunities through M&As and strategic partnerships with existing players in the market, who have high growth potential. This focused approach will enable the Group to leverage on our partners' capabilities to expand our reach in the non-O&G business.

As we continue our journey into the financial year ahead, the Group remains committed to achieving our strategic ambitions to ensure our long-term growth. We thank all our shareholders and stakeholders for their continued support and faith in us, as we steer through the challenges of a post-COVID-19 world.

Dato' Kamarul Redzuan Bin Muhamed
Managing Director / Group CEO

MANAGEMENT DISCUSSION AND ANALYSIS

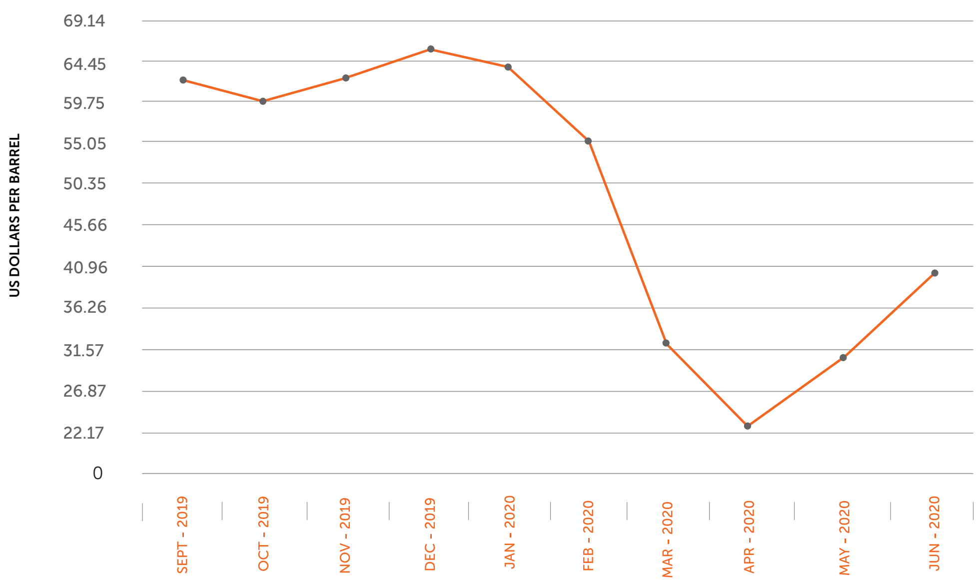
Amidst challenging time, Uzma is strengthening its financial resilience

For the Financial Year Ended 30 June 2020 ("FY2020"), Uzma Berhad ("Uzma" or "the Group") recorded another year of revenue growth of RM105.9 million or 24% to RM552.4 million, from RM446.5 million in the previous financial year. The Group maintained our upward revenue growth trajectory despite the various challenges of the COVID-19 pandemic and the crude oil price downturn that negatively impacted the Oil and Gas ("O&G") industry, for the significant portion of the financial year under review. This represents a milestone achievement for Uzma in our bid to achieve the objectives of the uzma5YP transformation strategy, in line with our vision to become the Top 5 OGSE company.

OPERATING ENVIRONMENT OVERVIEW

The COVID-19 pandemic has led to unprecedented impacts on the O&G industry, as a combination of supply and demand shocks have resulted in oil prices plunging to record low levels. Restrictions on movement and daily travel have drastically reduced demand. As noted by the International Energy Agency ("IEA"), global oil demand is expected to fall by a record 9.3 million barrels per day year-on-year in 2020, as the result of containment measures in 187 countries and territories bringing mobility almost to a halt. This has severely disrupted the global oil supply chain, and in May 2020 the Organisation of Petroleum Exporting Countries and its allies ("OPEC+") decided to cut oil output. International O&G companies have responded to this by reducing capital and operational expenditures, which in turn impacted suppliers and service providers such as Uzma. However, as Uzma is a brownfield service provider, the impact from the crude oil downturn and reduction in activities in O&G industry is mitigated in the near term future.

CRUDE OIL (PETROLEUM) ; DATED BRENT MONTHLY PRICE - US DOLLARS PER BARREL



Source : IndexMundi

Within Malaysia, the Government rolled out initiatives to soften the impacts of the economic downturn, which included stimulus packages aimed at affected individuals and small-medium enterprises ("SMEs"). However, the pace of recovery remains uncertain, with a weak labour market and cautious consumer spending. This economic scenario has added additional pressure to many major O&G companies to reduce their capital expenditure investments, as well as operating expenses.

Despite the economic slowdown, Uzma is pleased to have secured new plug and abandonment, portable water injection module and directional drilling contracts throughout FY2020, that will sustain the Group's revenue generation for the medium-term future.

FINANCIAL RESULTS REVIEW

On the back of various new contracts as well as ongoing contracts during the financial year under review, Uzma recorded **revenue growth of RM105.9 million or 24% from RM446.5 million in FY2019 to RM552.4 million in FY2020.**

Uzma executed both project-based contracts and long-term callout contracts under Well Solution services which was the largest contributor to Uzma's revenue base, as well as long-term rental lease contracts within the Production Solution services for FY2020. Both of these divisions are under our O&G upstream services segment.

The key contracts that contributed to the FY2020's revenue, among others, comprise the followings:

- **Pulai-A Plug and Abandonment Contract**

  The Pulai-A contract was awarded by PETRONAS Carigali Sdn. Bhd. ("PCSB") in July 2018. The contract covers the provision of Well Abandonment Integrated Services for Pulai-A, consisting of an integrated permanent Plug and Abandonment ("P&A") on Pulai-A platform located on the PM9 field, 260 km off the shore of Terengganu. The first of its kind in Malaysia, Uzma's HWU was mobilised in 2018 for this project, making Uzma a pioneer in the provision of integrated P&A services. The project covers 22 wells and was successfully completed in July 2020.

- **Integrated Hydraulic Workover Unit Contract**

  The contract was awarded by Repsol at the end of FY2019 for services that includes mainly of hydraulic workover unit, cementing and wireline. This project covers three wells and was successfully completed at the end of FY2020.

- **D18 Field Water Injection Facility ("WIF") Contract**

  Uzma was awarded a five-year contract by PCSB effective from March 2016 to March 2021 (and extended to October 2021 from the first successful water injection) for the provision of services pertaining to the leasing, operation and maintenance of a WIF for the D18 field off the shore of Sarawak. This is the first ever WIF which was installed on a mobile self-elevated platform without any other O&G production equipment. The WIF is a standalone facility designed for large quantities of water injection. The scope of this contract includes complete engineering, construction, installation, commissioning, leasing of WIF inclusive of the operations and maintenance. Uptime for this project has improved during the financial year under review at more than 99% for a continuous period of time. This was the result of better maintenance and equipment management. The project generated recurring revenue for the Group throughout FY2020.

- **PTTEP Hydraulic Workover Services Contract**

  In March 2019, Uzma's wholly owned Thailand subsidiary, MMSVS Group Holding Co. Ltd. ("MMSVS") was awarded a contract by PTT Exploration and Production Public Company Limited ("PTTEP") for the provision of Onshore Hydraulic Workover Services, with a tenure of three years from March 2019 to June 2022, with an option to extend for a maximum period of one year. This contract marks a win for Uzma in Thailand's competitive hydraulic workover unit market.

- **Specialty Chemical Contract**

  The Sabah Shell Petroleum Company Limited ("SHELL") contract consists of the Malikai and Gumusut-Kakap Deepwater Project which was awarded back in January 2016 and May 2018. Both contracts cover the supply of production chemical and associated services for deepwater operations. Malikai operations is located approximately 100km off the coast of Sabah with water depths of up to 500m (1,640 feet) whereas Gumusut-Kakap operations is covers fields in seas of approximately covers 1,200 meters (3,937 feet) deep withthe platforms located 120km offshore of Sabah. Both contracts are ongoing in supplying production specialised chemical to operations for FY2020 with an average daily production of up to 135,000 barrels of oil.

- **Coiled Tubing Unit and Cementing Contracts**

  PCSB awarded two contracts for the provision of CTU services in November 2015 and November 2016. The CTU services is commonly used for well stimulation, whereby chemicals are pumped from the surface into the well to stimulate the flow of oil or gas from the reservoir and enhanced the productivity of the well. Apart from stimulating the wells, the CTU is also used to convey tools and chemicals to restore the integrity of the well such as scale removal, leak repair and zone isolation. These contracts have contributed to the revenue generated for the Group in FY2020.

  Further, an umbrella contract for Integrated Well Services for Intervention, Workover & Abandonment ("IWS") was awarded in September 2019. The services include an integrated solutions whereby complementary services are combined and managed by one single service provider. Under this IWS contract, the lead service provider provides not only its own services but manages and coordinates other service providers to achieve the objectives set by the client. The scope includes project management, coiled tubing services, e-line and slickline services, pumping services, well flowback and marine vessels. Since the award of the umbrella contract, the Group has won two work orders from Vestigo Petroleum and SEA Hibiscus.

  In July 2019, SVP expanded its cementing business to Philippines. The contract was awarded by All First Kalinga Holdings, Inc., a Philippines geothermal production company. Cement is typically used to seal the annular opening between the individual casing strings and/or the casing strings and the formation walls. This contract is the second largest geothermal power (non-fossil energy) producer in the Philippines.

The Group's steady revenue growth was also due to non-organic growth as a result of the acquisition of subsidiaries. The acquisition of additional shareholding in Setegap Ventures Petroleum ("SVP") as a subsidiary has resulted in a full year of profitability recorded in FY2020 due to the consolidation of SVP into the Group, amounted to RM84.7 million, as compared to only one quarter of profitability contribution in FY2019.

Other acquisitions conducted over the years, namely MECAS and MMSVS, also contributed a stable recurring revenue and project-based contract revenue, respectively, in FY2020. These subsidiaries complemented Uzma's existing business and have successfully transformed with the sharing of resources within the Group, resulting in the growth of our subsidiaries' service offerings over the years.

Acquisition of companies that has contributed to Uzma's revenue growth over the financial years, are as follows:

- **Coil Tubing Unit ("CTU"), Pumping, Cementing & Desander Services Company: Setegap Ventures Petroleum Sdn. Bhd. ("SVP")**

  In FY2012, Uzma acquired 30.02% shareholding in SVP, whose principal business is providing support services to the O&G industry such as well pumping and CTU, which complements Uzma's existing service offerings such as geoscience and reservoir engineering, drilling, and project and operational services for the O&G industry. Uzma subsequently acquired a further 18.98% equity interest in FY2015, bringing its total shareholding to 49%, making it a joint venture entity of Uzma. In FY2019, Uzma completed the acquisition of another 15% of equity interest in SVP, effectively making SVP a subsidiary of Uzma, and recently in FY2020, Uzma acquired an additional 22% equity interest in SVP, bringing the total shareholding to 86% shareholding. Since the initial acquisition in FY2012, Uzma has successfully transformed and expanded SVP's service offerings. As part of the Group, SVP has evolved from being a single pumping service provider to an integrated multi-service provider offering services ranging from pumping, cementing, CTU and desander services.

  Within an eight-year period, SVP's revenue and net profit has grown substantially from RM42.7 million and RM10.2 million respectively in FY2012 to RM157.7 million and RM22.8 million respectively in FY2020. Today, Uzma is the leading provider of CTU in the ASEAN region.

- **Downstream Specialty Chemical Company: Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS")**

  Uzma acquired a 70% stake in MECAS in FY2010 as part of its ongoing efforts to expand its service offering into the oilfield chemicals ("OFC") segment. At that time, MECAS was the only local OFC company able to compete with international OFCs namely Baker Hughes, Schlumberger, Halliburton and Clariant. Today, MECAS is not only servicing PETRONAS but other international oil companies operating in Malaysia, and remains the market leader for eight continuous years. MECAS has also successfully improved the Group's profitability through various measures of localisation and local sourcing to grow the local content of its products and services, while improving operation cost, to remain competitive in present marketplace.

  MECAS's revenue and net profit grew from RM36.5 million and RM2.8 million, respectively, in FY2010 to RM69.1 million and RM7.2 million, respectively, in FY2020. MECAS today commands the largest market share in oilfield chemicals supply in Malaysia. Recently, in the expansion of oilfield chemicals beyond Malaysia, via the Thailand business set-up, MMSVS, Uzma made its successful maiden foreign foray into Thailand for oilfield chemicals.

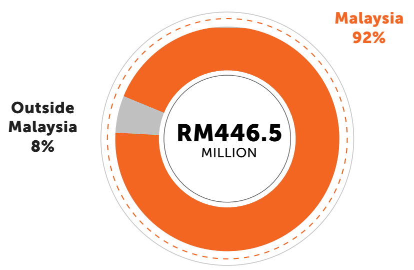
- **Hydraulic Workover Unit ("HWU") Company: MMSVS Group Holding Co. Ltd. ("MMSVS")**

  Uzma acquired a 100% stake in MMSVS in FY2014 as part of its ongoing efforts to expand its service offering into the ASEAN market. In FY2015, MMSVS achieved revenue and net profits of THB300 million (equivalent to RM40.7 million) and THB8.3 million (equivalent to RM1.1 million), respectively. With a strong HWU operation team, MMSVS has won the PTTEP Thailand HWU three-year contract worth USD9.8 million (equivalent to RM41.2 million), which has increased revenue and net profit to THB409.3 million (equivalent to RM55.5 million) and more than THB25.0 million (equivalent to RM3.4 million), respectively. MMSVS now offers many other services such as the current Mubadala's CTU contract in Thailand.

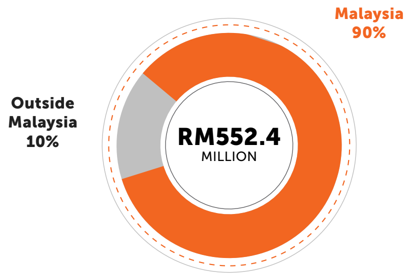
As part of its regional expansion strategy, Uzma has successfully grown its business in Thailand, Philippines and Indonesia. The Well Solution services division has successfully penetrated the ASEAN market for services such as HWU, pumping and directional drilling. As a result of these focused efforts, the Group has grown the Outside Malaysia revenue contribution from 8% in FY2019 to 10% in FY2020. Within the context of the growth in total revenue in FY2020, the revenue amount from the Outside Malaysia business segment has increased by approximately 50%.

In FY2020, Uzma established a foothold in the geothermal energy sector in the Philippines. The revenue derived from the Philippines marks Uzma's first in the non-fossil energy source market.

REVENUE BY GEOGRAPHICAL LOCATION

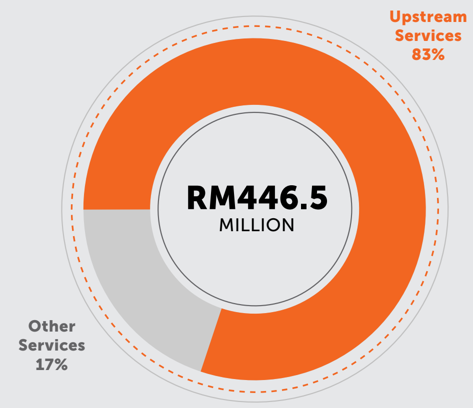


Revenue
FY2019
By Geographical Location

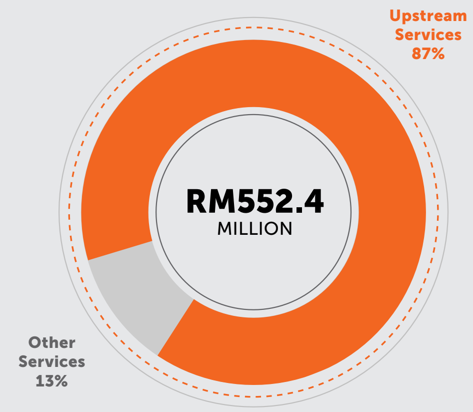


Revenue
FY2020
By Geographical Location

Revenue
FY2019
By Business Segment



Revenue
FY2020
By Business Segment



Revenue for the O&G upstream services segment has grown from 83% in FY2019 to 87% for FY2020. Whilst there were several projects that are being deferred which impacted the Group's revenue, the long-term callout revenue contracts and recurring revenue contracts continue to provide a steady income. Furthermore, with a stable Other Services (Trading) revenue, O&G upstream services segment revenue grew by approximately 30%.

Segmental Reporting of the Group is divided into two reportable segments for FY2020, as follows:

O&G Upstream services

Services offered under the Upstream 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 O&G industry.

Other services

Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.

NET EARNINGS

In FY2020, the Group recorded net earnings at a loss of RM22.9 million in FY2020 compared to net earnings at a profit of RM28.4 million in FY2019. This was due to the recognition of significant non-cash as well as one-off transactions during the financial year under review.

Due to the uncertainties associated with the pace of economic recovery which has led to a dampened economic outlook, many major O&G companies have undertaken the prudent decision to reduce both their capital expenditure investments and operating expenses. Based on this tough operating environment, Uzma assessed impairment for our operating assets, and made an impairment loss provision for operating assets and non-operating assets of RM21.7 million, and written-off obsolete assets of RM2.0 million. These accounting treatments were a measure conducted in recognition of COVID-19 related operational impacts, as well as business risks and challenges that have contributed to the continuation of a difficult operating landscape as the pandemic persists.

Uzma has also finalised the amount of intangible assets for the acquisition of its' subsidiaries as at the end of FY2019, namely Uzma Artificial Lift Sdn. Bhd. ("UAL") and SVP, and this led to the additional amortisation of intangible assets amounted to RM1.8 million in FY2020. Total amortisation of intangible assets recorded was RM5.4 million for all of the acquisitions.

After taking into account the material adjustments above, the Group's recorded **Adjusted Net Earnings was RM9.9 million in FY2020,** reflecting our robust and sound business fundamentals.

The Adjusted Net Earnings for FY2020 is further elaborated in the table below, compared against FY2019, as follows:

	FY2020 RM'000	FY2019 RM'000
(Loss)/Profit after taxation attributable to the owners of the Company	(22,881)	28,389
Adjust for material items:		
- Impairment loss on property, plant and equipment	21,749*	-
- Write-off of property, plant and equipment	2,010*	49
- Amortisation of intangible assets	5,439*	3,623
- Net unrealised loss/(gain) on foreign exchange	2,272	(7,354)**
- Impairment loss on trade and other receivables	1,341	41,159**
- Gain on derecognition of a joint venture	-	(56,573)**
Adjusted Net Earnings	9,930	9,293

**Note: as described in the earlier paragraphs.*

***Note: In FY2019, operations in Labuan recorded US Dollar foreign currency receivables led to majority of the unrealised foreign currency gain of the RM7.4 million; impairment for trade and other receivables amounted to RM41.2 million was made mainly for receivables under litigation case; and gain on derecognition of a joint venture amounted to RM56.6 million arising from the acquisition of a joint venture namely SVP, as a subsidiary.*

FINANCIAL POSITION AND LIQUIDITY

Uzma's financial position remained positive with total assets of RM1.3 billion as at the end of FY2020, an increase from RM1.2 billion in FY2019. This is mainly due to an increase in our deposits, cash and bank balances from RM63.6 million to RM144.4 million, net of amount utilised for repayments of loan and operational working capital. The Group has improved its liquidity during the financial year under review by strengthening the processes and controls that review and monitor our trade receivables on a regular basis as well as setting aside for near term loan repayments.

Uzma continued to invest in our operating assets to strengthen our business and increase our revenue generation capacities. In FY2020, RM62.1 million was spent on acquisition of operating equipment and RM52.8 million was spent on equity investment to further increased our shareholding in SVP.

The Group's net debt-to-equity ratio position has remained below the 1.0x threshold at 0.91x with new financing secured for the equity investment in SVP, and with the lengthening of the timing of repayments of existing loans over the medium-term.

CAPITAL MANAGEMENT

Uzma is firmly focused on practicing financial prudence as denoted by the establishment of the Investment Committee and Procurement Tender Committee during the financial year FY2020. The committees enabled the stronger application of financial prudence and transparency in the evaluation of procurements and investments evaluation. During FY2020, at both the transactional and operational level, Uzma implemented the Enterprise Resource Planning ("ERP") system for procurement and finance functions, to streamline its end-to-end processes and controls.

The Group's capital structure comprised consolidated equity plus debt, covering both long-term and short-term debts. The objective of our capital management is to always maintain availability of funds to meet financial obligations and to support business growth, as well as maximise shareholders' value.

MANAGING RISKS

The Group is exposed to variety of financial risks during the course of our operations. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for the shareholders.

STRENGTHENING FINANCIAL RESILIENCE

It is important for Uzma to effectively face challenges identified, by continuously seeking to sustain our financial resiliency and enhance our readiness for the future. In line with this, the Group has formulated and undertaken eight core initiatives to strengthen our financial resilience, as follows:

i) Preserving cash flow through cautious and discretionary spending practices, and operational cost reduction reviews in core areas such as manpower cost and equipment rental for projects, as well as corporate staff cost rationalisation including senior management, approved directors' fee reduction and other operating cost reductions initiatives;

ii) Negotiating with Uzma's business partners particularly vendors and suppliers for reductions in pricing, with respect to ongoing and completed projects, including managing the timing of cash outflows to preserve immediate cash flow;

iii) Refinancing and securing lengthen tenure for existing loan's repayments supported by Uzma's principal bankers;

iv) Evaluating existing portfolio of operating assets and utilisation rates, followed by making a provision for impairment, where necessary;

v) Assessing excess capacity of resources and rationalisation through disposal of assets, to improve cash flow;

vi) Assessing non-core equity investments valuation and potential rationalisation through disposal or merger & acquisitions initiatives;

vii) Assessing funding requirements for new contracts as well as working capital, and currently Uzma is working on financing program to make available and create access to capital funding; and

viii) Assessing Uzma's core O&G portfolio, integrating capabilities and cost synergies with subsidiaries as well as competitiveness, particularly to strengthen project delivery, costing and service offering, and currently Uzma is working on further integration activities with SVP.

In addition to the above, Uzma's orderbook currently stands at RM1.5 billion, inclusive of firm orders from umbrella contracts, as well as contracts both within Malaysia and Outside Malaysia, which potentially support revenue generation for the next financial year, together with Uzma's internal replenishment rate guidelines to maintain the current orderbook and beyond.

Towards ensuring business resilience against the cyclical nature of the O&G upstream services business and achieving the objectives of the uzma5YP transformation strategy, we remained focused on growing the O&G upstream services segment, and maintained our readiness to seize opportunities available upon the recovery of the industry, whilst at the same time planning to diversify and balance our portfolio beyond the O&G sector.

OUTLOOK

As we move into FY2021, the prolonged COVID-19 crisis is continuing to negatively impact the global economic and O&G industry outlook. As fresh waves of COVID-19 cases continue to plague countries worldwide, this continues to drive crude oil prices on a downward trend as demand for fuel continues to plummet, as a result of the continuation of restrictions in movements, both domestically and internationally.

Moving forward, despite the extremely challenging business landscape ahead, Uzma remains cautious and committed to deploying plans identified under our enhanced uzma5YP strategy to fortify Uzma's internal capabilities focusing on people, processes and systems. As well as that, ensuring our financial resilience in the face of difficulties ahead remains one of our crucial areas of concern, and Uzma will remain sharply focused on achieving a more robust cost management structure, protecting our business margins and building our cash reserves to fund our future growth plans.

OUR STRATEGY

In FY2019, we had unveiled the Uzma Five Year Plan ("uzma5YP") as the strategic blueprint for our transformational journey towards achieving our vision of becoming one of the Top 5 OGSE companies in Malaysia. Bearing in mind the massive changes that are occurring in the industry and the global economy, during the year we evolved the uzma5YP strategy to ensure the resiliency of our O&G business, and to accelerate the Group's diversification beyond the O&G industry into new growth areas such New Energy, Digitalisation and Technology.

In addition to the Four Focus Areas, the enhanced uzma5YP has embedded two distinct Strategic Themes for our key business areas, namely Strategic Theme 1 which relates to the core O&G business, and Strategic Theme 2 which relates to the non-O&G business comprising New Energy, Digitalisation and Technology. We believe our more focused strategy will ensure our success in the longer term as it considers both trends in the O&G sector prior to the onset of the COVID-19 pandemic, as well as impacts post-pandemic.

The following diagram provides an overview of the refined and enhanced uzma5YP strategy.

VISION

TO BECOME THE
TOP 5 OGSE COMPANIES
IN MALAYSIA

4 FOCUS AREAS

- Becoming **People's Choice** for both employees and customers
- Ensuring **Financial Resilience** to support growth and sustain the business through a potential industry downturn
- Achieving a **Balanced Portfolio** to adapt to the changing O&G landscape
- Embedding **Technology and Modernisation** as a key differentiator

2 STRATEGIC THEMES

STRATEGIC THEME 01

O&G will remain as our core business but we need to increase resiliency and operate differently to survive and strive

Key Moves:

1. Consolidate strength through integration
2. Restructure portfolio to increase resiliency towards oil price volatility
3. Improve capital discipline

STRATEGIC THEME 02

Non-O&G will form our growth business but we need to accelerate our ventures into high growth industries.

Key Moves:

1. Target high growth industries
2. Smart partnership and M&A for rapid growth

Additional Information On The Board Of Directors

- None of the directors has any family relationship with each other and/or major shareholder of the Company.
- With the exception of the Companies Commission of Malaysia's compounds imposed on Dato' Kamarul Redzuan Bin Muhamed for late disclosure on changes of his interest as substantial shareholder of the Company, none of the directors has any conviction for of fences other than traffic offences within the past 5 years and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
- With the exception of Dato' Dr. (H) Ab. Wahab Bin Haji Ibrahim, Encik Yahya Bin Razali, Datuk Abdullah Bin Karim and Dato' Hajjah Zurainah Binti Musa, none of the directors hold any directorship in other public companies.
- The Director's holdings in shares of the Company are disclosed in the Analysis of Shareholding section of the Annual Report.
- None of the directors has any conflict of interest with the company.

DIRECTOR'S PROFILE

DATUK ABDULLAH BIN KARIM

INDEPENDENT NON-EXECUTIVE CHAIRMAN

AGE 68 **NATIONALITY** MALAYSIAN

GENDER MALE

DATE OF APPOINTMENT

- 25 August 2016 as a Member of the Board
- 30 August 2018 as the Chairman of the Board

BOARD COMMITTEE MEMBERSHIPS

- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Independent Non-Executive Director, Yinson Holdings Berhad
- Senior Independent Non-Executive Director, Ranhill Utilities Berhad
- Independent Non-Executive Director, Icon Offshore Berhad

WORKING EXPERIENCE AND OCCUPATION

Datuk Abdullah joined PETRONAS in 1977 and has over 43 years of experiences in the Oil and Gas industry. He served as a Project Engineer (1981) and General Manager, Development Division (1991) in PETRONAS Carigali Sdn. Bhd ("PCSB"), a wholly-owned subsidiary of PETRONAS.

He became the Executive Assistant to the President of PETRONAS in 1994, after which he was appointed as the Managing Director/ Chief Executive Officer ("MD/CEO") of OGP Technical Services Sdn. Bhd., a project management consultancy company of PETRONAS from 1995 to 1999.

In 1999, he was appointed to the position of Managing Director/Chief Executive Officer of Malaysia LNG Group of Companies, and was responsible for the construction of the third LNG plant, marketing of LNG and operations of the PETRONAS LNG Complex in Bintulu, Sarawak before his appointment as Vice President, Exploration & Production Business of PETRONAS in 2004.

In March 2007, he assumed the position of President/CEO of PCSB, involved in the exploration, development and production of oil and gas in Malaysia as well as in 23 countries worldwide.

In 2012, he was appointed as the Vice President and Venture Director of Domestic LNG Projects until his retirement on 1 July 2016.

In his career in PETRONAS, Datuk Abdullah has played an active role both in the upstream and downstream activities of the company. He headed 2 of PETRONAS largest subsidiary companies, i.e. PCSB and Malaysia LNG Sdn. Bhd.. He was instrumental in leading the development of many large scale projects, including the recently completed offshore floating LNG plants by PETRONAS.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Diploma in Gas Engineering, Illinois Institute of Gas Technology, United States of America
- Bachelor of Sciences in Mechanical Engineering, University of Western Australia, Australia

DATO' KAMARUL REDZUAN BIN MUHAMED

MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

AGE 48 **NATIONALITY** MALAYSIAN

GENDER MALE

DATE OF APPOINTMENT

- 21 May 2008 as a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Nil.

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Nil.

WORKING EXPERIENCE AND OCCUPATION

Dato' Kamarul Redzuan started his career as a Facilities Engineer in Esso Production Malaysia Inc. where he worked on a number of offshore projects. To further expand his horizon, he joined Sedco Forex International Inc., a leading international Drilling Contractor. He later joined Smedvig Technologies Sdn. Bhd. ("Smedvig") as a Technical Representative where he helped spur exciting growth in the organization which landed him a fast-tracked promotion to become the Business Development Manager for the Asian Division.

Maintaining his momentum, he was instrumental in setting up Roxar Sdn. Bhd.'s ("Roxar") KL operations and later putting in a launch pad to become the regional office and hub when Roxar acquired Smedvig. Armed with experiences from large multinational like ExxonMobil, Smedvig and Roxar, he saw the need for a Malaysian oil and gas company to wrest market share from foreign companies that had dominated the space for too long. He left Roxar to set up Uzma Engineering Sdn. Bhd. in May 2000.

Once Uzma Engineering Sdn. Bhd. has been established, Dato' Kamarul Redzuan envisioned and executed rapid game-changing execution to deliver phenomenal revenue growth rate and year-after-year success achieving business growth objectives which culminated in him being named Malaysia's Most Promising Entrepreneur at the Asia Pacific Entrepreneurship Award 2009. Former Prime Minister of Malaysia, Datuk Seri Najib Tun Razak in his speech while launching the Government Transformation Programme ("GTP") and Economic Transformation Programme ("ETP") 2015 annual reports under the National Transformation Policy ("NTP"), introduced Uzma Berhad's Captain, Dato' Kamarul Redzuan as one of the individuals who has been successful in their transformation, without the government's support.

As a hands-on Chief Executive Officer, Dato' Kamarul Redzuan still plays an active and vital role in strategising, governing and ensuring effective execution of his key management team to put Uzma to greater heights even today.

Beyond Uzma, Dato' Kamarul Redzuan is an active member of Society of Petroleum Engineers ("SPE"), Research Advisory Council for University Technology PETRONAS ("UTP"), Industry Advisory Panel for Malaysia Petroleum Resources Corporation ("MPRC"), Industry Advisory Panel for Asia Pacific University ("APU") of Technology & Innovation, Industry Advisory Panel for Universiti Malaysia Terengganu ("UMT") and Industry Advisory Panel Malaysian Oil & Gas Services Council ("MOGSC") as well as the current President of ANSARA Malaysia.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor's Degree in Petroleum Engineering, Colorado School of Mines, United States of America
- Dato' Kamarul Redzuan is currently pursuing a Master of Letters at Institute of the Malay World and Civilisation (ATMA), Universiti Kebangsaan Malaysia, Malaysia

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON

EXECUTIVE DIRECTOR

AGE 48 **NATIONALITY** MALAYSIAN
GENDER MALE

DATE OF APPOINTMENT

- 21 May 2008 a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Nil.

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Nil.

WORKING EXPERIENCE AND OCCUPATION

Dato' Che Nazahatuhisamudin started his career as a Development Engineer at Pernec Sdn. Bhd. and later Scopetel (M) Sdn. Bhd. as a Project Engineer, gaining 4 years hands-on offshore engineering and project management experience where he also assisted in business development in this satellite communications company. In 1999, he joined AKK Management as its General Manager where he helped to build the company into a successful trading and water treatment company. During his tenure in AKK Management, he had concluded major contracts with various multinational companies and he had been instrumental in forming formal and exclusive relationships with major suppliers in the water treatment business.

In 2000, he joined Uzma Engineering Sdn. Bhd. and was focused on opening up Uzma's Middle Eastern office in 2003 and expanded the business in the Middle Eastern region before extending into the North African region. While in Qatar, he successfully built a relationship with major Oil and Gas ("O&G") and petrochemical companies and subsequently secured various long-term contracts with companies in the region.

In 2007, he was entrusted to be Uzma's Sales and Operations Director, a role in which he could comfortably apply his excellent people and negotiating skills to its maximum. In addition to directing the Account Managers and managing the preparation of tenders and proposals, he spent a great deal of his time in engaging customers for business development and marketing.

Since then, Dato' Che Nazahatuhisamudin has held various prominent roles within Uzma. In July 2018, he was appointed as the Chief Executive Officer ("CEO") of Integrated Well Services, where he revamped Uzma as a one-stop center offering turnkey solutions for integrated well solutions. In the following year, he was appointed as the CEO of Upstream Services overseeing the Subsurface, Integrated Well Solutions and Production Solutions division.

Aside from his newly appointed primary role as CEO of O&G Business of Uzma, Dato' Che Nazahatuhisamudin sits on the board of directors at Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS") and TransOcean Drilling Sdn. Bhd, ("TDSB") as well as Setegap Ventures Petroleum Sdn. Bhd. ("SVP").

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Science in Electrical Engineering, Valparaiso University, Indiana, United States of America

AHMAD YUNUS BIN ABD TALIB

EXECUTIVE DIRECTOR

AGE 51 **NATIONALITY** MALAYSIAN
GENDER MALE

DATE OF APPOINTMENT

- 1 February 2017 as a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Nil.

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Nil.

WORKING EXPERIENCE AND OCCUPATION

Encik Yunus has over 25 years of experience in the Oil and Gas industry. The first 13 years were with ExxonMobil in various positions of increasing responsibilities in the Operations Technical and Project Department.

He joined Uzma in 2008 as the General Manager for Production Optimisation & Operation Services Division and subsequently led the acquisition of Malaysian Energy Chemical & Services Sdn. Bhd.("MECAS") after which he was seconded as a Managing Director. In 2014, he served as the Project Delivery Manager for the Tanjong Baram Risk Services Contract ("RSC") Project and later as the Operations Manager. In 2016, he was entrusted as a Project Director to lead the conversion of a drilling jack-up for Uzma's Water Injection Project. From the beginning of 2017 until August 2019, he was the Chief Executive Officer ("CEO") for Uzma's Production Solutions which includes production optimisation, water solutions, chemicals, risk sharing contract, and venture in non-metallic pipeline. He is currently entrusted as the CEO of Late Life Assets.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Sciences in Mechanical Engineering, University of Wisconsin-Madison, United States of America

DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 69 **NATIONALITY** MALAYSIAN

GENDER MALE

DATE OF APPOINTMENT

- 26 May 2011 as a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Chairman of Audit Committee
- Member of Nomination and Remuneration Committee

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Independent Non-Executive Director, Alam Maritim Resources Berhad

WORKING EXPERIENCE AND OCCUPATION

Dato' Dr. (H) Ab Wahab is a Chartered Accountant and also a member of the Malaysian Institute of Accountants ("MIA"). His experience spans over 30 years in the area of finance and accounting. He began his career in the Corporate Finance Division at PETRONAS in 1978 and later assumed the role of Finance Manager for Petronas Gas Berhad ("PGB"), a subsidiary of PETRONAS. He was also appointed as a Joint Company Secretary and was a member of the Management Committee for PGB.

Following the successful implementation of the listing of PGB, he was further reassigned as the Head of Finance and IT Division of OGP Technical Services Sdn. Bhd., a subsidiary of PETRONAS in 1996, a position he held until 2004.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Diploma and Advanced Diploma in Accounting from Universiti Teknologi MARA, Malaysia
- Master of Business Administration (Management Studies), University of Rockhampton, United States of America
- Honorary Doctorate in Public Service by Irish International University, Ireland

YAHYA BIN RAZALI

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 65 **NATIONALITY** MALAYSIAN

GENDER MALE

DATE OF APPOINTMENT

- 19 February 2014 as a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Member of Audit Committee

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Non-Independent Non-Executive Chairman, Orion IXL Berhad

WORKING EXPERIENCE AND OCCUPATION

Encik Yahya started working with the Ministry of Culture, Youth and Sports of Malaysia from 1977 to 1979. In 1984, he joined the United State Leasing Corporation, San Francisco, United States as a Financial Analyst. In 1986, he worked as a Consultant with Alexander Proudfoot Productivity Consultant Pte Ltd in Singapore. He also held the position of Investment Manager and Executive Director for Selangor Foundation and Grand United Holdings Berhad respectively from 1988 to 1993. He was the Fund Manager cum Associate Director for Spectrum Asset Management Sdn. Bhd., a licensed fund management company. He is also a Certified Financial Planner.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Science (Finance), Southern Illinois University, United States of America
- Master of Business Administration, Berkeley, United States of America

DATO' HAJJAH ZURAINAH BINTI MUSA

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 58 **NATIONALITY** MALAYSIAN
GENDER FEMALE

DATE OF APPOINTMENT

- 13 May 2015 as a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Nil.

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Executive Director, Berjaya Corporation Berhad
- Executive Director, Berjaya Time Square Sdn. Bhd
- Director, Tioman Island Resort Berhad
- Non-Independent Non-Executive Director, Boustead Holdings Berhad

WORKING EXPERIENCE AND OCCUPATION

Dato' Hajjah Zurainah started working in 1983 and was working in senior capacities for several organisations, both locally and internationally. Dato' Hajjah Zurainah has more than 20 years of experience in the field of Human Resource Management and Development as well as Human Relationship Management and Strategic Thinking. Her experience includes inter-alia, the designing, developing, managing, organising and conducting trainings of programs and courses as well as the provision of consulting services relating to the various aspects of human resource development and management for organisations in Malaysia, Australia, United States of America, Indonesia and the Middle East.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Diploma in Occupational Health and Safety, University of New South Wales, Australia
- Diploma in Secretarial Science from MARA Institute of Technology, Malaysia
- Master of Business Administration, Berjaya University College of Hospitality, Malaysia

IKHLAS BIN ABDUL RAHMAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 63 **NATIONALITY** MALAYSIAN
GENDER MALE

DATE OF APPOINTMENT

- 1 February 2017 as a Member of the Board

BOARD COMMITTEE MEMBERSHIPS

- Member of Nomination and Remuneration Committee

DIRECTOR IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Nil.

WORKING EXPERIENCE AND OCCUPATION

Encik Ikhlas has over 36 years of experience in design engineering, Health, Safety and Environment ("HSE"), production operations, project management, business planning, risk management and marketing in the Oil and Gas industry. He retired from PETRONAS in 2016.

He has held many positions within the PETRONAS organisation from the Upstream to Downstream Marketing. He has developed in-depth project management experiences especially in the field of small offshore field development and Floating Storage and Offloading / Floating Production, Storage and Offloading ("FSO/FPSO") projects. His recent experiences primarily focus on managing the upstream business unit/ JV portfolios in Malaysia and internationally namely in Egypt, Chad, Mozambique, Australia, Iraq and Iran.

ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Technology in Production Engineering and Management, Loughborough University of Technology, United Kingdom

MANAGEMENT COMMITTEE PROFILE

DATO' KAMARUL REDZUAN BIN MUHAMED

MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

Age	48
Gender	Male
Nationality	Malaysian
Year Joined	2000

* *Please see page 51 for profile*

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON

CHIEF EXECUTIVE OFFICER, UPSTREAM BUSINESS

Age	48
Gender	Male
Nationality	Malaysian
Year Joined	2000

* *Please see page 52 for profile*

AHMAD YUNUS BIN ABD TALIB

CHIEF EXECUTIVE OFFICER, LATE LIFE ASSETS

Age	51
Gender	Male
Nationality	Malaysian
Year Joined	2008

* *Please see page 53 for profile*

Additional Information On The Management Commitee

- None of the above personnel has any family relationship with any Director and/ as major shareholders of the Company except as disclosed above for Datin Rozita Binti Mat Shah @ Hassan.
- None of the above personnel has any convictions for offences within the past 5 years other than traffic offences, if any and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
- None of the above personnel has any conflict of interest with the Company.

DATIN ROZITA BINTI MAT SHAH @ HASSAN

CHIEF PEOPLE OFFICER

Age	50
Gender	Female
Nationality	Malaysian
Year Joined	1 / 11 / 2003

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Bachelor of Science in Chemical Engineering, Rensselaer Polytechnic Institute, New York, United States of America

Working Experience

Datin Rozita worked for an American technology company before returning to Malaysia in 1994 where she joined Esso Production Malaysia Inc. ("EPMI") as a Systems Engineer. She held various technical roles during her six years with EPMI during which she developed sound project management skills and became an accomplished Project Engineer.

After a short stint as a Project Engineer with OGP Technical Services Sdn. Bhd., a subsidiary of Petroliam Nasional Berhad ("PETRONAS"), she joined forces with her spouse, Dato' Kamarul Redzuan to set up Uzma.

Her initial role in Uzma was to build the core consultancy business where she had successfully grown the business during her tenure. Her abilities were ideal for the consultancy business as she has strong formal technical qualifications and training, coupled with a natural ability to develop and maintain personal relationships. These skills, together with good business acumen, people skills and strong management techniques have won her respect from the staff, customers and consultants. She became the Operations Director, managing the back-office functions for the whole business as well as performance improvement. The back-office functions include logistics, human resources and information technology, as well as corporate social responsibility. Until her appointment as Group Finance Manager, she was responsible for the accounting and finance issues of Uzma. She is currently serving as the Chief People Officer of Uzma Group.

ZALEHA BINTI ABDUL HAMID

GROUP CHIEF FINANCIAL OFFICER

Age	48
Gender	Female
Nationality	Malaysian
Year Joined	28 / 11 / 2019

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Bachelor of Science (Econs) Accounting and Finance, Aberystwyth University, United Kingdom
- Master of Science in Professional Accountancy, University of London, United Kingdom
- Fellow of the Association of Chartered Certified Accountants (ACCA), United Kingdom
- Chartered Accountant under Malaysia Institute of Accountants (MIA)

Working Experience

Puan Zaleha has more than 20 years of leadership experience in finance functions. Her last position was as a Chief Financial Officer with Icon Offshore Berhad for 4 years subsequent to holding the position as a Financial Controller with Ekuiti Nasional Berhad since 2010. Puan Zaleha spent the early days of her career in PricewaterhouseCoopers as an auditor for nine (9) years, specialising in insurance and takaful industry, before she moved to a leading insurance company.

She has in-depth experience in strategic finance operations and financial reporting. She has worked to drive value creation enterprise-wide, including fund raising, merger and acquisition exercise, change management and integration for work practices and culture as well as process re-engineering, system implementations, tax restructuring, working capital management, talent development and regional business growth.

Currently in Uzma, her focus is to carry out transformation of financial related areas. Puan Zaleha is also responsible for Information Technology, Enterprise Resource Planning ("ERP") and Administration functions.

SYED AZLAN BIN SYED IBRAHIM

CHIEF TRANSFORMATION AND STRATEGY OFFICER

Age	47
Gender	Male
Nationality	Malaysian
Year Joined	3 / 9 / 2018

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Bachelor of Science in Industrial Engineering, Columbia University, New York, United States of America

Working Experience

Encik Syed Azlan has more than 20 years of experience serving in roles spanning corporate strategy and management consulting across various sectors including Oil and Gas.

Currently at Uzma Group, he leads the Transformation and Strategy Office that strategises and manages the overall planning and implementation of the five-year plan (uzma5YP) initiatives.

Prior to joining Uzma Group, he was the Senior Vice President of Malaysia Petroleum Resources Corporation ("MPRC"), a government agency that supported the National Economic Transformation Program ("ETP"). Encik Syed Azlan led the Industry Development division responsible for the initiatives in supporting the local Oil and Gas Services and Equipment ("OGSE") industry's transition towards increased competitiveness.

In Shell, he held several regional roles for Shell's Upstream Global Systems, Applications and Products ("SAP") team. As part of his career development, he was relocated to The Hague, Netherlands to manage the SAP implementation for two Shell joint ventures in Kazakhstan.

Encik Syed Azlan spent a majority part of his early career with Accenture, a global management consultancy company. Key highlights in Accenture was his role as one of the team leads for the large-scale merger exercise between Sime Darby, Guthrie and Golden Hope.

DR. AHMAD KHALID BIN MD KHAIRI

CHIEF EXECUTIVE OFFICER OF NEW ENERGY

Age	48
Gender	Male
Nationality	Malaysian
Year Joined	16 / 4 / 2018

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Bachelor of Electrical Engineering, University of Pennsylvania, United States of America
- Master in Business Administration, Universiti Utara Malaysia, Malaysia
- Doctorate in Business Administration, Universiti Utara Malaysia, Malaysia

Working Experience

As head of the New Energy Division, Dr. Khalid is mandated to champion Uzma Group move to embrace new energy sources particularly in the renewable energy segment as part of Uzma Group's key corporate strategic moves. Dr. Khalid is tasked to explore various renewable energy technology of its commercial and risk on the new business venture to ensure its viability and business sustainability of Uzma Group and its stakeholders' interests. Dr. Khalid's key focus is also on the preparation and implementation of renewable energy generation projects led by both Uzma Group and its partners.

Dr. Khalid started his career as a Test Engineer with Motorola Semiconductor in 1995 and later, joined Seagate as a Process Engineer. With his considerable experience, knowledge and skills in the technology sector, he joined Hewlett Packard as a Product Marketing Manager in 1999 and moved up to various management positions of the Fortune 500 technology-driven companies such as Agilent Technologies, Avago and Broadcom. In 2013, he joined a national research and development agency namely MIMOS Berhad as the Business Development Senior Manager and completed his doctorate studies focusing on Internet of Things ("IoT") Technology and Market Adoption in Malaysia in 2018. He is also being tasked to explore Non-Oil and Gas market particularly in the Digitalisation industry to best support the Group's objectives and goals.

Through his vast working experience in the technology sector, Dr. Khalid had developed the expertise in understanding the requirements and market adoption of the technology industry.

MOHD SHAHRIN BIN SAAD

CHIEF EXECUTIVE OFFICER OF SETEGAP VENTURES PETROLEUM SDN. BHD. ("SVP")

Age	47
Gender	Male
Nationality	Malaysian
Year Joined	13 / 7 / 2016

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Bachelor of Science in Chemical and Petroleum Refining Engineering, Colorado School of Mines, United States of America

Working Experience

As the Chief Executive Officer ("CEO") of Setegap Ventures Petroleum Sdn. Bhd. ("SVP"), Encik Mohd Shahrin has under his sleeves 24 years' worth of experience in the Oil and Gas industry all the way from the South East Asian region to the Middle Eastern region particularly in Open Hole Completions where his expertise includes Liner Hangers, Packers, External Casing Packers, Swell Packers and Cased Hole completion in both Tubing-Retrievable Safety Value ("TRSV") and Cement thru Applications.

His knowledge in the industry is further stretched to Conventional Fishing, Thru Tubing Fishing, Well intervention that would include remedial and stimulation product lines. His understanding in all Baker Oil Tools product lines, Baker Hughes and Weatherford's general products and services is a crucial asset in business's growth.

Encik Mohd Shahrin's long years in the industry has moulded him into becoming a person with strong analytical skills in strategizing business development particularly in managing turnkey/integrated drilling services and Engineering, Procurement, Construction and Commissioning ("EPCC") contract. He has excellent networking and communication skills when dealing with different level of clients from engineers to senior management and executives.

ZULKIFLI BIN KAMARUDDIN

SENIOR GENERAL MANAGER OF MALAYSIAN ENERGY CHEMICAL & SERVICES SDN. BHD. ("MECAS")

Age	54
Gender	Male
Nationality	Malaysian
Year Joined	1 / 4 / 2005

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Diploma in Oilfield Demulsification, Liverpool, United Kingdom
- Bachelor of Science with Honours, Universiti Putra Malaysia, Malaysia
- Certificate in Oilfield Chemistry, Holland

Working Experience

Encik Zulkifli has over 29 years of experience in Oilfield Chemical ("OFC"). In 1989, he started his career with Mobil Oil (presently ExxonMobil). He spent 3 years with Holland-based OFC company, Servo BV, which he then spent 11 years with Baker Hughes of which five and a half years was spent with his his secondment to Brunei Shell Petroleum ("BSP"), and 4 years as a District Manager.

Prior to joining Uzma as the General Manager of MECAS, he spent 10 years with Nalco-Champion as the Country Manager for Malaysia. From 2005 to 2007, he was the Country Manager for Brunei. In 2008, he was promoted to the District Manager. In 2014, during the Nalco Champion Global Summit in Abu Dhabi, he was awarded the 2014-Oilmens Club Awards in recognition of his leadership coupled with an outstanding District Performance. In 2015, Encik Zulkifli is the recipient for highest award at Uzma, the special CEO Award during the Uzma Group Annual Dinner 2015.

Encik Zulkifli has vast field technical exposure and management experience in various location in the United States, Holland, Scotland, England, China, Vietnam, Indonesia, Thailand, Bangladesh and Brunei. He is currently a member of the National American Corrosion Engineers ("NACE") and the Society of Petroleum Engineers ("SPE"). He plays a vital and instrumental role in ensuring MECAS' milestones and business growth as Malaysia's OFC market leader for seven (7) consecutive years since 2013.

SHAHRIN ALBAKRI MUSTAFA ALBAKRI

CHIEF LEGAL OFFICER

Age	46
Gender	Male
Nationality	Malaysian
Year Joined	6 / 11 / 2017

**Resigned on 7th September 2020*

Directorship in Public Companies and Listed Issuers

Nil.

Academic/Professional Qualifications

- Bachelor of Laws with Honours, University of Malaya, Malaysia

Working Experience

In his role as Chief Legal Officer, he is tasked to protect the Company and its subsidiaries' interest in the various ventures they undertake. In the performance of this role, Encik Shahrin drives various negotiations with counter parties to ensure the preservation of the Company's rights and interests. Encik Shahrin also ensures that the Company is in strict adherence to statutes as well as rules and licences regulating its business.

Encik Shahrin has a wide range of experience having advised on a number of substantial corporate exercises from mergers and takeovers to corporate funding exercises ranging from rights issuance, refinancing and various Sukuk issuances. In his present role as well as previously with Velesto Energy Berhad, Gas Malaysia Berhad, Pelabuhan Tanjung Pelepas Sdn. Bhd. and Sime Darby Property Berhad, Encik Shahrin has led the negotiations on many transactions with counterparties comprising shipping lines, logistics services providers, LNG traders, and various multinationals.

Through his vast working experience in the corporate legal field, Encik Shahrin had developed the expertise in understanding the requirements of different industries while at the same time maintaining the legal perspective essential to the effective performance of his role.

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SECTION 5 : SUSTAINABILITY

SUSTAINABILITY STATEMENT

SUSTAINABILITY OVERVIEW

For the Financial Year Ended 30 June 2020 (FY2020), Uzma's endeavours in the area of sustainability were significantly impacted by the Group's efforts to refocus available resources to manage the impacts of a protracted COVID-19 pandemic. In light of the multifaceted impacts of the COVID-19 pandemic, it was necessary to adapt Uzma's approach to sustainability in order to ensure the continuity of programmes and initiatives that were in place to address our material sustainability factors.

Uzma delegated the function of sustainability management to the relevant operations and departments which had oversight over ongoing programmes and initiatives that honed in on specific material factors related to Economic, Environment and Social sustainability. These included departments such as the People Division, Quality and Health Safety and Environment (QHSE), Business Development, Procurement, Finance and Legal.

OUR STAKEHOLDERS

For FY2020, Uzma has included a new stakeholder in our stakeholder prioritisation matrix from the previous year, in terms of the interdependent relationships between our stakeholders and our business operations. This take into account our priorities in terms of effective and timely communications with our stakeholders on all aspects of our operations and activities that materially impact them.

STAKEHOLDER PRIORITASATION

Based on our stakeholder prioritisation, the following stakeholder engagements were conducted in FY2020.

DEPENDENCE LEVEL	INFLUENCE LEVEL	STAKEHOLDERS	ENGAGEMENT IN FY2020
HIGH	HIGH	Employees (Uzmarians)	• Employee Engagement Survey 2020: "Pulse Check" conducted in June 2020 to follow up from the last annual full scope EES survey in FY2019 with the result score of 54% compared to the Energy Industry Average of 62% • From the "Pulse Check" conducted, overall response on improvement in terms of employee engagement levels was at 77% • Annual town hall meetings, along with quarterly mini town halls • Meet up with Uzma Young Professionals • Head of Department ("HOD") engagement sessions • "Leaders on Board" Programme • Internal quarterly newsletter publication, "NOCONSTRAINTS" • Quarterly uzmaGRIT awards • Personal Performance Appraisal ("PPA") and Key Performance Indicators ("KPI") goal setting sessions
HIGH	HIGH	The Board	• Quarterly Board of Directors and Audit Committee Meeting • One Special Board of Directors and Audit Committee Meeting in FY2020 • One Nomination and Remuneration Committee Meeting in FY2020 • General updates via e-mails and digital platforms on Board members training and Listing Requirements • Review and approvals of Circular Resolutions as per the Limits of Authority ("LOA") • Training on Anti-Bribery Framework and Policies • Review of KPI achievements and financial performance results • Deliberation of proposal papers
HIGH	HIGH	Clients	• Sales initiation, new product introduction, market survey submission, Invitation-To-Bid (ITB) participation • Client site visit, regular project reporting, interval Service Quality Meeting session (SQM), customer survey form submission • Joint-hosted QHSE events and campaigns • Industry exhibitions, forums and conferences participation • Uzma press releases • Uzma website, LinkedIn and Instagram updates
HIGH	HIGH	Investors/ Shareholders	• Annual General Meeting ("AGM") conducted in line with COVID-19 Standard Operating Procedures ("SOPs") • Scheduled sessions with investors above internal threshold of shareholdings • Announcement of financial results and other material matters on Bursa Malaysia's platform • Press releases on material contract wins and other material matters • Attended to queries by investors and shareholders in a timely manner utilising digital and social media platforms • Quarterly results briefings as well as regular ad hoc engagements via email, virtual and face to face meetings and phone conversations
HIGH	HIGH	Lenders	• Monthly updates on project performance • Quarterly review financial results • Scheduled sessions with lenders on funding requirements • Virtual and face-to-face meetings and phone conversations • Continuously attended to queries by lenders
HIGH	LOW	Supply Chain	• Vendor Performance Evaluation • Enhancement of contract terms and conditions
LOW	HIGH	Local Community	• Uzma acted as one of the committee members in the community's Empire Damansara Joint Management Body ("EDJMB") in governing the community • Various Corporate Social Responsibility ("CSR") initiatives
LOW	HIGH	Authority, Analyst/ Media	• Press releases and media updates • Publication of Anti-Bribery and Whistleblowing Policy on the company website
LOW	LOW	NGO	• Allowing online access to related information upon request. No requests were received in FY2020

SUSTAINABILITY MATTERS

In operationalising our sustainability agenda, we take into account Economic, Environmental and Social Matters. Our Sustainability Aspects guide us in the sustainability programmes we undertake, as conducted through our ongoing engagements. Our sustainability initiatives reflect matters of material importance to our base of stakeholders, that play an important role in determining their opinion of Uzma.

SUSTAINABILITY MATTERS	ECONOMIC	ENVIRONMENTAL	SOCIAL
What It Means to Us	Economic impacts on our stakeholders, at organisational and national level	• Environmental impacts pertaining to our surrounding environment, as influenced by Uzma's operational footprint • Compliance to environmental legal requirements	Socio-economic impacts on the communities surrounding our areas of operations, both within Malaysia and other regions
Sustainability Aspects	• Procurement Practices • Cost Saving • Indirect Economic Contributions • Project Execution and Delivery Management	• Energy Management • Water Management • Paper Management • Waste Management • Employee Awareness Programme	• Health & Safety Performance • Employee Engagement • Employee Recognition • Employee Diversity • Employee Performance Management • Training and Development • Internships • Grievance Mechanisms • Employee Benefits and Compensation • Vendor Development Programme • Customer Programmes and Surveys • CSR Activities

CREATING ECONOMIC VALUE

Uzma's efforts to create direct and indirect economic value for both our stakeholders and the nation form the basis of our Economic sustainability initiatives. In FY2020, our focus was on deriving cost savings to create value for our shareholders and investors and ensuring the continuity of our procurement practices by appointing local suppliers and vendors, as well as contributing to the advancement of Bumiputera suppliers and vendors in our efforts to assist local SMEs navigate the challenging business landscape brought on by the COVID-19 pandemic. We continued to contribute to the sustenance of Malaysia's socio-economic development through our indirect economic contributions which were primarily in the form of employees' household income, above minimum wage group and taxes paid to tax authorities.

PROCUREMENT

For FY2020, Uzma's focus was on sustainable procurement practices, in line with minimising our risks and exposure to the impacts of the COVID-19 crisis, whilst at the same time ensuring the continuity of business relationships that support our base of vendors and suppliers. As the Government implemented further regulations and mandated Standard Operating Procedures (SOPs) to contain the spread of the COVID-19 pandemic, Uzma's priority was to ensure full and strict compliance with all the relevant environmental and social legislation. This was extended to Uzma ensuring that our vendors were also in compliance with said regulations and SOPs, thus adopting a collective approach to mitigate risks associated with the COVID-19 pandemic.

Furthermore, initiatives were implemented to control our costs by adopting a wider approach to whole life costing. At the same time, we worked collaboratively with our vendors, suppliers and partners to create and tap into markets for new products and services. We also focused on waste reduction and improvement of resource efficiency initiatives with our vendors.

Overall, our approach has enhanced consumers' perception of the Uzma brand, and given us a competitive advantage in the marketplace. It has also facilitated both Uzma and our partners access to capital funds, as well as, potential increase in equity valuation in the longer term.

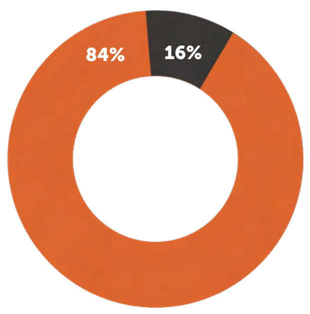
The mainstay of our procurement practices in FY2020 is outlined in the table below.

INITIATIVE	ECONOMIC
Vendor Registration Questionnaires (VRQ)	• Pre-assessment of vendor before qualifying vendor in the Approved Vendor List (AVL)
Code of Business Ethics / Integrity Pack	• Declaration from vendor as an essential criteria to quality as AVL • Factors taken into consideration include vendor practices with regards to human trafficking, child labour and anti-bribery policies • Aimed at taking into account the economic cost of disruptions to practice sustainable procurement measures
Vendor Preferred Programme (VPP)	• In line with Uzma's strategic sourcing practice, price agreements were made with vendors in their best category of supply • As at the end of FY2020, a total of 13 Letters of Preferred Vendors have been issued which locked in price agreements, and continuously working for closure with more vendors • This provides Uzma with a sustainable and competitive supply chain endeavours, while vendors can look forward to more stable operations based on reliable and continuous purchases from Uzma
Cost Reduction	• Collaborations and/or negotiations with vendors and suppliers to obtain reduction in total cost of ownership as a result of across the board reductions in energy costs, over-specification, consumption and social and environmental costs
Vendor Evaluation	• Re-evaluation of vendor performance based on identified sustainability criteria

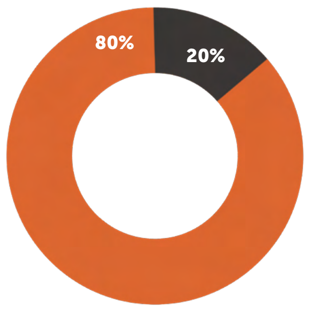
OUR BASE OF VENDORS

STRATEGIC VENDORS	NUMBER OF ACTIVE VENDORS	NUMBER OF PURCHASE ORDERS
Local	565	2,489
Overseas	144	480
Total	**709**	**2,969**

NUMBER OF PURCHASE ORDERS
- Local
- Overseas



NUMBER OF ACTIVE VENDORS
- Local
- Overseas



COST SAVINGS

In response to the adverse economic and business impacts that the COVID-19 pandemic had on our business, Uzma sought to create sustainable value for our shareholders and investors through a focused cost savings programme. This approach was effected throughout all our business operations. While we generated immediate returns on our efforts which enabled us to sustain our business operations, we believe our approach has also augmented our long-term business sustainability.

INDIRECT ECONOMIC IMPACTS

We have maintained our growth and expansion efforts to ensure robust revenue streams in our endeavours to create long-term value for our investors and shareholders. As a consequence of the revenue achieved, we have contributed to the national economy, through the salaries and benefits we pay our employees throughout our regional footprint that amounted to RM94.3 million, and the taxes we paid to the tax authorities that amounted to RM10.3 million, as well as the zakat contributions of RM1.2 million. Furthermore, our supply chain relationships contribute to the development and growth of local SMEs, with a total payment of RM203 million made to all suppliers.

CREATING ENVIRONMENTAL VALUE

As a responsible O&G company, we believe in minimising the impact of our business operations to the environment. Our key initiatives to reduce our carbon footprint comprise the following:

- **ENERGY MANAGEMENT**

  Towards managing our energy consumption, we have changed our lighting fixtures from fluorescent lights to energy efficient LED lights. This has reduced our electricity consumption by between 25% to 80%, and lasts between three to five times longer than ordinary light bulbs.

- **WATER CONSUMPTION MANAGEMENT**

  All water leakages are reported through the online Hazard Identification Report ("HIR") or by directly contacting the building's maintenance service department. All incidents highlighted are attended to within four hours.

- **PAPER CONSUMPTION MANAGEMENT**

  To reduce the use of paper at all our offices, we encourage our staff to conduct online meetings as much as possible. Digital presentations are conducted without the need for printed handouts, while the review and approvals of documents are done online. All requests for paper are monitored, with a representative from each department who is tasked with ensuring that paper is not used unnecessarily. Additionally, we monitor the printing of documents, and restrict the amount of printing usage for each employee. This is to ensure that the printing of hardcopies of documents are only done when absolutely necessary. Not only that, all purchase order documents are created and issued as digital copies.

- **WASTE MANAGEMENT**

  Recycle waste bins are located at all our premises to encourage employees to practice recycling by segregating waste into paper, glass and plastic. Within all of our O&G operations, returned decanting drums are either reused or recycled instead of being disposed of in order to reduce our operations' impact on the environment. We also ensure that our operations' waste, which falls under the scheduled waste category, are disposed of in adherence to the requirements of the Environmental Quality (Schedule Wastes) Regulations 2005.

- **STAFF ENVIRONMENTAL AWARENESS PROGRAMME**

  We regularly share information pertaining to the environment to educate our employees on how they can contribute towards reducing Uzma's carbon footprint through their own efforts at the workplace. Regular reminders such as infographic posters and e-mails on how they can save on the use of electricity by setting the optimal air-conditioning temperature, switching off unused electrical equipment and appliances, and support the utilisation of single-use plastics are sent out to all Uzmarians.

CREATING SOCIAL VALUE

HEALTH AND SAFETY PERFORMANCE

As one of the five core pillars of the uzmaWAY, Health and Safety forms the core foundations of our operational excellence. In FY2020, despite the health challenges associated with the COVID-19 pandemic, our robust HSE governance and management practices enabled the continuity of our business operations in line with the regulatory measures and SOPs announced by the Government to stem the spread of the pandemic.

All our new employees go through an Induction Session and introduced to the uzmaWAY as soon as they are hired to ensure that they share the same values as Uzma on upholding our health and safety commitments. Complementing this is uzmaSAFE which encapsulates our Corporate Safety Rules.

uzmaSAFE is comprised of the following key HSE elements for each and every one of our employees:

- Follows sites/hosts safety rules wherever you are
- Never override or disable safety critical equipment ("SCE") without authorisation
- Adhere to and practice Permit to Work ("PTW") and Job Safety Analysis/Job Hazard Analysis ("JSA/JHA")
- Beware of hazards, energy, radiation, fire, electrical, chemical, suspended load, pinch points, sharp objects, slips, trips and falls
- Use proper personal protective equipment ("PPE") and tools
- Do not bring ignition sources and do not smoke at non-designated smoking areas
- Follow traffic rules and the speed limit, buckle up, do not use handphones while driving
- Apply Stop Work Policy as and when required

Throughout FY2020, we conducted HSE programmes that were aligned with our HSE culture. The HSE Committee, comprising of top management as well as middle management and employee representatives, bears responsibility for all HSE-related risk management. In FY2020, the HSE Committee worked closely with the BCP team to ensure that all HSE practices were strictly adhered to in line with mitigating COVID-19 related risks on our employees and other stakeholders.

We utilise Hazard Identification ("HAZID") or Hazard Identification Risk Assessment and Determination of Control ("HIRADC") to develop project level Risk Registers. Our process involves conducting workshops to identify risks, analyse these and find the best means possible to mitigate them in line with our As Low As Reasonable Practicable ("ALARP") approach.

HEIGHTENED SAFETY AWARENESS CULTURE

In FY2020, our corporate HSE agenda was firmly focused on mitigating and minimising the health and safety impacts of the COVID-19 pandemic in addition to the usual health safety risks associated with our operations. We maintained continuous engagements with all our employees, reiterating the need to maintain high levels of safety awareness and compliance as the foundations of an excellent workplace safety culture. We extended the reach of our HSE programmes throughout our value chain, as part of our quest to instil the highest levels of safety awareness amongst all stakeholders.

HSE COMPLIANCE THROUGHOUT ALL PROJECTS

In FY2020, we ensured strict compliance with all prevalent health and safety regulations, clients' safety requirements, as well as those related to the COVID-19 SOPs. Regular reviews were conducted in line with legal and contractual requirements at both project and corporate levels by specialised and certified Safety and Health Officers ("SHOs"). Uzma's internal auditors also conducted a series of internal audits in line with our FY2020 audit plan, to ensure adherence to the Occupational Health and Safety Management System ("OHSMS") ISO45001 as well as Uzma's Integrated Management System ("IMS"). We recorded 100% compliance with all safety regulations and requirements in FY2020.

ENSURING THE SAFETY OF OUR FRONT LINERS

FY2020 was a particularly challenging year as we continued with our operations throughout the Movement Control Order ("MCO") period as an essential services business. With the COVID-19 pandemic, our front liners comprising our crew working at our offshore and onshore sites faced far greater health and safety risks than previous years. Thus, our priority in FY2020 was to ensure that we continuously communicated with our various crews to update them on our health and safety procedures and keep them safe. The Uzma management team continued to champion health and safety amongst our employees, underlining our strong commitment from the top to instil high standards of health and safety awareness amongst all Uzmarians.

Our front liner engagements were recorded in our HSE Engagement Report ("HERO"), and demonstrated our continuous efforts to promote awareness and practice of the Safety Rules which incorporated both our clients' and Uzma's criteria on health and safety. The mainstay of our efforts comprised of safety awareness campaigns, feedback sessions and publishing an ongoing industry safety bulletin.

In FY2020, we maintained strict and full compliance with the following safety regulations:

- Occupational Safety and Health Act 1994 and its Regulations
- Petroleum (Safety Measures) Act 1984
- Environmental Quality Act 1974
- Atomic Energy Licensing Act 1984
- Factories and Machinery Act 1967
- Exclusive Economic Zone Act 1984

PRO-ACTIVELY IDENTIFYING HAZARDS

We maintained our pro-active approach in our hazard identification programme which encourages all Uzmarians to voluntarily assist the Group to identify hazards and safety threats. Our employees contributed to the identification of hazards through the following channels:

- Hazard Identification Report ("HIR") for all office-based staff; and
- Unsafe Conditions, Unsafe Acts ("UCUA") reports for offshore and worksite-based crew

Throughout FY2020, our people worked closely with the company to identify potential hazards and safety risks, which played an important role in ensuring the overall safety of all our operations. With the HIR programme available online through the uzmaHSE ("UHSE") portal, all employees were able to submit reports on hazards they had identified at their own convenience and in adherence to social distancing requirements. We also maintained other HIR submission channels, namely hardcopy and email submissions.

In FY2020, we received a total of 5,597 HIR submissions, compared to 1,085 HIR submissions in FY2019 from our office-based employees. Our offshore crew forwarded a total of 57,666 UCUA submissions in FY2020, compared to 45,090 UCUA in FY2019.

ENSURING SAFETY VIA UZMASAFE

Uzma's Health and Safety Policy is governed by a Stop Work Obligation and Substance Abuse Statement which requires compliance from all our employees as well as our vendors and suppliers. We practice zero tolerance and strict consequence management with regards to any non-compliance with uzmaSAFE. In FY2020, we recorded 100% compliance with uzmaSAFE.

HSE PROGRAMMES CONDUCTED IN FY2020

Throughout the year, we conducted the following HSE programmes within all our business subsidiaries, divisions and departments.

PROGRAMME	DATE
Safety Day	8 July 2019
Celebration of 3 Million Manhours without LTI	25 July 2019
HSE Summit 2019	26 – 28 July 2019
New Hire Induction and Behavioural Based Safety Programme ("BBS") 2019	August 2019
Health Monitoring and Blood Test	August 2019
Closing Ceremony for Workplace Accident Free Week ("WEFEW")	15 August 2019
Safety Stand Down on Safe Eye Focus	26 August 2019
PCSB Respect and Care – Train the Trainer	5 September 2019
Firefighting and Chemical Spill Training	12 September 2019
Emergency Drill	23 September 2019
Noise New Regulation Conference/Training	16 October 2019

HSE PROGRAMMES CONDUCTED IN FY2020 (CONT'D)

PROGRAMME	DATE
Nippon Site Visit at Labuan Plant	25 October 2019
MPM Monsoon Campaign	25 October 2019
Blood Donation and Health Screening	25 October 2019
ZIZA Monsoon Campaign	13 November 2019
Random Urine Drug Alcohol Test	21 November 2019
Emergency Drill	23 September 2019
New Hire Induction and Behavioural Based Safety Programme (BBS) 2019	November 2019
Training on Management of Chemical and Chemical's Lab Waste	1 November 2019
Seminar Fire Risk Management by BOMBA	4 November 2019
Outstanding Award for the Audit conducted by the Department of Occupational Safety and Health, Ministry of Human Resources	13 November 2019
i-care visit from SKO Top Management	14 November 2019
Wells P&A Annual HSE Conference and Forum	18 November 2019
EnQuest Contractor HSE Forum	19 November 2019
PCSB Sabah Service Provider Management Forum	25 November 2019
KSB Plan Inspection	26 November 2019
PCSB Sarawak Top Management HSE Session	27 November 2019
SHELL Site Inspection Visit	29 November 2019
Management Visit	29 November 2019
Bi-monthly PCSB Wells HSE Engagement	4 December 2019
Emergency Drill	20 December 2019
Crazy Feet 10,000 Steps 2020	Ongoing since January 2020
New Hire Induction and BBS 2020	January 2020
Health Awareness Campaign	15 – 17 January 2020
QHSE Away Day	17 – 19 January 2020
Health Monitoring and Blood Test	February 2020
New Hire Induction and BBS 2020	March 2020
SIRIM ISO14001 Surveillance Aufit and ISO45001 Upgrading Audit	Throughout June 2020
Celebration of 1 Million Manhours without LTI and HSE Day	June 2020
EnQuest Contract Baseline Audit	21 June 2020
Emergency Drill	26 June 2020

OUR HSE INDICATORS

INDICATOR	FY2020	FY2019	FY2018
Reported Near Misses	15 cases	2 cases	2 cases
HSE Plan Execution	88%	97.19%	97%
Site HSE Meetings	354 meetings	133 meetings	172 meetings
Site Management Visits	63 visits	41 visits	58 visits
Site HSE Inspections	998 inspections	656 inspections	194 inspections
Operational Drills ("Emergency Fire")	155 drills	123 drills	87 drills
Loss Time Incident ("LTI")	1	0	0
Cumulative LTI-free Days	241 days	941 days	576 days
LTI-free Manhours	1,506,821 manhours	4,549,522 manhours	2,453,020 manhours
First Aid Cases ("FAC")	6	4	3
Medical Treatment Cases ("MTC")	0	0	0

In FY2020, there was a single LTI reported and bearing in mind the need to maintain a more stringent overview of our HSE performance, we enhanced our HSE indicators with the following:

- Total Manhours Worked : 2,564,708 hours
- No. of Fatalities : 0
- No. of Restricted Work Cases : 0
- No. of Occupational Health Cases : 0
- LTI Frequency : 0.39
- Total Reportable Cases (TRC) Frequency : 0.39
- No. of Fire Incidents : 0
- No. of Oil/Chemical Spillage (LOPC) : 0
- No. of Equipment/Property Damage : 4
- HSE Legal Non-Compliance : 0

RESPONDING TO COVID-19 HSE RISKS

At Uzma, we believe that the workplace health and safety is of paramount importance, not just to safeguard our workers' interests, but also to ensure the continuity and sustainability of our business operations. We take our responsibilities in this sphere seriously and have implemented processes to manage the prevention of work-related injuries, incidents and diseases. Since the COVID-19 virus was first reported by China in December 2019, the disease has spread rapidly worldwide to become a global pandemic and a public health emergency which requires a swift response from all. The first case of COVID-19 in Malaysia was detected on 24 January 2020 and on 11 March 2020, the World Health Organisation ("WHO") declared the outbreak as a pandemic. Uzma has been closely monitoring the effects of the COVID-19 outbreak on all our employees located at our offices, yards and offshore platforms, along with our clients, partners and others involved in various aspects of our business operations.

In order to minimise the health risks of COVID-19, Uzma has implemented a number of safeguards that are in strict compliance with guidance issued by the Malaysian Government and health authorities. The following form the action plan that Uzma has implemented in relation to COVID-19:

1. Instituted the Uzma COVID-19 Business Continuity Plan ("BCP") Committee, led by the Chief People Officer that oversaw the implementation of Uzma's COVID-19 Guidelines and Preventive Measures.
2. Carried out daily temperature checks for all staff and visitors to Uzma Tower and our facilities such as yards in Labuan and Kemaman, and uzmALAB.
3. Made it mandatory for all employees to complete a self-declaration form detailing their current health, recent travel history, interactions with confirmed or suspected COVID-19 cases, and recent attendance of mass gatherings. This is done on a daily basis and taking it one step further, the HSE Dept also implemented QR codes that are valid for only one day and generated upon the completion of the form.
4. Adapted working hour arrangements to enable different groups of staff to work in various locations in the office, at home, or even on an alternate schedule.
5. Rearranged seating arrangements at Uzma Tower and base offices to ensure physical distancing, with at least one metre spacing between each employee, and leaving some tables empty to facilitate this.
6. Putting up social distancing markers everywhere including at passenger lifts, prayer rooms and the lobby area.
7. Encouraged and facilitated online meetings using Microsoft Teams and Skype.
8. Provided face masks and hand sanitizers at all locations.
9. Established a quarantine or transit center before mobilising crew offshore. All personnel were put under quarantine, with daily health checks conducted by medical health professionals 14 days before approval was given to staff to move offshore.
10. Developed Social Distancing Procedures for the Pulai Alpha Project which was subsequently rolled out to all other projects.
11. Online posts on the Group's social media platform, Yammer, to share information on COVID-19 to raise awareness amongst staff.
12. Put up posters at strategic locations within the office to remind employees of the following SOPs:
    a. Employees must wear masks before they leave the floor and enter the lifts.
    b. Only four people are allowed in the lifts at a time to maintain social distancing.
    c. Washing hands for at least 20 seconds.
    d. Practice good hygiene when coughing or sneezing.

OUR PEOPLE

As an organisation focused on being an employer of choice, we are passionate about doing our level best to ensure the welfare of all Uzmarians through a diverse spectrum of people-centred initiatives that are designed to establish a high performance driven working culture and supportive work environment within the Group.

EMPLOYEE ENGAGEMENT SURVEY

The first Employee Engagement Survey were conducted in FY2019, between November to December 2018 with the result score of 54% compared to the Energy Industry Average of 62%. Following up with the survey, a "Pulse Check" survey was conducted in June 2020 to gauge the employee perception on engagements in the last 12 months before the next Employee Engagement Survey scheduled for FY2021. The survey response on improvement in overall engagement was at 77% denoting a shows positive impact on all engagement initiatives that had been rolled out in FY2020.

EMPLOYEE RECOGNITION AWARD – UZMAGRIT

The uzmaGRIT is a Group-wide recognition and rewards programme that was conceptualised by the Employee Recognition Working Group, with employees from various product and service lines, locations and employment levels nominated to be part of the programme. The programme is inspired by the word "Grit" which is defined as a personality trait possessed by individuals who demonstrate commitment, passion and perseverance toward success. At the same time, it is also an acronym for "Group Recognition for Individuals and Teams".

In line with uzmaGRIT's objective to encourage the repetition of positive behaviours and to further embed the uzmaWAY culture, six core behaviours have been identified as instrumental to propel Uzma forward form the core of the programme.

In FY2020, 31 individuals and 10 teams throughout the Group were awarded uzmaGRIT recognition for the commitment, passion and perseverance they demonstrated towards their job.

EMPLOYEE DIVERSITY

We believe in having a diverse workforce, forming the human capital backbone of our organisational efforts towards sustained and resilient business performance. We draw from the different perspectives and insights of all our employees, to continuously improve our outcomes, and drive through new and innovative products and services for our customers.

OUR EMPLOYEE BASE

MANPOWER STRENGTH	TOTAL
FULL TIME EMPLOYEE	969
PERMANENT	680
FIXED TERM CONTRACT	289
NON-FULL TIME EMPLOYEE	178
GROUP TOTAL	1,147

GENDER	TOTAL
FEMALE	332
MALE	637
GROUP TOTAL	969

AGE	TOTAL
20-30	307
31-40	412
41-50	179
51-60	62
61-70	9
GROUP TOTAL	969

RACE	TOTAL
MALAY	563
CHINESE	17
INDIAN	4
BUMIPUTERA SABAH & SARAWAK	162
OTHERS	223
GROUP TOTAL	969

NATIONALITY	TOTAL
MALAYSIAN	744
THAILAND	183
INDONESIA	28
UNITED KINGDOM	4
UNITED STATES OF AMERICA	3
PHILIPPINES	3
COLOMBIA	1
AFGHANISTAN	1
VENEZUELA	1
NETHERLANDS	1
GROUP TOTAL	969

GROUP ATTRITION RATE

11.9%

NEW RECRUITMENTS IN FY2020

284 NEW HIRES

EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

The working talent base is an important part of an organisation and there is no doubt that our employees have been and will always remain Uzma's most important asset. We believe in continuously motivating and developing our talent base and are inspired to establish a highly performance driven work environment where people with a passion for excellence can thrive. With that in mind, the People Division designed a new performance management system, known as the Personal Performance Appraisal ("PPA") System in FY2020 within the Group to focus on the following:

i. To drive ownership and accountability throughout the organisation in delivering results;
ii. Measure individual performance objectively based on the agreed goals and KPIs as per the company's objectives;
iii. The need for our line managers to step-up in the area of people engagement and execution;
iv. Identify, reward and retain top performers, while at the same time objectively managing the underperforming employees; and
v. Better clarifed and simplified process for every level of employee.

The new PPA system has enhanced our employee engagement and supervisor-subordinate relationships. Throughout the PPA cycle, there are many opportunities for performance discussions, open feedback and coaching to achieve better business results. With the new system in place, we are in a strong position to manage and build our talent in a more strategic manner by developing them and enabling our leaders to identify high performers and potential successors to take on the mantle of future leadership in the organisation.

The annual PPA results are also used as the basis of the company annual rewards exercise. Annual salary, increments, promotions and other incentives including annual performance bonus, if decided by the company, shall be based on the employee individual PPA rating from the previous financial year results.

TRAINING AND DEVELOPMENT

We have in place a comprehensive training and development programme to upskill and develop the capabilities of our people. Our purpose built learning process is based on the Group's Talent Value Development Framework focused on the following five pillars:

i. Attract high potential talent to the company – To attract credible individuals to join the organisation to attain high technical and professional performance in line with the identified business goals
ii. Embrace our values and develop their competencies – To inculcate our values and build our people's skills, competencies and knowledge to establish our internal capability to be competitive in the industry, domestically and across the region
iii. Identification and development of the talent pool – To identify the high potential talent and turn them into valuable assets for the organisation
iv. Retain high profile talents – Putting our best effort to value and retain the high-performance personnel within the organisation
v. Nurturing a strategic and leadership mindset – To raise the value and equip our existing and potential leaders with transformational leadership skills to enable continuous growth

As part of our efforts to support Uzma's COVID-19 BCP, we moved our training and development programme into the online space with our Online Learning Series. This ensured continuity of training and development throughout the MCO period in line with social distancing guidelines and requirements. At the same time, the Online Learning Series encouraged our employees to continue with their efforts to develop themselves.

The following comprise the online learning topics we provided for our people:

1. Time Management Work From Home
2. Finding Your Productive Mindset
3. Managing Stress for Positive Change
4. Building Resilience
5. Leading at a Distance
6. Managing Virtual Teams
7. Executive Presence on Video Conference Calls
8. Mindfulness Practices
9. Powerless to Powerful: Taking Control
10. Effective Listening
11. Influencing Others
12. Being an Effective Team Member
13. Developing Your Emotional intelligence

In FY2020, a total of 562 employees participated in our training and development programmes. We logged a total of 2182 training days, amounting to an average of 2.25 training man days. Uzma invested a total of RM1.1 million on training and development during the financial year covering both technical and non-technical programmes within various aspects of our business.

TRAINING AND DEVELOPMENT AT UZMA IN FY2020

	Technical Training	Non-Technical Training	Group Total Trainings	Total Training Expenditure	Total Training Days	Average Headcount	Training Man Days
O&G Business	459	48	507	RM1.0 million	1,902.56	878	2.17
Non-O&G Business	26	29	55	RM0.1 million	279.50	91	3.07
GROUP TOTAL	**485**	**77**	**562**	**RM1.1 million**	**2,182.06**	**969**	**2.25**

BUILDING A ROBUST LEADERSHIP PIPELINE

A new training programme we rolled out in FY2020 which focused on enhancing leadership capabilities and ensuring a robust Succession Plan was the "Leaders on Board" Training Programme. This was conducted for the Management Committee and Head of Departments. The programme comprised of training on the corporate performance monitoring process, leadership competency and financial literacy.

The purpose of the "Leaders on Board" Training Programe is to provide our leaders with the right structural support and equip them with the right competencies to deliver and perform at the levels expected of them. The programme intends to set our leaders for success by:

- Ensuring that they are clear on their accountabilities, roles and responsibilities in the full deployment of the new organisational structure
- Ensuring that they are clear on the expected goals to achieve for FY2020
- Providing them with a framework to assess and develop their leadership competencies through the deployment of the Uzma Leadership Competencies Model
- Enabling them with critical leadership capabilities that they can utilise immediately, with an initial focus on "productive conversation" and "financial literacy"
- Empowering them to improve their teams' engagement level through the execution of Economic, Environmental and Social sustainability measures and the deployment of uzmaGRIT

ANTI-CORRUPTION TRAINING

A highlight of our training and development programme in FY2020 was enhancing Uzma's anti-bribery and anti-corruption measures, in line with amendments made in the new Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 with regards to corporate liability for acts of bribery and corruption conducted by individuals working for an organisation. We published our Whistleblowing Policy and Anti-Bribery and Corruption Policy on the company website for our employees and all our stakeholders' easy access. These anti-bribery policies and procedures were developed based on guidelines and principles released by the Ministerial Guideline and paragraph 15.29 of the Main Market Listing Requirements in relation to anti-bribery.

Following this, we then conducted training to enhance the knowledge and awareness of our employees, to ensure that all Uzmarians would conduct their job with the highest standards of integrity and ethics. The training comprised the following elements:

- Bribery risk assessment approach and methodology adopted by the Group for the purpose of identifying, analysing, assessing and prioritising both internal and external risks of bribery within the Group's operations
- A non-exhaustive list of common bribery risk areas which may be considered during the bribery risk assessment exercise
- Sample templates of risk profiles and risk registers that can be adopted by Uzma for the purpose of documenting the bribery risk assessment process

In addition to the training provided, all Uzmarians were briefed on the Anti-Bribery and Whistleblowing Policy at the Mini Town Hall in FY2020. We also published an internal Policy on Donation and Sponsorship to guide our people on ethical practices when conducting these corporate activities.

INTERNSHIPS

We have in place an internship programme to provide students from local higher education institutions with the foundational background and knowledge that they need to gain further insight into the working world, and job expectations that companies may have of fresh graduates. In FY2020, we brought on board five interns from local public and private universities.

EMPLOYEE BENEFITS AND COMPENSATION

Uzma has in place a comprehensive range of employee benefits which are aimed at attracting high performing talent. In FY2020, we offered a host of benefits and compensation to our employees. These encompass a spectrum of medical and insurance coverage for their healthcare needs, as well as providing a range of company leave to promote work life balance, such as annual leave, marriage leave, maternity and paternity leave and compassionate leave.

As well as that, we also provide our staff with a range of fixed allowances relating to transportation, telecommunication, project and offshore-based expenses. In addition, we also provide a skills allowance, an acting allowance for employees that take on a larger role than their ordinary job function, and a vacation allowance.

To contribute to the social welfare of our people, we have allowances that provide for their personal needs, name marriage gifts, newborn gifts, bereavement funds and calamity assistance. In line with encouraging our talent base to continuously upskill themselves, we provide them an allowance for professional association membership. For employees who are required to travel in the course of conducting their duties, we have in place mileage claims, toll and parking claims, and meal allowances.

GRIEVANCE MECHANISMS

Uzma's Grievance Procedure provides all our employees with the mechanism to bring forward any reasonable grievances at the workplace. For the most part, issues or problems raised are resolved via informal discussions within the department with the immediate supervisor or Head of Department. In more complex situations, there is a formal dispute resolution mechanism which is stage gated to allow for the involvement of all parties, namely the employee in question, the supervisor(s), as well as representatives from the People Division and Management. In FY2020, no employee grievances were recorded.

OUR VENDORS

We remain committed to seeing through our vendor development programmes to support and develop our vendors' capabilities. Our experience through the years have underlined the fact that the use of local suppliers and Bumiputera vendors contributes to the sustainable socioeconomic development of the nation. In particular, providing vendors with opportunities through our request for quotations or proposals to local companies and subsequently purchasing from them after evaluations are conducted demonstrates Uzma's commitment to invest in community development, by supporting local businesses and by extension, their employees. These result in benefits to the greater community as it helps local businesses sustain their activities, especially through difficult and challenging economic times.

Additionally, the specialised local knowledge that local suppliers are privy to and have knowledge of means that they are well positioned to adapt their business products and services to cater to local preferences and needs. The use of local vendors and suppliers also shorten supply chains, leading to greater certainty and better predictability in terms of deliveries, especially for companies working on a Just-in-Time ("JIT") basis. As well as that, delivery costs are substantially lower.

At Uzma, we conduct the following vendor development programmes to support our base of vendors:

- Vendor Development Programme sanctioned by the Ministry of Finance and Ministry of International Trade and Industry to groom Bumiputera vendors. As at end FY2020, we have assisted three Bumiputera SMEs through this programme.
- Uzma's Innovative Partners Programme ("uzmaIPP") which provides vendors with relevant training that enhances their capabilities. Additionally, we also assist our vendors with their business financial needs by providing them a business guarantee based on the identified criteria. Furthermore, we co-develop technology and innovative new solutions with our vendors through this programme. As at end FY2020, a total of two vendors have participated in this programme, and three Intellectual Property Patents have been registered.
- Since August 2018, Uzma has been a part of PETRONAS' VDPx programme, which aims to strengthen the capabilities of players in the local O&G sector. We have shared all of the information and knowledge garnered from participating in this programme with our own base of vendors and suppliers in our efforts to contribute towards a robust local O&G sector.

PROTECTING LOCAL VENDORS AND SUPPLIERS DURING THE COVID-19 PANDEMIC

As a result of the COVID-19 pandemic, many businesses suffered disruptions in their operations, and a drastic drop in demand for their products and services. This led to many local SMEs sustaining losses and suffering from cash flow difficulties which led to either the closure of businesses or the implementation of austerity measures such as salary cuts to ensure their long term sustainability.

At Uzma, we noted that procurement orders were inevitably delayed or in some cases cancelled due to the impacts of COVID-19. There was also the greater possibility of contracts being delayed or terminated due to force majeure situations. In light of these circumstances, Uzma adapted our procurement practices to overcome the challenges of the COVID-19 pandemic as follows:

- **Evaluating the vendors reliability by determining their source of supplies**
  The disruption of global and local supply chains as a result of the COVID-19 pandemic left many businesses in a position where they were not able to deliver on contracts made prior to the pandemic. We frequently communicated with our suppliers and vendors to evaluate the impacts of any disruptions, and how it affected their financial position. These discussions also centred on proactively finding solutions, such as how they could still support Uzma's operations supply and logistics throughout the duration of the pandemic.

- **Building strong relationships with vendors, and making the right decision to award based on techno-commercial criteria and not solely based on the lowest price quoted**
  We placed greater priority on vendors that had built and developed long-term relationships of trust with the Group, to support each other through mutually beneficial arrangements that would help both parties weather the impacts of the pandemic.

- **Prioritising leadership as a critical factor for continued success**
  We supported vendors that demonstrated strong leadership in the face of crisis, to help them maintain their business activities and operations.

OUR CUSTOMERS

We sustained our comprehensive customer relationships management process across all of our subsidiaries, divisions and departments, and tailored our customer service surveys according to the category of services delivered and our clients' expectations. Our approach has ensured a high quality of customer service, in line with our aim to deliver consistent service of excellent quality which our clients can rely on.

Our customer service dashboard features a range of tools such as Service Quality Meetings ("SQMs"), internal checkpoints and self-assessments. We conduct SQMs with our clients on a regular basis with the intent of reviewing key deliverables and performance. Our SQMs are conducted on a periodical basis, as dictated by project requirements. We use these meetings to review critical project items and factors such as HSE performance, KPIs, operational performance and the incorporation of new technology.

Uzma's customer focused programmes can be denoted within the following broad categories:

- Project Self-Assessment ("uzmaPSA") – conducting self-assessments utilising criteria from our customers' point of view, based on a scale of one to four stars, with one star being the weakest and four stars representing excellence;
- Customer Delivery Survey ("CDS") – annual or semi-annual surveys sent to our customer to gauge their satisfaction of our services and overall quality;
- Service Quality Meeting ("SQMs") – regular face-to-face engagements with customers to discuss QHSE and operational performance for pro-active actions; and
- Customer Ratings – programme by our customers where they engage with us and give ratings for our performance.

CONTINUING TO MEET OUR CUSTOMERS' EXPECTATION

Our sustained efforts to uphold the highest levels of customer service coupled with our strong commitment to upholding an excellent HSE culture in all of our projects have received acknowledgment and validation from our clients. The following lists all the awards Uzma received in FY2020.

Segments	Recognition / Award	Awarding Client / Date
Production Solutions and Well Solutions	Focused Recognition • Contributed 2000 barrels of oil per day (bopd) gain compared to the planned 500 bopd • Great teamwork and excellent communications at the BA-20 and BA-22 Baram fields	PCSB-SKA in November 2019
	Focused Recognition: • WIF-D18 continuous water injection operation with good HSE practice and compliance • 1000 days LTI-free since operations commenced in June 2016	PCSB-SKA in November 2019
	Focused Recognition: • 1.2 million safe manhours and Zero LTI • 100% preventive maintenance • 93% healthy strings • Total of 11.0 kilogramme barrel per day (kbd) annualised availability gain for SKO production	PCSB-SKA in January 2020
Coil Tubing, Desander and Cementing	Focused Recognition • Samarang-B53L and Alab-3L completed CTU campaign despite several challenges • Completed the entire job scope • Completed campaign on time	PCSB-SBA in July 2019
	Focused Recognition: • Together with Geowell Sdn Bhd, PMA-Angsi B15-S received job completion award on fishing of 3 hard packoff and first ever scale milling safely done without any incident • Contributed to PETRONAS' savings on cost avoidance of RM20 million for rig costs	PCSB-PMA in September 2019
	SKO i-Care Award: • Zero LTI and Zero related events for the period between 1 January 2019 till 30 October 2019 • Passionate and positive collaboration with PCSB on SKO Contractor HSE Mentorship Programme • Active participation by SVP management in SKO i-Care visit to workboat	PCSB-SKA in November 2019
	SBA Care Award: • For the "Effective HSE Cultural Enhancement Programme Implementation" category • SVP conducted the Behavioural Based Safety Programme ("BBS") complemented by the New Hire Induction Programme	PCSB-SBA on November 2019
	SKG Award: • For outstanding dedication and unconditional commitment in sustaining excellence in HSE Performance • In achieving Sarawak Gas Aim Zero 1000 Days as at 27 April 2019	PCSB-SKG on December 2019
Specialty Chemical	SHELL Global KPI Scorecard • Gumusut contract scored 98%, 96% and 98% for Q1, Q2 and Q3 of 2019 respectively	SHELL throughout 2019
	Certificate of Appreciation • "Workplace Accident Free Week (WAFEW)" 2019	Department of Occupational Safety and Health, Ministry of Human Resources on August 2019
	4 Stars for Supplier Tracking Assessment Rating Report Card for 2018	PETRONAS and Partners Collaboration towards Excellence (PaCE) Secretariat Group Procurement on September 2019

CONTINUING TO MEET OUR CUSTOMERS' EXPECTATION (CONT'D)

Products and Services	Recognition / Award	Awarding Client / Date
Specialty Chemical (CONT'D)	Best HSE Practice Award 2019	Eastern Pacific Industrial Corporation Berhad on September 2019
	Certificate of Appreciation: • For Systematic Occupational Health Enhancement Learning Programme ("SoHELP")	Department of Occupational Safety and Health, Ministry of Human Resources on October 2019
	Certificate of Appreciation: • For Anugerah Cemerlang Keselamatan dan Kesihatan Pekerjaan Kebangsaan 2019	National Council for Occupational Safety and Health (NCOSH) on November 2019
	2019 EnQuest Recognition Award	EnQuest on November 2019
	Focused Recognition	PCSB-PMA on February 2020
	2020 Appreciation Award: • In recognition of 15 years as a CitiBank trusted financial partner	Citi Commercial Bank on February 2020
	Ecolab/Champion X 100% Score in Goal Zero Element for HSE Achievement	100% score for all Goal Zero elements for 6 months (March, April, May, June, July & Sept)
	PCSB-PMA Focused Recognition Award Feb 2019	MECAS team committed in ensuring continuous supply of WIM chemical related operation throughout 2019

OUR COMMUNITIES

We continued to deliver on our Corporate Social Responsibility ("CSR") commitments to communities living in the footprint of our operations in our efforts to contribute to their socioeconomic development. In FY2020, we continued with our CSR contributions even after the MCO was announced in our bid to support the front liners working hard to combat the spread of the pandemic as well as the underprivileged communities severely impacted by the COVID-19 pandemic. Uzma spent close to RM0.1 million on our CSR efforts during the financial year.

Prior to the imposition of the MCO, we conducted the following CSR engagements with the related community impacts in mind:

- Project : Sponsorship of Kejohanan Petanque Pendidikan Khas (Peringkat Negeri Kedah) at Sekolah Kebangsaan Padang Lumut
  Date : 21 August 2019
  Community Impact : Contributing to the development of students' active and healthy lifestyles through sports sponsorships
- Project : Visit to old folks' home, Pertubuhan Baitul Rahmah in Bandar Country Homes, Rawang
  Date : 29 August 2019
  Community Impact : Assisting and spreading cheer to our senior citizens in their golden years
- Project : Orchid Run and Ride 2019 at PETRONAS Twin Towers, KLCC
  Date : 6 October 2019
  Community Impact : Helping to raise funds for non-profit organisations that are contributing to the development of communities throughout the country

Post-imposition of the MCO, we conducted a number of CSR activities, to assist various communities as follows:

- Project : Food sponsorship to the community during the MCO via the Pertubuhan Sahabat Jariah
  Date : 2 April 2020
  Community Impact : Contributing to the daily sustenance of communities that had been severely impacted by the COVID-19 pandemic, as a result of job losses or reductions in income
- Project: Collaborated with ANSARA Malaysia to provide medical equipment and supplies to Malaysian Relief Agency ("MRA")
  Date: 9 April 2020
  Community Impact: Contributing medical equipment and supplies to help hospitals, healthcare front liners and the needy to mitigate the spread of the COVID-19 pandemic in Malaysia
- Project : Meals for front liners at Hospital Serdang and Hospital Sungai Buloh
  Date : 10 April 2020
  Community Impact : Providing our support to the front liners risking their lives to treat the COVID-19 patients
- Project : Meals for the homeless in collaboration with the NGO Need to Feed the Need at Dewan Serbaguna Ampang Hilir
  Date : 27 April 2020
  Community Impact : Contributing to efforts to assist the homeless communities, who had been further displaced during the MCO
- Project : Breaking of fast meals for the homeless in collaboration with the NGO Need to Feed the Need at Dewan Serbaguna Ampang Hilir
  Date : 2 May 2020
  Community Impact : Assisting the homeless communities, who had been further displaced during the MCO, to carry out their religious duties during the month of Ramadhan, which coincided with the MCO period

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SECTION 6 : GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") is committed to ensure the highest standards of corporate governance ("CG") are practiced throughout Uzma Berhad Group of Companies ("Uzma Group" or "Group") and complied with throughout the Group within the framework as expounded by the Malaysian Code on Corporate Governance ("MCCG") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

Uzma Group's corporate governance structure has been developed and enhanced based on the principles and recommendations of best practices prescribed in the Malaysian Code on Corporate Governance ("Code").

The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 30 June 2020 ("FY2020") with reference to the three (3) main principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the Code.

This Corporate Governance Overview Statement is supported with a report ("Corporate Governance Report"), based on a prescribed format as outlined in paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to map the application of Uzma's corporate governance practices against the MCCG. The Corporate Governance Report is available on the Company's website, **www.uzmagroup.com** as well as via an announcement on the website of Bursa Securities.

In line with the requirements of the MCCG, the Group has provided clear and forthcoming explanations for departures from the Practices in the Corporate Governance Report. With regards to departure in Practices, the Board has provided disclosures on the alternative measures in place which will achieve similar outcomes of those Intended Outcomes of the MCCG. The explanations on the departures, supplemented with disclosure on the alternative practices are contained in the Corporate Governance Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

A1. Board Responsibilities

The Group acknowledges the pivotal role played by the Board in the stewardship of its directions and operations, and ultimately the enhancement of long-term shareholders' value. To fulfill this role, the Board is responsible for determining all major policies, reviewing the system of internal control, ensuring that effective strategies and management are in place, sets the business direction and overseeing the conduct of the Group based on the periodic performance of the Group reported by Management in the quarterly financial results and has full access to all operational information together with the explanation provided by Management.

The Board is mindful of the importance of the establishment of clear role and responsibilities in discharging its fiduciary and leadership functions. The practices applied and exercised by the Board are set out below.

1.1 Board Independence and Effectiveness

The roles of the Chairman and the Managing Director/ Group Chief Executive Officer are separate to ensure balance of power and authority, so that no individual has unfettered powers of decision.

The Executive Directors are responsible to the Board for implementing operational and corporate decisions while the Non-Executive Directors are responsible for providing independent views, advice and judgment in consideration of the interests of shareholders at large in order to effectively check and balance the Board's decision making process.

The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to the shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group.

1.2 Company Secretary

The Board is supported by qualified and competent Company Secretaries. The Board has direct access to the advice and services of the Company Secretaries. Both the Company Secretaries of the Company are qualified to act as Company Secretaries under the Companies Act 2016 ("CA 2016") and are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures, CG and compliance with the relevant regulatory requirements and legislations. The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required.

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has access to all information within the Group and all meeting materials are prepared and issued to the Board of Directors and Board Committee members at least five (5) business days prior to the meetings to enable them to receive the information in a timely manner.

1.3 Board Meetings

The Board meets at least once in every quarter with additional meetings convened as and when necessary. The meeting agenda, the relevant reports and Board papers are furnished to the Directors and Board Committee members at least five (5) business days prior to the meetings to allow the Directors to have sufficient time to read them for effective discussion and decision making at the meetings. The Senior Management is invited to attend these meetings to explain and clarify matters being tabled. Matters requiring Board's decision during the intervals between the Board meetings are circulated and approved through circular resolutions.

The Board has a formal schedule of matters reserved at Board Meetings which includes, corporate plans, annual budgets, Management and Group's performance review, major investments and financial decisions, changes to the Management and control structure within the Group, including key policies and procedures and delegated limits of authorities.

The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties with regards to the issues to be discussed. The Company Secretaries shall organise and attend all Board Meetings to ensure proper records of the proceedings.

The minutes of meetings of Board and Board Committees will be circulated to the Board Committee members and other members of the Board for review and comments within a reasonable timeframe prior to the Chairman's confirmation at the next Board and Board Committees meetings.

Six (6) Board of Directors' meetings were held for FY2020. The record of attendance of the Directors who held office during FY2020 is as follows: -

DIRECTORS	NUMBER OF MEETINGS ATTENDED / HELD
Datuk Abdullah Bin Karim *Independent Non-Executive Chairman*	6/6
Dato' Kamarul Redzuan Bin Muhamed *Managing Director/Group Chief Executive Officer*	6/6
Dato' Che Nazahatuhisamudin Bin Che Haron *Executive Director*	4/6
Encik Ahmad Yunus Bin Abd Talib *Executive Director*	6/6
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *Independent Non-Executive Director*	6/6
Encik Yahya Bin Razali *Independent Non-Executive Director*	6/6
Dato' Hajjah Zurainah Binti Musa *Independent Non-Executive Director*	5/6
Encik Ikhlas Bin Abdul Rahman *Independent Non-Executive Director*	4/6

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling the roles and responsibilities which is evidenced by the satisfactory attendance record of the Directors at Board meetings.

1.4 Directors' Training

The Directors recognise the importance and value of attending programmes, seminars and forums in order to keep themselves abreast with the current developments of the industry as well as the new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director.

Details of trainings attended by the Directors during the FY2020 are as follows:

NAME OF DIRECTORS	TRAINING PROGRAMMES
Datuk Abdullah Bin Karim	• Briefing & Training on the Company's Anti-Bribery Framework & Policies • How Does Malaysia Bank Rank? • Oil & Gas Asia 2019 • Asia Oil & Gas Conference • Directors Dialogue- (Integral Reporting) • Synergy 2019 – Geared for Growth by Yinson • In-house Directors' training- Lessons Learnt from Project Failures by EY

Dato' Kamarul Redzuan Bin Muhamed	• Leaders-On-Board (5 sessions):
	  • Session 1: The Big Plan (New Organisation Structure and Corporate Goals)
	  • Session 2: Setting Up for Success (Cascading Corporate KPIs)
	  • Session 3: New Leadership Competency Model (LCM) Training
	  • Session 4: Productive Conversation Training
	  • Session 5: Financial Literacy Training
	• Briefing & Training on the Company's Anti-Bribery Framework & Policies

Dato' Che Nazahatuhisamudin Bin Che Haron	• Leaders-On-Board (5 sessions):
	  • Session 1: The Big Plan (New Organisation Structure and Corporate Goals)
	  • Session 2: Setting Up for Success (Cascading Corporate KPIs)
	  • Session 3: New Leadership Competency Model (LCM) Training
	  • Session 4: Productive Conversation Training
	  • Session 5: Financial Literacy Training
	• Briefing & Training on the Company's Anti-Bribery Framework & Policies

Ahmad Yunus Bin Abd Talib	• Leaders-On-Board (5 sessions):
	  • Session 1: The Big Plan (New Organisation Structure and Corporate Goals)
	  • Session 2: Setting Up for Success (Cascading Corporate KPIs)
	  • Session 3: New Leadership Competency Model (LCM) Training
	  • Session 4: Productive Conversation Training
	  • Session 5: Financial Literacy Training
	• Briefing & Training on the Company's Anti-Bribery Framework & Policies

NAME OF DIRECTORS	TRAINING PROGRAMMES
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	• MIA's Directors Dialogue on Integrated Reporting • Audit Oversight Board Conversation with Audit Committee Program • Awareness & Compliance Training on Malaysia's Anti-Corruption Laws • Briefing & Training on the Company's Anti-Bribery Framework & Policies
Yahya Bin Razali	• The Launch of Institute of Corporate Directors Malaysia • Briefing & Training on the Company's Anti-Bribery Framework & Policies
Dato' Hajjah Zurainah Binti Musa	• Briefing & Training on the Company's Anti-Bribery Framework & Policies • World Marketing Summit ("WMS") Kuala Lumpur 2020
Ikhlas Bin Abdul Rahman	• Briefing & Training on the Company's Anti-Bribery Framework & Policies

The Directors will continue to attend relevant training courses to further enhance their skills and knowledge to enable them to discharge their responsibilities more effectively.

The Company Secretaries facilitated the organisation of the internal training programmes and keep the Directors informed of relevant external training programmes. The Company Secretaries also circulated the relevant guidelines on the statutory and regulatory requirements from time to time for the Board's reference and briefed the Board on these updates at the Board meetings.

The External Auditors also briefed the Board on changes to the Malaysian Financial Reporting Standards ("MFRS") that affect the Group's financial statements during the year, where applicable.

1.5 Access to Information and Advice

The Board has unrestricted access to timely and accurate information in furtherance of its duties.

The Directors are given access to any information within the Group and have full access to the advice and services of the Company Secretaries and are free to seek an independent professional advice at the Company's expense, if necessary, to ensure effective functioning of the Board in discharging its various duties. Procedurally, when external advices are necessary, a Director who intends to seek such consultation or advice shall notify the Management of such request. Upon obtaining the Board Chairman's approval, the Director shall acquire the independent professional advice. All advices and opinions from the advisers shall be reported to the Board.

1.6 Board Committees

To assist in the discharge of its duties and responsibilities, the Board has established the following Board Committees to perform certain of its functions and to provide recommendations and advice:-

- Audit Committee ("**AC**"); and
- Nomination and Remuneration Committee ("**NRC**").

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board and operate within their respective approved Terms of Reference ("TOR") by the Board which are periodically reviewed by the Board and the Board appoints the Chairman and members of each Board Committee.

All Board Committees have written terms of reference which is approved by the Board. The Chairman of the respective Board Committees reports to the Board on key matters deliberated at the Board Committees' meetings and makes necessary recommendations to the Board. The ultimate responsibility for decision making lies with the Board.

The Directors allocate sufficient time and effort to carry out their responsibilities. It is also the Board's policy for Directors to notify the Chairman of the Board before accepting any new directorships notwithstanding that the MMLR allows a Director to sit on the board of up to five (5) listed issuers.

The details of the AC and NRC can be found in this report.

1.7 Board Charter & Code of Conduct and Ethics

The Board has a formally adopted a Board Charter and it was last reviewed on 22 October 2020. The Board Charter sets out, among others, the roles and responsibilities of the Chairman, the GCEO, the Board, Individual Director, Independent Director, each Board Committees and the Management. It also sets out the processes and procedures for convening a board meeting and guidelines for its Directors on disclosure of interest. Also included in the Board Charter is the Code of Conduct and Ethics of the Board which provides guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during their appointment.

The Board Charter is reviewed periodically and updated in accordance with the needs of the Company to ensure its effectiveness and consistency with the Board's strategic intent as well as the relevant standards of corporate governance.

The Board Charter and the Code of Conduct and Ethics are published in the Company's website at **www.uzmagroup.com**.

1.8 Whistleblowing Policy and Procedure

The Board has established its Whistleblowing Policy & Procedure and encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Group. The Whistleblowing Policy and Procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct wrongdoings, corruption, fraud, waste and/or abuse.

1.9 Anti-Bribery Policy and Procedure

In compliance with the recent amendment of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the principles of the Ministerial Guidelines and Paragraph 15.29 of the MMLR of Bursa Securities in relation to anti-bribery, the Board has approved on 20 May 2020 its Anti-Bribery Policy.

The Anti-Bribery Policy seeks to establish and adopt the highest standards of personal and professional integrity in executing its business activities within the organisation and external to the organisation. Uzma is committed to ethical business practices and good corporate governance. Thus, this Anti-Bribery Policy sets out the Group's expectations for internal and external parties working with, for, and on behalf of the Group in upholding the Group's commitment and stance against bribery.

A2. Board Composition

The Board has a balanced composition of eight (8) Directors consisting of three (3) Executive Directors and five (5) Independent Non-Executive Directors. The Board has complied with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) directors or one-third of the Board, whichever is higher, to be independent and recommended Practice 4.1 of the Code of having at least half of the Board comprising independent directors. The Chairman of the Board is an Independent Non-Executive Director who carries out a leadership role in the conduct of the Board and its relations with shareholders and stakeholders.

The presence of the Independent Directors safeguards the interest of stakeholders in ensuring the highest standard of conduct and integrity are maintained. Their role is to ensure that any decision of the Board is deliberated fully and objectively with regards to the long-term interest of all stakeholders. A brief profile of each director can be found in this Annual Report.

The Board is satisfied that the present size and composition of the Board is appropriate for the complexity and scale of operations of Uzma Group. As presently constituted, the Board is well balanced and has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.

The Independent Directors play a strong and vital role in entrenching good governance practices in the affairs of the Group through their participations in the respective Board Committees. The Independent Non-Executive Directors of the Company had devoted sufficient time and attention to the Group's affairs. None of the Directors on the Board hold more than five (5) directorships in other listed issuers on Bursa Securities.

The practices applied by the Board with regard to its composition are set out below.

2.1 Tenure of the Independent Directors

The Code provides that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to the re-designation of the independent director as a non-independent director. The Board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine (9) years.

The Board has yet to develop a policy which limits the tenure of its Independent Directors to nine (9) years as it is of the view that the independence of the Independent Directors should not be determined solely or arbitrary by their length of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director.

However, the Board embraces the practice for retaining an independent director beyond nine (9) years and shall provide justification for doing so and seek shareholders' approval annually in that respect. If the Board continues to retain the Independent Directors after the twelfth (12th) year, in addition to providing justification as explained above, the Board will seek shareholders' approval through a two-tier voting process, unless the said Independent Director wishes to be re-designated as non-independent non-executive Director which shall be decided by the Board.

During the FY2020, the Board via the NRC assessed the independence of its Independent Directors and based on the assessment, the Independent Directors were found to have independence of mindset of which they will continue to be independent and be able to provide objective judgement during the Board's deliberations and decision-making. None of the Independent Directors has served more than a cumulative term of nine (9) years.

2.2 Appointment of Directors

The Board does not set specific criteria for the assessment and selection of director candidate. However, the consideration would be taken on the need to meet the regulatory requirement such as the Act and MMLR, the achievement in the candidate's personal career, integrity, wisdom, independence of the candidate, ability to make independent and analytical inquiries, ability to work as team to support the Board, possession of the required skill, qualification and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board to select the suitable candidate.

The NRC is responsible to recommend an identified candidate to the Board if there is any vacancy arising from resignation, retirement or any other reasons or if there is a need to appoint additional director with the required skill or profession based on the recommendation from the Board in order to close the competency gap in the Board identified by the NRC. The potential candidate may be proposed by an existing director, senior management staff, shareholders or third party referrals and/or independent sources.

Upon receipt of the proposal, the NRC is responsible to conduct an assessment and an evaluation on the proposed candidates based on skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time commitment) and where appropriate, the independence of proposed candidates for the appointment of independent directors. The NRC may, at its discretion, conduct legal and other background searches on the proposed candidates as well as a formal or informal interview.

Upon completion of the assessment and evaluation of the proposed candidates, the NRC would make its recommendation to the Board. Based on the recommendation of the NRC, the Board would evaluate and decide on the appointment of the proposed candidates.

2.3 Gender Diversity Policy

The Board acknowledges the recommendation of the Code on gender diversity and has established a gender diversity policy whereby the Company would endeavour to have women participation in the Board. Presently, the Company has one (1) female Independent Non-Executive Director in the Board (i.e. 10% women directors). The NRC is responsible in ensuring that gender diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.

The Group also ensure diversity in its management level by having strong female representation at the management level which could potentially be a pipeline for future candidates to be appointed as Directors or Senior Management. To nurture diversity within the Group, the Company would endeavour to provide a suitable working environment that is free from harassment and discrimination, and to provide fair and equal opportunities to all employees within the Group.

The Board recognises and embraces the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas and market insights which enables better problem solving to gain a competitive advantage in serving an increasingly diverse customer base compared to a boardroom that is dominated by one gender.

The Board will focus its efforts to establish a diverse Board with a variety of skills, experience, age, cultural background and gender.

2.4 Board Annual Evaluation on Effectiveness

During the FY2020, the Board, through the NRC, had carried out the annual assessment conducted internally and facilitated by the Company Secretaries to review the effectiveness of the Board as a whole, Board Committees as well as the contribution of each individual director and assessment on the independence of the independent directors. The NRC also assisted the Board to review annually, the character experience, integrity, competency and time commitment of the GCEO and Group Chief Financial Officer ("GCFO") of the Group.

Based on the results of annual assessment, the Board was satisfied with the current composition of the Board and its committees in respect of their balanced mix of skills, experience and expertise, as well as individual director's personal attributes and contribution to the Board. The results of annual assessment have been documented.

The directors who are subject to re-election and/or re-appointment at the next Annual General Meeting ("AGM") shall be assessed by the NRC before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the NRC would be based on the annual assessment conducted.

A3. Remuneration

The Board through the NRC has established a Directors' Remuneration Policy and Procedure to assist the Group in attracting, retaining and motivating its Directors and Senior Management in order to run the Group successfully.

The NRC consists of the following members:

NAME	DESIGNATION
Datuk Abdullah Bin Karim	Chairman
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	Member
Ikhlas Bin Abdul Rahman	Member

The NRC is responsible for reviewing, considering and recommending to the Board, the remuneration packages of Directors and Key Senior Management having salary above the internal threshold drawing from professional advice internally or externally as and when necessary. The Remuneration Policy and Procedure was reviewed by the Board on 22 October 2020 and is published on the Company website at www.uzmagroup.com.

During the FY2020, the NRC has convened one (1) meeting which was attended by majority of the NRC members. The NRC had reviewed the remuneration for the Executive Directors, which reflects the level of risk and responsibility, the individual's performance indicators ("KPI") on the job, and the performance of the Company and considered their remuneration packages are well within the comparable companies in similar industries. The NRC had also reviewed the fees for Non-Executive Directors, which reflects the experience and level of responsibilities undertaken by the individual Non-Executive Directors concerned. The affected Directors would abstain from participation in decisions regarding their individual remuneration in the NRC's deliberations and recommendations.

The level and structure of the Group's remuneration policy are aligned with the business strategy and long-term objectives of the Group, as are appropriate to attract, retain and motivate the Directors to provide good stewardship, as well as motivate key management personnel to successfully manage the Group. The Board is of the view that the current remuneration level suffices to attract, retain and motivate qualified Directors to serve on the Board.

The remuneration of the Directors for FY2020 with categorisation into appropriate components is as follows: -

COMPANY LEVEL					
DIRECTORS	DIRECTORS FEE (RM'000)	SALARY & BONUS (RM'000)	EMOLUMENTS & BENEFITS* (RM'000)	MEETING ALLOWANCE (RM'000)	TOTAL (RM'000)
Dato' Kamarul Redzuan Bin Muhamed	-	1,069	183	-	1,252
Ahmad Yunus Bin Abd Talib	-	335	68	-	403
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	71	-	-	6	77
Yahya Bin Razali	71	-	-	6	77
Dato' Hajjah Zurainah Binti Musa	71	-	-	4	75
Datuk Abdullah Bin Karim	179	-	-	6	185
Ikhlas Bin Abdul Rahman	71	-	-	9	80

GROUP LEVEL					
DIRECTORS	DIRECTORS FEE (RM'000)	SALARY & BONUS (RM'000)	EMOLUMENTS & BENEFITS* (RM'000)	MEETING ALLOWANCE (RM'000)	TOTAL (RM'000)
Dato' Kamarul Redzuan Bin Muhamed	118	1,069	183	-	1,370
Dato' Che Nazahatuhisamudin Bin Che Haron	118	1,105	161	-	1,384
Ahmad Yunus Bin Abd Talib	-	507	88	-	595

*Emoluments & Benefits include variable allowances, EPF, SOCSO and EIS contributions.

The remuneration of the top Senior Management for the Financial Period (in RM '000) is as follows:

SALARY RANGE (RM '000)	NO. OF TOP SENIOR MANAGEMENT
200 - 600	4
601 - 1000	1

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

B1. Audit Committee

The AC consists of the following members:

NAME	DESIGNATION
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	Chairman
Datuk Abdullah Bin Karim	Member
Yahya Bin Razali	Member

The role of the AC is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Group. The AC comprises solely of three (3) Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board ensuring that the impairment of objectivity of the Board's review of the AC findings and recommendations remain intact. The AC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the External Auditors guided by the factors as prescribed under Paragraph 15.21 of the MMLR. The External Auditors confirmed that they are and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants. The Audit partner in-charge of a public listed company would be rotated (within the audit firm) every five years to ensure independence of audit.

The AC had met with the external auditors once during the FY2020 without the presence of the Management to discuss any key areas or issues which require the attention of the AC and Board. All members of the AC undertake continuous professional development to keep themselves abreast with the relevant developments in accounting and auditing standards, practices and rules.

The TOR of AC sets out its rights, duties, responsibilities and criteria on the composition of AC, which includes former key audit partner of the Group to observe cooling-off period of at least two (2) years before being able to be appointed as member of AC.

The Board, with the recommendations of the AC, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect.

The detailed roles, functions, responsibilities and summary of work done by the AC during the FY2020 are as set out in the AC Report of this Annual Report.

B2. Risk Management and Internal Control

The Board is responsible for the overall risk management in the Group while the Executive Directors together with the Senior Management team are primary responsible for managing risks in the Group.

The features of the Group's risk management and internal control covering the risk policy, risk appetite, risk assessment and the review process by the Board and AC and the key internal controls are presented in the Statement on Risk Management and Internal Control of the Annual Report. The Board also commented in the said statement that it is satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control.

The Group outsourced its internal audit function to an external professional firm as part of its effort in ensuring that the Group's system of internal control is adequate and effective.

The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are presented and discussed during the AC meetings. Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. The action plans are reviewed and followed up by the internal audit function on a periodical basis to ensure the recommendations are effectively implemented.

The Board acknowledges that risk management is an integral part of good governance. Risk is inherent in all business activities. It is however, not the Group's objective to eliminate risk totally but to provide structural means to identify, prioritise and mitigate the risks involved in all the Group's activities and to balance between the cost and benefits of managing and treating risks, and the anticipated returns that will be derived therefrom.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

C1. Communication with Stakeholders

The Board recognises the value of good investor relations and the importance of disseminating information in a fair and equitable manner, the participation of shareholders and investors, both individual and institutional, at the Annual General Meeting ("AGM").

As such, the Board is committed to disseminate all important information on the Group's performance and operations timely and adequately. Information is communicated through the following channels:-

a. The Annual Report; and
b. The various disclosures and announcements made to Bursa Securities including the quarterly results and annual results.

The Group has established a website at www.uzmagroup.com which is served as a useful source of information, qualitative and quantitative, on the Group's operations and corporate developments to shareholders, business partners and other stakeholders.

Any enquiry regarding the Company and the Group may be conveyed to the following personnel:-

Mr. Syed Azlan Bin Syed Ibrahim (Chief Transformation and Strategy Officer)

Telephone number	:	03-76114000
Fax number	:	03-76114100
Email	:	communications@uzmagroup.com

C2. Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with all the shareholders of the Company. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

The Board has adopted the recommendation of the Code for the Notice of AGM to be given to shareholders at least 28 days prior to the meeting. All Board members will ensure their attendance in the AGM and the chairman of the respective Board Committees with Management shall attend to questions raised pertaining to their duties. The External Auditors would also present to provide clarifications particularly relating to the financial statements.

When there is special business or where special resolutions are proposed, the explanation of the effects of such special business or special resolutions are provided in the Notice of the AGM under the explanatory notes.

In line with Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM will be put to vote by poll. The Company had appointed an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will then be announced to Bursa Securities on the same day while the summary of key matters discussed during the AGM, if any, would be published on the Company website after being reviewed and approved by the Chairman.

The shareholders who are unable to attend the AGM are advised to appoint proxies to attend and vote at the AGM on their behalf.

RESPONSIBILITY STATEMENT BY DIRECTORS

The Board of Directors is required under Paragraph 15.26(a) of the MMLR of Bursa Securities to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Board is responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards ("MFRS") approved by the Malaysian Accounting Standards Board ("MASB") in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2020 and of the results and cash flows of the Group and the Company for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2020, the Group and the Company have adopted suitable accounting policies in accordance with applicable MFRSs approved by the MASB in Malaysia and applied them consistently and reasonably.

The Statement is made in accordance with a resolution of the Board of Directors dated 30 October 2020.

STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL

Uzma Berhad ("Uzma" or "the Group") faces a variety of risks that could potentially impact our businesses and operations, along with our current and future performance, prospects and growth strategies, financial position, liquidity, asset values and reputation in the marketplace. Uzma therefore views effective risk management as a critical factor that contributes to the long-term sustainability of our business.

The Board of Directors ("Board") takes into account all risk factors in its decision making process in line with the Group's endeavours to build business resilience. The Board is cognisant of the fundamental importance of a sound risk management framework and internal control system to safeguard shareholders' investments and stakeholders' interests.

This Statement lays out the nature and scope of Uzma's risk management framework and internal control system (excluding jointly controlled companies) for the Financial Year Ended 30 June 2020 ("FY2020"). The Statement has been prepared in accordance to paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements and adheres to the guidelines outlined by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. However, it should be noted that inherent limitations may exist in any system of risk management and internal controls. As such, Uzma's risk management and internal control systems can only mitigate, rather than eliminate all risks that the Group faces. The overall objective of the Group's systems is to provide reasonable assurance against material misstatement and loss, as opposed to absolute assurance against the same. The key philosophy guiding Uzma in its risk management and internal control systems across the entire organisation is that of As Low as Reasonably Practicable ("ALARP").

ROLES AND RESPONSIBILITIES FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board

The Board provides the overall oversight for risk management and internal control. The Board is responsible to understand and implement appropriate measures to manage key risk factors of the Group. The Board is also responsible to review the adequacy and integrity of the Group's internal control systems.

The Board's risk oversight is supported by the Audit Committee ("AC").

Audit Committee

The Board acknowledges that effective inspection and continuous monitoring is a critical component of a robust internal control system. In this respect, the Board, through the AC, regularly reviews reports on internal control as provided by the Internal Audit function. The objective of the Internal Audit function is to provide independent and objective assurance through a systematic and disciplined approach that focuses on evaluating and improving the effectiveness of risk management, control and governance processes. The only exception is with regards of the Group's associates and jointly controlled company, which is beyond the purview of the Internal Audit function, as the Group does not have full management control over these companies.

Uzma's internal audit function are conducted by third party consultants focusing on processes compliance and controls. External audits are conducted by appointed external auditors in accordance with the Malaysian Financial Reporting Standards and best practices of corporations in Malaysia. Both the internal and external auditors report directly to the AC, which then forwards its findings to the Board.

Risk Management

Our risk management frameworks help to identify and manage risk in a way that is supportive of our strategic priorities towards building a successful and sustainable business. Our approach towards risk management is framed by our ongoing understanding of the risks that we are exposed to, our risk appetite and how these risks change over time. Risks across the Group are being managed on an integrated basis within stipulated and approved Limits of Authority ("LOA"). Evaluations of those risks are incorporated into the decision-making process.

The Group has ongoing processes to manage principal risks that affect strategic objectives. This includes identifying, evaluating, managing and monitoring risks. These processes continue to be in place for the financial year under review and up to the date of approval of this statement.

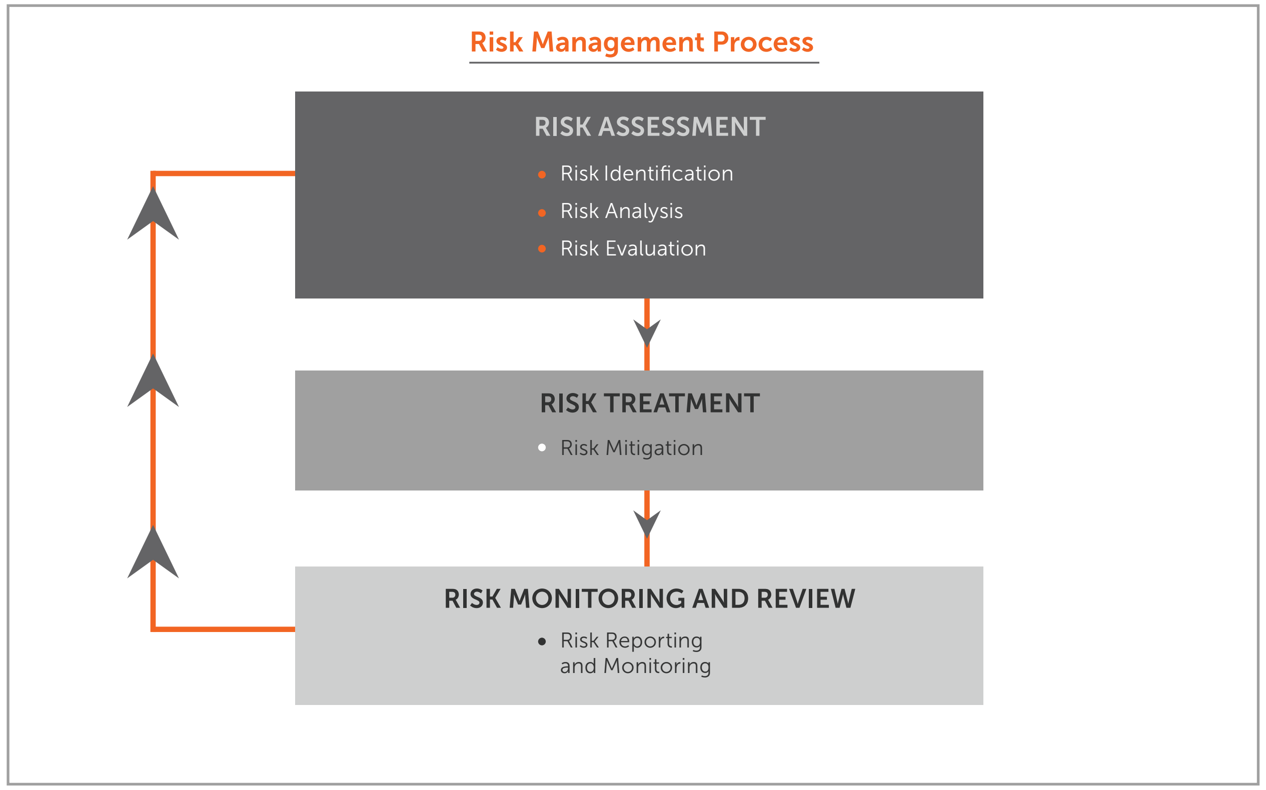
Group-wide implementation of risk management and internal control is supported by the Management Committee.

Management Committee ("MC")

The MC was established to assist the Group Chief Executive Officer ("GCEO") in the management of the Group and is responsible for providing strategic directions and managing the overall Group's performance. The MC reviews key risk management matters to provide guidance and direction prior to reporting to the Board. In addition to the monthly MC Meeting, the MC had also met on an ad hoc basis to discuss specific matters.

Corporate Risk Management

The Corporate Risk Management ("CRM") process is an integral part of managing the business as it provides guidance to systematically, assess, treat, monitor and review risks. It aims to improve the ability to reduce the likelihood and/or impact of the identified risks that may affect the achievement of business objectives. Risk profiles established through the CRM process are monitored at the corporate level and across the Group, and consist of identified principal risks with the corresponding risk mitigations and key risk indicators. This allows actions to be taken to ensure that risks are being effectively managed by respective units. The Group's risk profile reflects the Group's position and acceptability to take risks in various areas, namely strategic, financial, operational, reputational, while maintaining legal and regulatory compliance. At the corporate level, Group's risk profile is monitored and reported to the MC, and then subsequently reported to the Board.



Business Continuity Management During COVID-19

As the Oil and Gas ("O&G") sector was identified as an essential services sector throughout the Movement Control Order ("MCO") period, Uzma was able to continue to service our ongoing contractual obligations with minimal disruption. As such, the Group designed a focused continuity management plan that focused on the safety of our employees and on business sustenance throughout the pandemic. The COVID-19 Business Continuity Plan ("BCP") team that focused on employee's safety was headed by the Chief People Officer, with other members comprising representatives from the People Division, Health, Safety and Environment ("HSE"), Administration and Strategic Communications.

The COVID-19 BCP guidelines were released by the BCP team as part of Uzma's commitment to prioritise the health and safety of our employees, whilst at the same time ensuring constant and consistent communications with all the Group's employees. Key updates were communicated to all Heads of Departments through a monthly Engagement Meeting, and to all staff at the quarterly town hall meetings held.

The following comprise the key elements of how Uzma managed risks associated with the COVID-19 pandemic in relation to people management and work processes:

- Alternate working arrangements were implemented to ensure that there were no disruptions to the Group's businesses and operations. All employees were split into two teams, with one team working from the office premises, and the other team working from home.
- Employees who were using public transportation, and those who were pregnant or with young children in their family were allowed to work from home.
- A single point of entry into the office premises was implemented where the temperature of all employees and visitors were taken, along with a requirement to register before being allowed access to the premises.
- Medical masks were also provided and required to be worn in all common areas.
- Social distancing requirements were implemented within the office premises. In particular for confined spaces, the number of passengers in lifts were limited to four per lift, one meter apart for seating arrangements and all meetings were conducted online via Microsoft Teams.
- The IT Department invested in upgrading the IT infrastructure in order to improve network facilities for all employees.
- The Group obtained approval from local authorities, as an essential services sector, to facilitate the movement of employees commuting to and from work.

Additionally, the COVID-19 BCP team highlighted key action plans in relation to ensure Uzma's business sustenance through the pandemic. These action plans were deliberated on a weekly basis by the MC which focused on ensuring that the business continued to operate while cash was preserved.

The key action plans comprise the following:

1. "Business continues to operate"
   - People and HSE - to ensure our people are safe while doing their work
   - Business Operations - business continues to operate with minimal disruptions
   - Financials Operations - to ensure sufficient funds to operate the business
   - IT Infrastructure – to ensure data security and system resiliency

2. "Preserve cash and maintain stakeholders' confidence"
   - Reduce spending – tight control on expenses, travelling and training activities
   - Rationalise service lines - early intervention on non-performing service lines with re-allocation of resources/capital to performing service lines
   - Rationalise manpower - early intervention to right size manpower needs in alignment with forecasted business demand
   - Relations with investors/lenders - provide accurate and timely information to maintain investors/banks confidence

On a longer term perspective, the MC took the opportunity to revisit the Group's strategy taking into consideration the longer term impact of COVID-19 towards the O&G industry and overall economic landscape. Key outcomes from this exercise are described below:

- Uzma's Five-Year Plan ("uzma5YP") and its strategic objectives were revised to focus on increasing resiliency to our O&G business and accelerating non-O&G business development
- FY2021 Corporate Key Performance Indicators ("KPIs") were subsequently identified to align with the revised strategic objectives

Key Internal Controls

The Group's internal control system comprises the policies, procedures and practices that ensure the implementation of risk management strategies to achieve the Board's and Management's objectives.

LIMITS OF AUTHORITY

The LOA is an instrument of delegation of Board's powers which defines the decision-making limits within the Group, providing a balance between effective and quality decision-making and appropriate management control. All LOA development and revisions are independently reviewed by the Group's Finance Division.

CORPORATE PERFORMANCE

As part of the Corporate Performance Management process, the MC had conducted a strategic review where key assumptions (eg. global economy, industry trends) driving corporate strategies were assessed. Key performance indicators were identified and the performance of the Corporate KPIs were reviewed on a monthly basis. Key performance areas that were monitored consist of the Group's financial standing, asset utilisation, Group-wide strategic initiatives and HSE statistics, among others. The status of the Corporate Performance was also reported to the Board on a quarterly basis.

PROCUREMENT

Procurement management was implemented based on the LOA as guidelines which describes the minimum requirements to govern procurement activities duly established for Group-wide adoption.

As part of our initiatives to improve transparency and governance, the Group enhanced the function of Procurement Tender Committee ("PTC") to review, deliberate and endorse procurement of items with value of and above threshold set within the Group's LOA, prior to approval by Management.

The Enterprise Resource Planning ("ERP") system has also been implemented to reinforce the procurement process with the stipulated governance and internal control mechanisms.

INVESTMENT PROPOSALS

Material investment proposals based on the LOA are presented for deliberation by the Investment Committee and endorsing proposals prior to reporting it to the Board. The investment proposals shall cover, among others, the market analysis, financial analysis, key risk areas and mitigation, corporate structure and key reward areas. During the financial year, the Investment Committee had several meetings to review capital expenditures and equity investments.

QUALITY MANAGEMENT SYSTEM

Uzma's QHSE Department conducted internal reviews in accordance to the requirements of the Quality Management System ("QMS") ISO9001, Occupational Health and Safety Management System ("OHSMS"), prevailing regulations, Uzma's Integrated Management System ("IMS"), as well as clients' contractual and QHSE requirements. The findings in these reports are submitted to the Head of QHSE.

Additional measures have been implemented by the QHSE Department to enhance the quality of project deliveries. These measures were monitored and reported to the MC on a monthly basis. One of the initiatives was the Uzma's Project Self-Assessment ("uzmaPSA") where project owners were required to self-assess their projects at frequent intervals. Areas of improvement were identified throughout the project cycle and measures were implemented to close these gaps as part of our effort for continuous improvement. Service Quality Meetings ("SQM") were also held with our customers on a periodical basis to review key deliverables and performance. In addition, we conducted customer surveys to gather feedback from our customers. The results were then analysed to identify areas for improvement. The results and analysis were also presented at the annual QMS Management Review ("QMR").

ANTI BRIBERY POLICY

The Group adopts the highest standards of personal and professional integrity in executing its business activities within the organisation as well as activities external to the organisation. The Group is committed to ethical business practices and good corporate governance. The Anti-Bribery Policy was established in May 2020 to set out the Group's expectations for internal and external parties working with, for, and on behalf of the Group in upholding the Group's commitment and stance against bribery.

WHISTLEBLOWING POLICY

The Whistleblowing Policy was established by the Board in May 2020 to facilitate the Group in achieving its aim to prevent bribery and uphold the highest level of business ethics in relation to the businesses and operations of Uzma and its subsidiaries. The policy is applicable to the Group's Directors, employees, its stakeholders, and the general public. The policy is also applicable to all countries in which the Group has business activities.

INTERNAL AUDITS

The internal audit function is conducted by a third-party consultant and supported by the internal QHSE Department to evaluate and improve the design and the effectiveness of Uzma's governance, risk management and internal control. There are two audit exercises conducted in each financial year covering risks areas identified and agreed to by the AC.

Findings from the internal audit are discussed and reviewed by respective managers and subsequently presented to the AC, together with the Management's response and action plans. The third-party consultant carries out follow-up reviews and reports to the AC on the status of implementation of action plans by the Management pursuant to the recommendations highlighted in the internal audit report.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has received assurance from the Group Chief Executive Officer ("GCEO") that the Group's risk management and internal control system are operating adequately and effectively in all material aspects. As a proactive organisation, the Management has initiated preliminary actions within its risk management activities to embrace the latest requirement of Section 17A of the Malaysia Anti-Corruption Commission Act 2009 ("MACC Act") which was amended by the Parliament of Malaysia on 5th April 2018. The new amendment clearly states that a commercial organisation could be prosecuted if a person associated with the organisation commits a corrupt act to enable the organisation to acquire or retain a contract or interest. The Management of Uzma has proactively activated the Risk Management system to ensure this risk is assessed and internal controls in the form of adequate procedures and processes shall be in-place at all relevant functions and levels of the organisation to prevent such conduct. The Board is of the view that the risk management and internal control system is satisfactory and no material internal control failures or any of the reported weaknesses have resulted in material losses or contingencies during the financial year under review.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Main Market Listing Requirement of Bursa Securities and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysia Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the Financial Year Ended 30 June 2020. The External Auditors reported that nothing has come to their attention that could cause them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out, or is factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 30 October 2020.

AUDIT COMMITEE REPORT

The Audit Committee ("AC") of Uzma is pleased to present the AC Report for FY2020.

1. COMPOSITION AND ATTENDANCE

The AC comprises of three (3) members all of whom are Independent Non-Executive Directors. Whereas the Chairman of the AC is a Chartered Accountant and also a member of the Malaysian Institute of Accountants. These criteria are in compliance with Paragraphs 15.09 and 15.10 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") as well as Practice 8.4 of the Malaysian Code on Corporate Governance.

In FY2020, the AC had met five (5) times, three (3) of which were meeting with the External Auditors and Internal Auditors, however both in a separate session. The AC were facilitated by the Group Cheif Executive Officer ("GCEO") and representative from the Management Committee ("MC") to provide clarification on the quarterly report, audits and operations issues. The attendance record of the AC members are shown as follows: -

MEMBERS OF THE AC	NUMBER OF MEETINGS ATTENDANCE
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim* – Chairman *(Independent Non-Executive Director)*	5/5
Yahya Bin Razali – Member *(Independent Non-Executive Director)*	5/5
Datuk Abdullah Bin Karim – Member *(Independent Non-Executive Chairman)*	5/5

*Member of the MIA.

2. ROLES AND RESPONSIBILITIES OF THE AC

The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the corporate accounting and practices for the Group and to ensure the adequacy and effectiveness of the Group's internal control measures.

Pursuant to Paragraph 15.11 of the MMLR, the Terms of Reference ("TOR") of the AC has been drawn up and approved by the Board and this is available for reference on the Company's website at www.uzmagroup.com. The terms of reference of the AC is reviewed regularly. Any revision or amendment shall form part of terms of reference and shall be considered reviewed or amended. The terms of reference of AC was last reviewed on 22 October 2020.

3. REVIEW OF PERFORMANCE OF THE AC

The performance and effectiveness of the AC is reviewed and assessed annually by the Board through its Nomination and Remuneration Committee which also include self and peer evaluation. For FY2020, the Board is satisfied that the AC has effectively discharged its duties, functions and responsibilities in accordance with the TOR of the AC.

4. WORK DONE BY THE AC DURING THE FINANCIAL YEAR

During FY2020, the AC has carried out its functions and duties in accordance with its TOR. The works carried out by the AC comprised the following:-

(1) Reviewed the Group's quarterly financial report through discussions with Management before recommending to the Board's for consideration and approval, focusing particularly on financial reporting issues, significant judgement made by the Management and unusual events as well as compliance with accounting standards and other legal requirements.

(2) Reviewed with the External Auditors:

- the audit planning memorandum, audit strategy and scope of work for the FY2020;
- the results of the annual audit and accounting issues arising from the audit, their audit report and Management Letter together with the management's responses to the findings of the External Auditors; and
- the impact of any changes to the accounting standards, the impact and adoption of new accounting standards on the Group's financial statements.

(3) Reviewed the provision of non-audit services by the External Auditor, the performance of the External Auditors and evaluated their suitability and independence before making recommendations to the Board on their re-appointment and recommendation.

(4) Received from the External Auditors their written assurance confirming their professional independence to the audit engagement.

(5) Reviewed the annual audited financial statements of the Group prior to submission to the Board for consideration and approval. The review focused particularly on changes of accounting policy, significant matters highlighted including key audit matters, financial reporting issues, significant and unusual events/transactions and how these matters are addressed and compliance with applicable approved accounting standards in Malaysia.

(6) Reviewed the related party transactions and any conflict of interest situation that may arise within the Group and to ensure that they are not more favourable to the related parties than those generally available to the public and complies with the MMLR.

(7) Reviewed the AC Report and Statement on Risk Management and Internal Control prior to submission to the Board for consideration and approval for inclusion in the annual report of the Group.

(8) Reported to the Board on matter discussed and addressed at the AC meetings.

(9) Reviewed with the Internal Auditor:-

- the annual internal audit plan for adequacy of scope and coverage on the activities of the Group. Audit areas were discussed and annual internal audit plan was approved for adoption; and
- the internal audit reports presented by the Internal Auditor on their findings and recommendations with respect to system and control weaknesses and management's responses to these recommendations and actions taken to improve the system of internal control and procedures.

(10) Reviewed the status of compliance of the Company with the Malaysian Code of Corporate Governance, which are within the scope and function of the AC, for the purposes of disclosure in the Statement of Corporate Governance pursuant to the requirement of paragraph 15.25 of MMLR.

(11) Reviewed and approved the TOR of AC aligned with the developments of MMLR and Malaysian Code on Corporate Governance.

(12) Conducted a private session with the External Auditors in the absence of the Executive Directors and Management in conjunction with the AC meeting.

5. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The internal audit function, which is outsourced to a professional services firm is an integral part of the assurance mechanism in ensuring the Group's system of internal control are adequate and effective. The Internal Auditors report directly to the AC and assist the AC to discharge its duties and responsibilities.

The Internal Auditor prepare and table the Internal Audit Plan for the consideration and approval of the AC. It conducts independent reviews of the key activities with the Group's operation based on the Internal Audit Plan approved by the AC. The Internal Auditor report to the AC twice yearly and provide the AC with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

Prior to the presentation of report to the AC, comments from the Management are obtained and incorporated into the internal audit findings and reports. The review conducted by the Internal Auditor during FY2020 are as follows-

Uzma Engineering Sdn. Bhd.

- Project Management (Product Solution Division)

Setegap Ventures Petroleum Sdn. Bhd.

- Project Management

Uzma Bhd.

- Security and IT Management

The costs incurred in maintaining the outsourced the internal audit function for the FY2020 is RM 46,000.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee ("NRC") of Uzma is pleased to present the NRC Report for FY2020

(a) Composition of the Nomination and Remuneration Committee ("NRC")

The NRC was established with the view or enhancing good-governance and to increase the efficiency and accountability of the Boards, ensuring that the decision-making processes are not only independent but are seen to be independent.

In line with its objective to ensure adequate checks and balances in the decision-making process, the NRC comprises exclusively of Independent Non-Executive Directors as follows: -

			No. of Meetings Attended
Chairman	:	Datuk Abdullah Bin Karim (*Independent Non-Executive Chairman*)	1/1
Member	:	Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim (*Independent Non-Executive Director*)	1/1
	:	Ikhlas Bin Abdul Rahman (*Independent Non-Executive Director*)	0/1

(b) Activities of the Nomination Committee ("NC")

The annual principal function of the NC is to assess and review the performance of the Board and the Board's committees and to consider the appropriate size and composition of the Board. The underlying policy in determining the size and composition of the Board is based on the consideration of the complexity and scale of operations of the Group, the Board balance and diversity, and Board's capacity to discharge its responsibilities effectively.

Following are the summary of the review activities and the criteria and processes carried out by the NC during FY2020: -

(1) Review of the Performance and Effectiveness of the Board, Board Committees and Individual Director

The Board recognises the importance of having a diverse board and further acknowledge that there is always room to improve the diversity range of the Board. Therefore, effectiveness of the Board and its Committees are assessed in myriad of areas including board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities, whilst the performance of the individual Directors are assessed in the area of contribution and interaction with peers, quality of the input of the Director and understanding of their respective roles and its diverse background with the goal to ensure checks and balances as well as good governance.

During the assessment exercise, the Directors will be given a performance evaluation sheet for Individual Director Self Evaluation, as well as Peer and Board Evaluation, to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. In view that the NC members are also members of the Remuneration Committee ("RC") and the Audit Committee ("AC"), the assessment of the effectiveness and performances of the NC, RC and the AC are carried out by the Board with the members of the respective committees abstained from deliberation.

(2) Annual Independence Assessment

On an annual basis, the NC will review the independence of the Independent Directors. Criteria for assessment of independence are primarily based on the requirements and definition of "independent director' as set out in the MMLR and the integrity and objectivity of the Independent Director in discharging his duties.

(3) Evaluation of Directors Standing for Re-election at the Forthcoming Annual General Meeting ("AGM")

In recommending the Directors for re-election to the Board, the NC would refer to the individual Directors' annual assessment result to ensure that feedback given and scoring achieved by the relevant directors who are retiring by rotation are satisfactory.

(c) Activities of the RC

The RC is responsible for developing the remuneration framework and remuneration packages of Directors and Key Senior Management above the internal threshold, and recommending the same to the Board for approval.

During the FY2020 up to the date of this Report, the RC, carried out the following reviews and discussions in discharging their functions and duties: -

(1) Reviewed and recommended the Directors' fees and benefits payable to Directors from 16 December 2019 until the Annual General Meeting in December 2020 to the Board for its recommendation for shareholders' approval.

(2) Reviewed, and recommended the proposal for employees' remuneration increment for FY2020 to match the current market rate and ensuring competitiveness in order retain and attract relevant talents for the Group.

(3) Reviewed and recommended the Terms of Reference ("TOR") of RC to be aligned with the MMLR and the Code to the Board for approval.

(4) Reviewed trainings attended by Directors to-date and assessed their further training needs and requirements.

All the above matters were subsequently brought to the attention of the Board of Directors for discussion and approval where necessary.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of audit fees incurred for statutory audit services rendered to the Group by the External Auditors for the financial year ended 30 June 2020 amounted to RM380,000 of which RM125,000 was incurred by Uzma Berhad.

The amount of the non-audit fees incurred for services rendered to Uzma Berhad by the External Auditors for the financial year ended 30 June 2020 amounted to RM12,000. The services were for review of Statement of Risk Management and Internal Control. There were no non-audit fees incurred by the subsidiaries.

2. MATERIAL CONTRACTS

There is no material contract entered into by the Company or its subsidiaries involving directors' and major shareholders' interest which was entered into since the end of the previous financial period and/or still subsisting at the end of the financial period.

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SECTION 7 : FINANCIAL STATEMENTS

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

CONTENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(15,609)	(3,589)
Attributable to:		
Owners of the Company	(22,881)	(3,589)
Non-controlling interests	7,272	-
	(15,609)	**(3,589)**

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 June 2020.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT (continued)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

Other than as disclosed in Notes 29 and 38 to the financial statements, in the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

DIRECTORS' REPORT (continued)

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Datuk Abdullah Bin Karim
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim
Dato' Hajjah Zurainah Binti Musa
Yahya Bin Razali
Ikhlas Bin Abdul Rahman
Dato' Kamarul Redzuan Bin Muhamed*
Dato' Che Nazahatuhisamudin Bin Che Haron*
Ahmad Yunus Bin Abd Talib*

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Andrew James Holmes
Chiam Cheng Hong (Appointed on 1 June 2020)
Datin Rozita Binti Mat Shah @ Hassan
Dato' Nasri Bin Nasrun
Faridahanim Binti Hamdan
Graham James John Brown
Liau Seng Tick
Maharon Bin Jadid
Mohd Asrul Bin Abdul Aziz
Mohd Shahrin Bin Saad
Mohd Zulhaizan Bin Mohd Noor
Muslim Bin Ahmad
Nik Hairi Bin Nik Sin
Peter Angus Knowles
Rizal Bin Mohd Arifin
Samrat Knowles
Tabratas Tharom
Bong Leong Sung (Resigned on 30 September 2019)
Goh Soh Koon (Resigned on 1 June 2020)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
Interests in the Company	At 1.7.2019	Bought	Sold	At 30.6.2020
Direct interests				
Dato' Che Nazahatuhisamudin Bin Che Haron	2,269,780	1,299,000	-	3,568,780
Ahmad Yunus Bin Abd Talib	103,000	-	-	103,000
Indirect interests				
Dato' Kamarul Redzuan Bin Muhamed*	109,326,674	1,200,000	-	110,526,674

* Shares held through company in which the director has substantial financial interests.

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Kamarul Redzuan Bin Muhamed is deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, there was no indemnity given to or insurance effected for any directors or officers of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 38 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditiors' remuneration are disclosed in Note 29 to the financial statements.

INDEMNITY TO AUDITORS

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT (continued)

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

DATO' KAMARUL REDZUAN BIN MUHAMED
Director

....

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON
Director

Date: 30 October 2020

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Group		
		30.6.2020 RM'000	30.6.2019 RM'000 (Restated)	1.7.2018 RM'000 (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	5	509,679	532,950	452,410
Right-of-use assets	6	20,419	-	-
Intangible assets	7	213,879	217,555	99,798
Investment in associates	9	12,048	10,751	9,331
Investment in joint ventures	10	-	-	62,386
Deferred tax assets	11	6,284	2,292	3,421
Trade and other receivables	12	6,477	6,561	80,109
Other investments	13	4,285	4,285	16,483
Total non-current assets		**773,071**	**774,394**	**723,938**
Current assets				
Inventories	14	41,142	30,710	18,186
Trade and other receivables	12	212,730	273,281	199,420
Contract assets	15	138,980	92,672	858
Other investments	13	1,398	1,141	143
Current tax assets		5,650	3,014	15,352
Deposits, cash and bank balances	16	144,444	63,612	60,127
Total current assets		**544,344**	**464,430**	**294,086**
TOTAL ASSETS		**1,317,415**	**1,238,824**	**1,018,024**

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 (continued)

	Note	Group		
		30.6.2020 RM'000	30.6.2019 RM'000 (Restated)	1.7.2018 RM'000 (Restated)
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	17	290,069	290,069	194,926
Share premium		-	-	95,143
Foreign currency translation reserve	19	50,642	42,124	35,971
Capital reserve	20	426	426	426
Merger deficit	21	(29,700)	(29,700)	(29,700)
Fair value reserve	22	(6,000)	(6,000)	-
Retained earnings		151,637	205,439	177,029
		457,074	502,358	473,795
Non-controlling interests		33,014	52,950	20,049
TOTAL EQUITY		**490,088**	**555,308**	**493,844**
Non-current liabilities				
Loans and borrowings	23	380,183	405,050	240,663
Lease liabilities	24	9,915	-	-
Deferred tax liabilities	11	17,985	18,846	7,689
Trade and other payables	25	3,776	3,646	-
Post employment benefit liabilities	26	2,932	748	918
Deferred income	27	7,467	-	-
Total non-current liabilities		**422,258**	**428,290**	**249,270**
Current liabilities				
Loans and borrowings	23	195,205	122,633	144,050
Lease liabilities	24	6,870	-	-
Trade and other payables	25	202,247	132,274	129,153
Current tax liabilities		747	319	1,707
Total current liabilities		**405,069**	**255,226**	**274,910**
TOTAL LIABILITIES		**827,327**	**683,516**	**524,180**
TOTAL EQUITY AND LIABILITIES		**1,317,415**	**1,238,824**	**1,018,024**

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020 (continued)

	Note	Company 2020 RM'000	Company 2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,653	1,126
Right-of-use assets	6	285	-
Investment in subsidiaries	8	319,043	233,329
Investment in associates	9	4,392	4,392
Deferred tax assets	11	107	156
Trade and other receivables	12	3,086	4,891
Total non-current assets		**328,566**	**243,894**
Current assets			
Trade and other receivables	12	99,010	90,601
Other investments	13	136	132
Current tax assets		146	164
Deposits, cash and bank balances	16	10,354	13
Total current assets		**109,646**	**90,910**
TOTAL ASSETS		**438,212**	**334,804**
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	17	290,069	290,069
Retained earnings		3,652	7,241
TOTAL EQUITY		**293,721**	**297,310**
Non-current liabilities			
Loans and borrowings	23	91,930	30,000
Lease liabilities	24	230	-
Total non-current liabilities		**92,160**	**30,000**
Current liabilities			
Loans and borrowings	23	43,786	6,000
Lease liabilities	24	63	-
Trade and other payables	25	8,482	1,494
Total current liabilities		**52,331**	**7,494**
TOTAL LIABILITIES		**144,491**	**37,494**
TOTAL EQUITY AND LIABILITIES		**438,212**	**334,804**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group 2020 RM'000	Group 2019 RM'000 (Restated)	Company 2020 RM'000	Company 2019 RM'000
Revenue	28	552,431	446,499	21,280	21,033
Cost of sales		(382,427)	(298,074)	-	-
Gross profit		**170,004**	**148,425**	**21,280**	**21,033**
Other income		8,806	89,900	2,135	2,774
Administrative expenses		(91,093)	(76,592)	(21,529)	(24,217)
Net impairment losses of financial assets		(1,341)	(41,159)	-	-
Impairment loss on property, plant and equipment		(21,749)	-	-	-
Other operating expenses		(45,162)	(54,701)	(468)	(27)
		(159,345)	(172,452)	(21,997)	(24,244)
Profit/(Loss) from operations		**19,465**	**65,873**	**1,418**	**(437)**
Finance costs		(30,556)	(29,389)	(4,463)	(1,061)
Share of results of associates, net of tax		1,297	1,620	-	-
Share of results of a joint venture, net of tax		-	3,519	-	-
(Loss)/Profit before tax	29	**(9,794)**	**41,623**	**(3,045)**	**(1,498)**
Tax (expense)/credit	30	(5,815)	(8,532)	(544)	766
(Loss)/Profit for the financial year		**(15,609)**	**33,091**	**(3,589)**	**(732)**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000 (Restated)	Company 2020 RM'000	Company 2019 RM'000
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Actuarial (loss)/gain from employee benefits		(155)	23	-	-
Fair value loss of equity instrument designated at fair value through other comprehensive income		-	(6,000)	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences in translation of foreign operations		8,796	6,447	-	-
Other comprehensive income for the financial year		**8,641**	**470**	**-**	**-**
Total comprehensive (loss)/ income for the financial year		**(6,968)**	**33,561**	**(3,589)**	**(732)**
(Loss)/Profit attributable to:					
Owners of the Company		(22,881)	28,389	(3,589)	(732)
Non-controlling interests		7,272	4,702	-	-
		(15,609)	33,091	(3,589)	(732)
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(14,521)	28,563	(3,589)	(732)
Non-controlling interests		7,553	4,998	-	-
		(6,968)	33,561	(3,589)	(732)
(Loss)/Earnings per share (sen):					
- Basic and diluted	31	(7.15)	8.87		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2020

	Note	Share capital RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value rerserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company									
Group											
At 30 June 2018		**194,926**	**95,143**	**21,937**	**426**	**(29,700)**	**-**	**177,029**	**459,761**	**20,049**	**479,810**
Prior year adjustment	40	-	-	14,034	-	-	-	-	14,034	-	14,034
At 1 July 2018, restated		**194,926**	**95,143**	**35,971**	**426**	**(29,700)**	**-**	**177,029**	**473,795**	**20,049**	**493,844**
Total comprehensive income for the financial year											
Profit for the financial year, restated		-	-	-	-	-	-	28,389	28,389	4,702	33,091
Actuarial gain from employee benefits	26	-	-	-	-	-	-	21	21	2	23
Fair value loss of equity instrument designated at fair value through other comprehensive income		-	-	-	-	-	(6,000)	-	(6,000)	-	(6,000)
Foreign currency translation reserve, restated		-	-	6,153	-	-	-	-	6,153	294	6,447
Total comprehensive income, restated		-	-	6,153	-	-	(6,000)	28,410	28,563	4,998	33,561

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

	Note	Share capital RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value rerserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company									
Group (continued)											
Transactions with owners											
Non-controlling interests arising from acquisition of subsidiaries, restated	8(a)	-	-	-	-	-	-	-	-	28,773	28,773
Dividend paid by the subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(870)	(870)
Total transactions with owners		-	-	-	-	-	-	-	-	27,903	27,903
Transfer of share premium to share capital^		95,143	(95,143)	-	-	-	-	-	-	-	-
At 30 June 2019, restated		**290,069**	**-**	**42,124**	**426**	**(29,700)**	**(6,000)**	**205,439**	**502,358**	**52,950**	**555,308**

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

	Note	Share capital RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value rerserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company								
Group										
At 1 July 2019, restated		290,069	42,124	426	(29,700)	(6,000)	205,439	502,358	52,950	555,308
Total comprehensive loss for the financial year										
Loss for the financial year		-	-	-	-	-	(22,881)	(22,881)	7,272	(15,609)
Actuarial loss from employee benefits	26	-	-	-	-	-	(159)	(159)	4	(155)
Foreign currency translation reserve		-	8,518	-	-	-	-	8,518	278	8,796
Total comprehensive loss		-	8,518	-	-	-	(23,040)	(14,522)	7,554	(6,968)
Transactions with owners										
Changes in ownership interests in a subsidiary	8(b)	-	-	-	-	-	(30,762)	(30,762)	(22,038)	(52,800)
Dividend paid by the subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(5,452)	(5,452)
Total transactions with owners		-	-	-	-	-	(30,762)	(30,762)	(27,490)	(58,252)
At 30 June 2020		**290,069**	**50,642**	**426**	**(29,700)**	**(6,000)**	**151,637**	**457,074**	**33,014**	**490,088**

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

	Attributable to owners of the Company			
	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
Company				
At 1 July 2018	**194,926**	**95,143**	**7,973**	**298,042**
Total comprehensive loss for the financial year				
Loss for the financial year	-	-	(732)	(732)
Total comprehensive loss	-	-	(732)	(732)
Transfer of share premium to share capital^	95,143	(95,143)	-	-
At 30 June 2019	**290,069**	**-**	**7,241**	**297,310**
Total comprehensive loss for the financial year				
Loss for the financial year	-	-	(3,589)	(3,589)
Total comprehensive loss	-	-	(3,589)	(3,589)
At 30 June 2020	**290,069**	-	**3,652**	**293,721**

^ Refer to Notes 17 and 18 for details.

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group 2020 RM'000	Group 2019 RM'000 (Restated)	Company 2020 RM'000	Company 2019 RM'000 (Restated)
Cash flows from operating activities					
(Loss)/Profit before tax		(9,794)	41,623	(3,045)	(1,498)
Adjustments for:					
Amortisation of intangible assets	7	5,439	3,623	-	-
Amortisation of deferred income	27	(1,281)	-	-	-
Accretion of interest on:					
- other receivables		-	(4,490)	-	-
- trade payable		-	(487)	-	-
Depreciation of property, plant and equipment	5	46,380	40,301	409	27
Depreciation of right-of-use assets	6	3,888	-	57	-
Dividend income		(347)	-	(4,200)	(2,030)
Fair value loss on quoted equity securities		7	12	-	-
Gain on disposal of right-of-use assets		(224)	-	-	-
Gain on derecognition of a joint venture	8	-	(56,573)	-	-
(Gain)/Loss on disposal of property, plant and equipment		(1,053)	1,527	-	-
Impairment loss on property, plant and equipment	5	21,749	-	-	-
Impairment losses on:					
- trade receivables	12	302	16,563	-	-
- other receivables	12	1,039	24,596	-	-
Interest expense		30,556	29,389	4,463	1,061
Inventories written down	14	82	244	-	-
Inventories written off	14	-	87	-	-
Inventories written back	14	(288)	(59)	-	-
Interest income		(1,299)	(1,165)	(2,135)	(2,774)
Net unrealised loss/(gain) on foreign exchange		2,272	(7,354)	-	-
Share of results of associates	9	(1,297)	(1,620)	-	-
Share of results of a joint venture	10	-	(3,519)	-	-
Property, plant and equipment written off	5	2,010	49	-	-
Provision for post employment benefits	26	1,939	124	-	-
Operating profit/(loss) before working capital changes, balances carried forward		100,080	82,871	(4,451)	(5,214)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000 (Restated)	Company 2020 RM'000	Company 2019 RM'000 (Restated)
Operating profit/(loss) before working capital changes, balances brought forward		100,080	82,871	(4,451)	(5,214)
Contract assets		(46,308)	(33,446)	-	-
Inventories		(9,180)	(3,564)	-	-
Receivables		64,546	(27,237)	(1,038)	(260)
Payables		64,232	(7,796)	742	(152)
Net cash generated from/(used in) operations		173,370	10,828	(4,747)	(5,626)
Interest paid		(250)	(1,130)	(4,463)	(1,061)
Tax (paid)/refunded		(12,471)	1,857	(477)	(631)
Net cash from/(used in) operating activities		160,649	11,555	(9,687)	(7,318)
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	8	-	(31,312)	-	-
Acquisition additional interests in a subsidiary	8(b)	(52,800)	-	-	-
Advances to an associate		(5)		(5)	-
Repayment from a joint venture		-	-	-	192
Advances to subsidiaries		-	-	(91,275)	(32,895)
Change in pledged deposits	16	(18,794)	10,753	(10,330)	-
Dividend received		347	-	4,200	2,030
Interest received		1,299	1,165	2,135	2,774
Placement of fixed deposits	16	(3,072)	(5,015)	-	-
Proceeds from disposal of property, plant and equipment		3,285	302,793	-	-
Proceeds from disposal of right-of-use assets		699	-	-	-
Net (increase)/decrease of other investments		(264)	2,590	(4)	(5)
Purchase of property, plant and equipment	(a)	(66,497)	(355,562)	(936)	(1,082)
Net cash used in investing activities		(135,802)	(74,588)	(96,215)	(28,986)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

	Note	Group 2020 RM'000	Group 2019 RM'000 (Restated)	Company 2020 RM'000	Company 2019 RM'000 (Restated)
Cash flows from financing activities	(b)				
Interest paid		(30,436)	(28,259)	-	-
Repayments to associates		-	(2,228)	-	-
Proceeds from government grant	27	8,748	-	-	-
Net payments of lease liabilities		(4,248)	-	(49)	-
Net repayment of finance lease liabilities		-	(2,497)	-	-
Net drawdown/(repayment) of revolving credit		30,754	(3,322)	30,286	-
Net (repayment)/drawdown of invoice financing		(8,814)	4,011	-	-
Net drawdown/(repayment) of term loans		18,389	(131,232)	55,930	36,000
Net drawdown of medium term notes		414	247,408	-	-
Advances from a director		6,246	306	6,246	306
Dividends paid to non-controlling interests by subsidiaries		(5,452)	(870)	-	-
Net cash from financing activities		15,601	83,317	92,413	36,306
Net increase/(decrease) in cash and cash equivalents		40,448	20,284	(13,489)	2
Cash and cash equivalents at the beginning of the financial year		**23,160**	**5,451**	**13**	**11**
Effect of exchange rate changes on cash and cash equivalents		5,735	(2,575)	-	-
Cash and cash equivalents at the end of the financial year	16	**69,343**	**23,160**	**(13,476)**	**13**

(a) Purchase of property, plant and equipment:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash payments on purchase of property, plant and equipment	**66,497**	**355,562**	**936**	**1,082**

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

(b) Reconciliations of liabilities arising from financing activities:

Group	30.6.2019 RM'000	Adjustment on initial application of MFRS 16 RM'000	1.7.2019 RM'000	Cash flows RM'000	Non-cash: Acquisition of new leases RM'000	Non-cash: Foreign exchange movement RM'000	30.6.2020 RM'000
Term loans	209,579	-	209,579	18,389	-	7,518	235,486
Finance lease liabilities	13,339	(13,339)	-	-	-	-	-
Lease liabilities	-	16,549	16,549	(4,248)	4,484	-	16,785
Revolving credit	21,603	-	21,603	30,754	-	-	52,357
Invoice financing	14,262	-	14,262	(8,814)	-	-	5,448
Medium term notes	247,408	-	247,408	414	-	-	247,822
Amount owing to a director	306	-	306	6,246	-	-	6,552
	506,497	**3,210**	**509,707**	**42,741**	**4,484**	**7,518**	**564,450**

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (continued)

(b) Reconciliations of liabilities arising from financing activities: (continued)

Company	1.7.2019 RM'000	Acquisition of new leases RM'000	Cash flows RM'000	30.6.2020 RM'000
Term loans	36,000	-	55,930	91,930
Lease liabilities	-	342	(49)	293
Revolving credit	-	-	30,286	30,286
Amount owing to a director	306	-	6,246	6,552
	36,306	**342**	**92,413**	**129,061**

Group	1.7.2018 RM'000	Cash flows RM'000	Non-cash: Acquisition RM'000	Non-cash: Foreign exchange movement RM'000	30.6.2019 RM'000
Term loans	308,200	(131,232)	23,926	8,685	209,579
Finance lease liabilities	15,710	(2,497)	126	-	13,339
Revolving credit	24,925	(3,322)	-	-	21,603
Invoice financing	10,251	4,011	-	-	14,262
Medium term notes	-	247,408	-	-	247,408
Amounts owing to associates	2,228	(2,228)	-	-	-
Amount owing to a director	-	306	-	-	306
	361,314	**112,446**	**24,052**	**8,685**	**506,497**

Company	1.7.2018 RM'000	Cash flows RM'000	Acquisition RM'000	Foreign exchange movement RM'000	30.6.2019 RM'000
Term loans	-	36,000	-	-	36,000
Amount owing to a director	-	306	-	-	306
	-	**36,306**	**-**	**-**	**36,306**

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 12th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

The principal place of business of the Company is located at Uzma Tower, No.2, Jalan PJU 8/8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 October 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

<u>New MFRS</u>

MFRS 16	Leases

<u>Amendments/Improvements to MFRSs</u>

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

<u>New IC Int</u>

IC Int 23	Uncertainty over Income Tax Treatments

The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below.

MFRS 16 Leases

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 *Leases* and IC Int 4 *Determining whether an Arrangement contains a Lease.*

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

***MFRS 16 Leases* (continued)**

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statements of financial position except for short-term and low value asset leases.

The Group and the Company have applied MFRS 16 using the modified retrospective approach with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application (i.e. 1 July 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

Definition of a lease

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group and the Company have elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 July 2019. Existing lease contracts that are still effective on 1 July 2019 will be accounted for as lease contracts under MFRS 16.

Impact of the adoption of MFRS 16

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group and the Company have complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

(i) Classification and measurement

As a lessee, the Group and the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group and the Company.

On adoption of MFRS 16, for most all its leases other than short-term and low value asset leases, the Group and the Company:

- recognised the right-of-use assets and lease liabilities in the statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the statements of cash flows for the current financial year.

<u>For leases that were classified as operating lease under MFRS 117</u>

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's and the Company's incremental borrowing rate at the date of initial application.

The right-of-use assets were measured at an amount equal to the lease liability.

The Group and the Company also applied the following practical expedients wherein the Group and the Company:

(a) applied a single discount rate to a portfolio of leases with similar characteristics;

(b) applied the exemption not to recognise right-to-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application;

(c) excluded initial direct costs from measuring the right-of-use assets at the date of initial application; and

(d) used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

The Group and the Company recognised the carrying amount of the lease assets and finance lease liabilities under MFRS 117 immediately before transition as the carrying amount of the right-of-use assets and the lease liabilities at the date of initial application. The measurement requirements of MFRS 16 are applied after that date.

(ii) Short-term leases and low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases of office equipment, premises, office, warehouses, forklift and cranes, motor vehicles, and car park that have a lease term of 12 months or less and leases of low value assets based on the value of the underlying asset when new, such as office equipment. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. BASIS OF PREPARATION (continued)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

***MFRS 16 Leases* (continued)**

***Impact of the adoption of MFRS 16* (continued)**

The effects of adoption of MFRS 16 as at 1 July 2019 (increase/(decrease)) are as follows:

	Group Increased/ (Decreased) RM'000
Assets	
Non-current assets	
Property, plant and equipment	(17,058)
Right-of-use assets	20,268
Total non-current assets	**3,210**
Non-current liabilities	
Loans and borrowings	(10,451)
Lease liabilities	11,973
Total non-current liabilities	**1,522**
Current liabilities	
Loans and borrowings	(2,888)
Lease liabilities	4,576
Total current liabilities	1,688
Total liabilities	**3,210**

The incremental borrowing rates applied to lease liabilities recognised in the statements of financial position on 1 July 2019 are ranging from 2.42% to 7.60%.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments disclosed applying MFRS 117 as of 30 June 2019, as follows:

	Group RM'000
Operating lease commitments as at 30 June 2019	-
Add:	
Commitments relating to lease previously classified as finance lease	13,339
Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	3,210
Lease liabilities as at 1 July 2019	**16,549**

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
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/ 1 January 2023#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
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^/
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 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
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 2020
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020
** Earlier application is permitted, including in financial statements not authorised for issue at 28 May 2020*
 # Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. BASIS OF PREPARATION (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Amendments to MFRS 3 Business Combinations

The Amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The Amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The Amendments also updated by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by MASB in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendment to MFRS 16 Leases

The Amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021.

Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error

The Amendments refine the definition by including 'obscuring information' in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the Conceptual Framework for Financial Reporting. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest RM'000, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2. BASIS OF PREPARATION (continued)

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7(a).

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture, or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group and the Company have significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group and the Company cease to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's and the Company's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures.*

An arrangement established through an unincorporated legal entity which enables the parties to have rights to the asset and obligations for the associated liabilities would be considered a joint operation.

The Group has assessed the nature of its joint arrangement and determined them to be a joint venture and accounted for its interest in the joint venture using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(b).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Foreign currency transactions and operations (continued)

(a) Translation of foreign currency transactions (continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.10(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through profit or loss (FVPL)**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

<u>Equity instruments</u>

The Group subsequently measures all equity investments at fair value. Upon initial recognition, the Group can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

<u>Financial liabilities at amortised cost</u>

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liablities are derecognised and through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or

(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment (other than freehold land) are measured at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is stated at cost less any impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on the straight-line basis by allocating their depreciable amounts over their remaining useful lives. The principal depreciation rates are as follows:

Freehold properties	2%
Leasehold properties	Over the lease period
Leasehold improvement	5% to 20%
Operating equipment	5% to 33 1/3%
Returnable shipping containers	10%
Furniture, fittings and renovation	10% to 20%
Motor vehicles	20%
Office equipment	10% to 33 1/3%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases

(a) Definition of lease

Accounting policies applied from 1 July 2019

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

Accounting policies applied until 30 June 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(b) Lessee accounting

Accounting policies applied from 1 July 2019

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets in Note 6 and lease liabilities in Note 24.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Lessee accounting (continued)

Accounting policies applied from 1 July 2019 (continued)

Lease liability (continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Accounting policies applied until 30 June 2019

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group and the Company do not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

In respect of equity-accounted associates and joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset where there is objective evidence of impairment.

(b) Other intangible assets

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the useful lives of the intangible assets of the Group as follows:

	Useful lives
Customer base	7 years
Technical know-how	10 years
Customer contracts	1 to 5 years
Rodless Pump System	10 years

Amortisation methods and useful lives are reviewed at the end of each reporting period and adjusted, if appropriate.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is determined on the weighted average cost method and comprise the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.10 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income, contract assets and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.11 Contract assets

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a).

3.12 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

Certain subsidiaries of the Company operate an unfunded defined benefit scheme. Each subsidiary's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees would have earned in return for their service in the current and prior financial years, that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Employee benefits (continued)

(c) Defined benefit plans (continued)

The calculation is performed by an actuarist using the projected unit credit method. In the intervening years, the calculation may be updated by the actuarist based on approximations unless material changes in demographics or business processes have been identified that would cause doubt in the application of approximations, in which case detailed analysis would be necessary at the interim date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding amounts included in net interest on the net defined benefit liability) and the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets, if any.

The Group recognises the following costs in profit or loss:
- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.15 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

(a) Sales of goods

Revenue is recognised at a point in time when control of the goods is transferred to the customers, generally on the delivery of goods.

(b) Rendering of services

Revenue is recognised at a point in time upon services rendered and customer's acceptance.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(f) Management fees income

Revenue is recognised at a point in time when services are rendered.

3.16 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Where the grant relates to an asset, it is recognised as deferred income in the statements of financial position and transferred to profit or loss over the expected useful life of the related asset. Where the grant relates to an expense item, it is recognised in profit or loss, under the heading of "other income", on systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

The benefit derived from a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.18 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or recoverable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.18 Income tax (continued)

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.21 Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Business combination

In the previous financial year ended 30 June 2019, the Group acquired Setegap Ventures Petroleum Sdn. Bhd. ("SVP") and Uzma Artificial Lift Sdn. Bhd. ("UAL"), and assessed that the acquisition of SVP and UAL qualifies as a business combination and an acquisition of asset respectively by applying the definition in MFRS 3.

In accounting for the SVP and UAL under MFRS 3, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities assumed is based on directors' judgement. Any changes in these assumptions will have an impact on the carrying amounts of the acquired assets and liabilities assumed.

The fair values of the acquired assets and liabilities assumed are disclosed in Note 8(a).

(b) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including near-term impact from COVID-19, forecast growth rates and profit margin. The economic uncertainties from COVID-19 pandemic may result in higher levels of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 7.

(c) Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are dependent on the number of days that a trade receivable is past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The forward-looking estimates include the possible impact of the COVID-19 pandemic on risk of default and expected loss rate of financial assets.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the impairment losses on the Group's trade receivables are disclosed in Note 33(a).

(d) Impairment of investment in subsidiaries

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amounts of investment in subsidiaries may not be recoverable i.e. the carrying amounts of investment in subsidiaries are more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Company uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including near-term impact from COVID-19, future sales, profit margins and operating expenses. The economic uncertainties from COVID-19 pandemic may result in higher levels of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Company's financial positions and results if the actual cash flows are less than expected.

The carrying amounts of the investment in subsidiaries are disclosed in Note 8.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(e) Impairment of amounts owing by subsidiaries

The Company performs impairment review on the amounts owing by subsidiaries whenever the events or changes in circumstances indicate that the amounts by subsidiaries may not be recoverable in accordance with its accounting policy.

Significant judgement is required over assumptions about risk of default and expected loss rate. In making the assumptions, the Company selected inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

The carrying amounts of amounts owing by subsidiaries are disclosed in Note 12.

(f) Impairment of property, plant and equipment

The Group assesses impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable i.e. the carrying amount of the property, plant and equipment is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flows projections, including near-term impact from COVID-19, forecast growth rates and profit margin. The economic uncertainties from COVID-19 pandemic may result in higher levels of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

The carrying amounts of the property, plant and equipment is disclosed in Note 5.

5. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold properties RM'000	Leasehold properties RM'000	Leasehold improvement RM'000	Operating equipment RM'000	Returnable shipping containers RM'000	Furniture, fittings and renovation RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in progress RM'000	Total RM'000
2020											
Cost											
At 30 June 2019		8,747	39,127	696	574,506	963	13,183	11,920	18,580	12,368	680,090
- Effect of adoption of MFRS 16	6	-	(5,973)	-	(10,882)	-	-	(3,192)	-	(550)	(20,597)
Adjusted balance at 1 July 2019		8,747	33,154	696	563,624	963	13,183	8,728	18,580	11,818	659,493
Additions		1,772	-	-	35,811	-	237	199	2,173	26,305	66,497
Disposals		-	-	-	(10,667)	-	-	-	-	-	(10,667)
Written off		-	-	-	(3,495)	-	-	-	-	-	(3,495)
Reclassifications		-	-	-	19,705	-	-	-	200	(19,905)	-
Transfer to inventories		-	-	-	(1,696)	-	-	-	-	-	(1,696)
Adjustments		-	-	-	(168)	-	-	-	8	(775)	(935)
Exchange differences		1,293	-	20	3,480	-	686	195	(1,343)	-	4,331
At 30 June 2020		**11,812**	**33,154**	**716**	**606,594**	**963**	**14,106**	**9,122**	**19,618**	**17,443**	**713,528**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Note	Freehold properties RM'000	Leasehold properties RM'000	Leasehold improvement RM'000	Operating equipment RM'000	Returnable shipping containers RM'000	Furniture, fittings and renovation RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in progress RM'000	Total RM'000
Accumulated depreciation											
At 30 June 2019		685	2,618	294	110,484	502	9,788	9,574	13,195	-	147,140
- Effect of adoption of MFRS 16	6	-	(323)	-	(1,252)	-	-	(1,964)	-	-	(3,539)
Adjusted balance at 1 July 2019		685	2,295	294	109,232	502	9,788	7,610	13,195	-	143,601
Depreciation charge for the financial year	29	228	666	49	41,461	99	1,443	350	2,084	-	46,380
Disposals		-	-	-	(8,435)	-	-	-	-	-	(8,435)
Written off		-	-	-	(1,485)	-	-	-	-	-	(1,485)
Transfer to inventories		-	-	-	(650)	-	-	-	-	-	(650)
Exchange differences		456	-	10	2,391	-	332	188	(916)	-	2,461
At 30 June 2020		**1 ,369**	**2,961**	**353**	**142,514**	**601**	**11,563**	**8,148**	**14,363**	**-**	**181,872**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Note	Freehold properties RM'000	Leasehold properties RM'000	Leasehold improvement RM'000	Operating equipment RM'000	Returnable shipping containers RM'000	Furniture, fittings and renovation RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in progress RM'000	Total RM'000
Accumulated impairment											
At 1 July 2019		-	-	-	-	-	-	-	-	-	-
Impairment loss for the financial year	29	772	-	-	20,977	-	-	-	-	-	21,749
Exchange differences		-	-	-	228	-	-	-	-	-	228
At 30 June 2020		772	-	-	21,205	-	-	-	-	-	21,977
Carrying amount											
At 30 June 2020		**9,671**	**30,193**	**363**	**442,875**	**362**	**2,543**	**974**	**5,255**	**17,443**	**509,679**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Note	Freehold properties RM'000	Leasehold properties RM'000	Leasehold improvement RM'000	Operating equipment RM'000	Returnable shipping containers RM'000	Furniture, fittings and renovation RM'000	Motor vehicles RM'000	Office equipment RM'000	Capital work-in progress RM'000	Total RM'000
2019											
Cost											
At 1 July 2018		8,257	29,973	1,501	504,835	956	11,346	11,514	15,670	-	584,052
Additions		-	-	-	338,516	7	33	259	1,935	14,812	355,562
Disposals		-	-	-	(333,363)	-	(14)	(657)	(77)	-	(334,211)
Written off		-	-	(919)	(68)	-	(155)	-	(643)	-	(1,785)
Reclassifications		-	-	-	4,195	-	74	12	23	(4,304)	-
Acquisition of a subsidiary	8(a)	-	9,154	-	46,153	-	1,665	121	1,417	1,903	60,413
Exchange differences		490	-	114	14,338	-	234	671	255	(43)	16,059
At 30 June 2019		**8,747**	**39,127**	**696**	**574,506**	**963**	**13,183**	**11,920**	**18,580**	**12,368**	**680,090**
Accumulated depreciation											
At 1 July 2018		551	920	1,038	100,824	402	7,860	8,210	11,837	-	131,642
Depreciation charge for the financial year	29	110	1,698	105	33,075	100	1,965	1,376	1,872	-	40,301
Disposals		-	-	-	(29,178)	-	(14)	(626)	(73)	-	(29,891)
Written off		-	-	(919)	(27)	-	(155)	-	(635)	-	(1,736)
Exchange differences		24	-	70	5,790	-	132	614	194	-	6,824
At 30 June 2019		**685**	**2,618**	**294**	**110,484**	**502**	**9,788**	**9,574**	**13,195**	**-**	**147,140**
Carrying amount											
At 30 June 2019		**8,062**	**36,509**	**402**	**464,022**	**461**	**3,395**	**2,346**	**5,385**	**12,368**	**532,950**

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Note	Office equipment RM'000	Equipment RM'000	Total RM'000
Cost				
At 1 July 2018		75	-	75
Additions		1,082	-	1,082
At 30 June 2019		1,157	-	1,157
Additions		915	21	936
At 30 June 2020		**2,072**	**21**	**2,093**
Accumulated depreciation				
At 1 July 2018		4	-	4
Depreciation charge for the financial year	29	27	-	27
At 30 June 2019		31	-	31
Depreciation charge for the financial year	29	405	4	409
At 30 June 2020		**436**	**4**	**440**
Carrying amount				
At 30 June 2019		**1,126**	**-**	**1,126**
At 30 June 2020		**1,636**	**17**	**1,653**

(a) The carrying amount of property, plant and equipment of the Group held under finance lease arrangements as at end of the financial year are as follows:

	Group	
	2020 RM'000	2019 RM'000
Motor vehicles	-	1,348
Operating equipment	-	9,631
	-	**10,979**

(b) The carrying amount of property, plant and equipment of the Group pledged to the licensed banks for credit facilities granted to subsidiaries are as follows (Note 23):

	Group	
	2020 RM'000	2019 RM'000
Freehold properties	8,088	8,062
Leasehold properties	30,193	36,509
Operating equipment	285,214	314,838
	323,495	**359,409**

(c) During the financial year, an impairment loss of RM21,749,000 was recognised in profit or loss under other operating expenses, representing the impairment of a freehold property and certain operating equipment in the services segment that have lower market value and lower utilisation rate respectively, in view of the significant adverse change in business climate arising from COVID-19 pandemic.

6. RIGHT-OF-USE ASSETS

The Group and the Company lease several assets including leasehold land, operating equipment, motor vehicles, office equipment, offices and warehouse and yards and premises.

Information about leases for which the Group or the Company is lessee is presented below:

Group	Note	Leasehold land RM'000	Operating equipment RM'000	Motor vehicles RM'000	Office equipment RM'000	Offices and warehouses RM'000	Yards and premises RM'000	Total RM'000
Cost								
At 30 June 2019		-	-	-	-	-	-	-
Effects of adoption of MFRS 16 *Leases*		5,973	10,882	3,980	-	1,390	1,582	23,807
At 1 July 2019		5,973	10,882	3,980	-	1,390	1,582	23,807
Additions		-	-	41	342	1,936	2,165	4,484
Disposals		-	(620)	-	-	-	-	(620)
Exchange differences		-	-	6	-	-	43	49
At 30 June 2020		**5,973**	**10,262**	**4,027**	**342**	**3,326**	**3,790**	**27,720**
Accumulated depreciation								
At 30 June 2019		-	-	-	-	-	-	-
Effects of adoption of MFRS 16 *Leases*		323	1,252	1,964	-	-	-	3,539
At 1 July 2019		323	1,252	1,964	-	-	-	3,539
Depreciation for the financial year	29	119	1,160	495	57	1,217	840	3,888
Disposals		-	(145)	-	-	-	-	(145)
Exchange differences		-	-	6	-	-	13	19
At 30 June 2020		**442**	**2,267**	**2,465**	**57**	**1,217**	**853**	**7,301**
Carrying amount								
At 30 June 2020		**5,531**	**7,995**	**1,562**	**285**	**2,109**	**2,937**	**20,419**

6. RIGHT-OF-USE ASSETS (continued)

Company	Note	Office equipment RM'000
Cost		
At 1 July 2019		-
Additions		342
At 30 June 2020		**342**
Accumulated depreciation		
At 1 July 2019		-
Depreciation for the financial year	29	57
At 30 June 2020		**57**
Carrying amount		
At 30 June 2020		**285**

(a) The Group mainly leases offices and warehouses and yards and premises (as lessee). The leases for offices and warehouses and yards and premises generally have lease terms between 2 to 12 years.

(b) The Group and the Company also leases motor vehicles, operating equipment and office equipment with lease term of 2 to 9 years and have options to purchase the assets at the end of the contract term.

(c) The remaining useful life of leasehold land is 46 years.

(d) The carrying amount of right-of-use assets of the Group pledged to the licensed banks for credit facilities granted to subsidiaries is as follows (Note 23):

	Group 2020 RM'000
Leasehold land	**5,531**

7. INTANGIBLE ASSETS

Group	Goodwill RM'000	Other intangible assets RM'000	Total RM'000
Cost			
At 30 June 2018	61,368	28,789	90,157
Prior year adjustment (Note 40)	14,034	-	14,034
Restated balance at 1 July 2018	75,402	28,789	104,191
Acquisition of subsidiaries (Note 8(a))	100,520	19,311	119,831
Exchange differences	1,549	-	1,549
Restated balance at 30 June 2019	177,471	48,100	225,571
Exchange differences	2,403	(350)	2,053
At 30 June 2020	179,874	47,750	227,624
Accumulated amortisation			
At 30 June 2018	-	4,393	4,393
Prior year adjustment	-	-	-
Restated balance at 1 July 2018	-	4,393	4 ,393
Amortisation charge for the financial year	-	3,623	3,623
Restated balance at 30 June 2019	-	8,016	8,016
Amortisation charge for the financial year	-	5,439	5,439
Exchange differences	-	290	290
At 30 June 2020	**-**	**13,745**	**13,745**
Net carrying amount			
At 1 July 2018, restated	75,402	24,396	99,798
At 30 June 2019, restated	177,471	40,084	217,555
At 30 June 2020	179,874	34,005	213,879

(a) Goodwill

During the previous financial year, the Company's wholly-owned subsidiary, Tenggara Analisis Sdn. Bhd. ("TASB") had acquired additional equity interests in Setegap Ventures Petroleum Sdn. Bhd. ("SVP") and a new subsidiary, Uzma Artificial Lift Sdn. Bhd. ("UAL") as disclosed in Note 8(a). The acquisition of the subsidiaries resulted in the recognition of provisional goodwill of RM115,845,000 in the previous financial year. During the financial year, the Group had completed the purchase price allocation on the identified assets and liabilities of SVP and UAL, and retrospective adjustments were made to the provisional goodwill as disclosed in Note 8(a).

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Group		
	30.6.2020 RM'000	30.6.2019 RM'000 (Restated)	1.7.2018 RM'000 (Restated)
Services - CGU 1	169,601	167,198	65,129
Trading - CGU 2	10,273	10,273	10,273
	179,874	**177,471**	**75,402**

7. INTANGIBLE ASSETS (continued)

(a) Goodwill (continued)

CGU 1

Based on the sensitivity analysis performed, the directors believe that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts. The estimated recoverable amount of the CGU 1 exceeds the carrying amount of the CGU 1. As a result of the analysis, the directors did not identify an impairment for this CGU.

CGU 2

Based on the sensitivity analysis performed, the directors believe that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts. The estimated recoverable amount of the CGU 2 exceeds the carrying amount of the CGU 2. As a result of the analysis, the directors did not identify an impairment for this CGU.

For each of the CGUs with significant amount of goodwill, the value-in-use calculation is most sensitive to the following key assumptions:

	Group	
CGU 1	**2020**	**2019**
Average profit margin	37%	44%
Average revenue growth rate	9%	21%
Pre-tax discount rate	10.0%	11.8%
CGU 2	**2020**	**2019**
Average profit margin	19%	18%
Average revenue growth rate	13%	8%
Pre-tax discount rate	10.6%	11.0%

These key assumptions have been used for the analysis of each CGU within the operating segments. The values assigned to the key assumptions represent management's assessment of future trends in the respective industry and are based on both external sources and internal sources (historical data).

Average profit margin is based on past performance and the management's expectation of market development.

Average revenue growth rate is based on the expected projection of the respective operating segments.

Discount rate is estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

(b) Other intangible assets

Other intangible assets represent customer base and technical know-how arising from acquisition of Premier Enterprise Corporation (M) Sdn. Bhd. ("PEC") and PT Uzma Development Services ("PTUDS") respectively. Subsequent to the acquisition, PEC has transferred its customer base to its fellow subsidiary, Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS").

Technical know-how is related to manuals, licenses, knowledge of its employees and experience in the industry.

Other intangible assets also represent customer contracts and Rodless Pump System ("RPS") arising from acquisition of Setegap Ventures Petroleum Sdn. Bhd. ("SVP") and Uzma Artificial Lift Sdn. Bhd. ("UAL") based on the valuations performed by professional valuers.

An amortisation amounting to RM5,439,000 (2019: RM3,623,000) relating to the customer base, technical know-how, customer contracts and RPS are included in other operating expenses.

8. INVESTMENT IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
At cost		
Unquoted shares	231,329	231,329
Addition	-	-
	231,329	231,329
Loans that are part of net investment	87,714	2,000
	319,043	**233,329**

Loans that are part of net investment represents amounts owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

The details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2020	Proportion equity interest 2019	Principal activities
Direct subsidiaries:				
Uzma Engineering Sdn. Bhd.	Malaysia	100%	100%	Provision of geoscience and reservoir engineering, drilling, project and operational services and other specialised services within the oil and gas industry
Uzma Consulting Limited * ~	Thailand	49%	49%	Provision of subsurface software and consultancy for oil and gas industry
Uzma Engineering Pty. Ltd. ^	Australia	100%	100%	Dormant
Uzma Teras Sdn. Bhd.	Malaysia	100%	100%	Dormant
Malaysian Energy Chemical & Services Sdn. Bhd.	Malaysia	70%	70%	Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services
Tenggara Analisis Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Uzma Energy Venture (Sarawak) Sdn. Bhd.	Malaysia	100%	100%	Exploring and producing in oilfield and related activities

8. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2020	Proportion equity interest 2019	Principal activities
Direct subsidiaries: (continued)				
Premier Enterprise Corporation (M) Sdn. Bhd.	Malaysia	100%	100%	Trading of hardware and equipment for oil refinery
Uzma (Labuan) Ltd.	Labuan	100%	100%	Labuan leasing business activities
Uzma Teluk Kalong Sdn. Bhd.	Malaysia	100%	100%	Dormant
Uzma Laboratory Sdn. Bhd.	Malaysia	94%	94%	Dormant
Uzma Resource Solutions Sdn. Bhd.	Malaysia	100%	100%	Dormant
Uzma Environergy Sdn. Bhd.	Malaysia	100%	100%	Dormant
Uzma Integrasi Padu Berhad	Malaysia	100%	100%	Provision of business support service activities
Subsidiaries of Uzma Engineering Sdn. Bhd.				
PT Uzma @	Indonesia	95%	95%	Investment holding
Uzma Tracer Sdn. Bhd.	Malaysia	70%	70%	Dormant
Uzma Integrated Solution Sdn. Bhd.	Malaysia	60%	60%	Provision of geocomputing and geophysical software development, testing and maintenance services
SVJ Holding Limited @	British Virgin Island	100%	100%	Investment holding
Uzma Well Services (Thailand) Co., Ltd.* ~	Thailand	49%	49%	Investment holding
Uzma Archaeological Research Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiary of PT Uzma				
PT Uzma Development Services*	Indonesia	90%	90%	Provision of supporting services in oil and gas mining

8. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows: (continued)

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2020	Proportion equity interest 2019	Principal activities
Subsidiary of SVJ Holding Limited and Uzma Well Services (Thailand) Co., Ltd.				
MMSVS Group Holding Co., Ltd.*	Thailand	100%	100%	Investment holding and provides repair and maintenance petroleum exploration and production wells
Subsidiaries of Tenggara Analisis Sdn. Bhd.				
Setegap Ventures Petroleum Sdn. Bhd.	Malaysia	86%	64%	Providing support services including consumables, parts and letting out of machineries and equipment used in the oil and gas industry
Uzma Artificial Lift Sdn. Bhd.	Malaysia	85%	85%	Provision of artificial lift and pumping solutions service
Subsidiary of Setegap Ventures Petroleum Sdn. Bhd.				
SVP Well Services Sdn. Bhd.*	Malaysia	100%	100%	Dormant
Subsidiary of Uzma Resource Solutions Sdn. Bhd.				
Jannatul Firdaus International Sdn. Bhd.^	Malaysia	51%	-	Dormant

* Audited by other auditors other than Baker Tilly Monteiro Heng PLT.
~ Uzma Consulting Limited and Uzma Well Services (Thailand) Co. Ltd. are considered subsidiaries although the Company does not own more than 50% of its equity because the Company has the power to appoint and remove majority of the Board of Directors and therefore control the Board.
^ Consolidated using unaudited management financial statements, auditors' report is not available.
@ Consolidated using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of subsidiaries

2020

On 28 February 2020, the Company's wholly-owned subsidiary, Uzma Resource Solutions Sdn. Bhd. ("URSSB") had acquired 765,000 ordinary shares in Jannatul Firdaus International Sdn. Bhd. ("JFISB"), representing 51% of JFISB's issued and paid-up share capital for a total consideration of RM765,000. Consequently, JFISB became a 51% owned indirect subsidiary of the Company.

2019

On 31 January 2019, the Company's wholly-owned subsidiary, Tenggara Analisis Sdn. Bhd. ("Tenggara") had acquired additional 694,350 ordinary shares in Setegap Ventures Petroleum Sdn. Bhd. ("SVP"), representing additional 15% equity interest in SVP for a cash consideration of RM36,000,000. Consequently, SVP became a 64% owned indirect subsidiary of the Company.

On 13 June 2019 the Company's wholly-owned subsidiary, Tenggara Analisis Sdn. Bhd. ("Tenggara") had acquired 85 ordinary shares in Uzma Artificial Lift Sdn. Bhd. ("UAL"), representing 85% equity interest in UAL for a total purchase consideration of RM10,256,000, to be satisfied via cash and share swap of investment in Pumptek Holdings Ltd..

The initial accounting for business combination of SVP and UAL in the consolidated financial statements of the Company involves identifying and determining the fair values to be assigned to these companies' identified assets, liabilities and contingent liabilities and the cost of the combination. As at the date of the financial statements authorised for issue, the fair value of these companies' identified assets and liabilities could only be determined provisionally pending the completion of a purchase price allocation ("PPA") on these companies' identified assets and liabilities. The business combination of SVP and UAL have been accounted for using provisional values. During the financial year, the Group had completed the PPA reports. Based on the PPA report of UAL, the acquisition of UAL is an acquisition of asset and not a business as defined in MFRS 3 *Business Combination*. Since the Rodless Pump System ("RPS") is the only identifiable asset of UAL as it is the sole intention Tenggara acquired UAL, the entire cost of purchase shall be allocated to the intangible assets, RPS.

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of subsidiaries (continued)

2019 (continued)

(i) The fair value of the identifiable assets and liabilities of SVP and UAL as at the date of acquisition were as follows:

	As previously stated RM'000	Restatement RM'000	As restated RM'000
SVP			
Assets			
Property, plant and equipment (Note 5)	60,413	-	60,413
Inventories	9,232	-	9,232
Trade and other receivables (Note 12)	49,222	(413)	48,809
Other investments	105	-	105
Cash and bank balances	7,288	-	7,288
Other intangible assets	-	7,245	7,245
	126,260	6,832	133,092
Liabilities			
Deferred tax liabilities (Note 11)	(5,746)	(1,739)	(7,485)
Loans and borrowings	(24,052)	-	(24,052)
Current tax liabilities	(2,541)	-	(2,541)
Trade and other payables	(16,076)	-	(16,076)
Total identifiable net assets acquired	77,845	5,093	82,938
Goodwill arising from the acquisition of the subsidiaries (Note 7)	103,779	(3,259)	100,520
Amount previously accounted as joint venture	(61,026)	-	(61,026)
Gain on derecognition of joint venture (Note 29)	(56,573)	-	(56,573)
Non-controlling interests at proportionate value	(28,025)	(1,834)	(29,859)
Fair value of consideration transferred	36,000	-	36,000
UAL			
Assets			
Other intangible assets	-	12,066	12,066
	-	12,066	12,066
Liabilities			
Deferred tax liabilities (Note 11)	-	(2,896)	(2,896)
Total identifiable net assets acquired	-	9,170	9,170
Goodwill arising from the acquisition of the subsidiaries (Note 7)	12,066	(12,066)	-
Non-controlling interests at proportionate value	(1,810)	2,896	1,086
Fair value of consideration transferred	10,256	-	10,256

Acquisition-related costs

During the previous financial year, the acquisition-related costs of the business combination amounted to RM113,324 was recognised in statements of comprehensive income as administrative expense.

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of subsidiaries (continued)

2019 (continued)

(ii) Effects of acquisition on cash flows:

	SVP RM'000	UAL RM'000	Total RM'000
Fair value of consideration transferred	36,000	10,256	46,256
Less: Non-cash consideration	-	(7,656)	(7,656)
Consideration paid in cash	36,000	2,600	38,600
Less: Cash and bank balances of the subsidiaries acquired	(7,288)	-	(7,288)
Net cash outflows on acquisition	28,712	2,600	31,312

(iii) Effects of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiaries' contributed revenue and profit/(loss) net of tax are as follows:

	SVP RM'000 (Restated)	UAL RM'000	Total RM'000 (Restated)
Revenue	73,031	-	73,031
Profit/(Loss) for the financial period	12,438	(479)	11,959

If the acquisition had occurred on 1 July 2018, the consolidated results for the financial year ended 30 June 2019 would have been as follows:

	SVP RM'000	UAL RM'000	Total RM'000
Revenue	142,577	-	142,577
Profit/(Loss) for the financial year	21,277	(479)	20,798

(b) Subscription for additional interests in subsidiary

On 27 February 2020, the Company's wholly-owned subsidiary, Tenggara Analisis Sdn. Bhd. ("Tenggara") had acquired additional 1,018,380 ordinary shares in Setegap Ventures Petroleum Sdn. Bhd. ("SVP"), representing additional 22% equity interest in SVP for a cash consideration of RM52,800,000. Consequently, the Group's effective ownership in SVP increased from 64% to 86% as a result of the additional shares purchased.

Effect of the increase in the Group's ownership interest is as follows:

	RM'000
Fair value of consideration transferred	52,800
Increase in share of net assets	22,038
Excess charged directly to equity	30,762

8. INVESTMENT IN SUBSIDIARIES (continued)

(c) Non-controlling interests in subsidiaries

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows:

	Malaysian Energy Chemical Services Sdn. Bhd. RM'000	Uzma Integrated Solution Sdn. Bhd. RM'000	Uzma Consulting Limited RM'000	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000	Others RM'000	Total RM'000
2020							
NCI percentage of ownership interest and voting interest	30%	40%	51%	10%	14%		
Carrying amount of NCI	16,036	1,384	617	1,405	17,351	(3,779)	33,014
Profit/(Loss) allocated to NCI	2,146	273	(447)	151	6,318	(1,169)	7,272
Total comprehensive income/(loss) allocated to NCI	2,146	273	(426)	148	6,318	(906)	7,553
2019							
NCI percentage of ownership interest and voting interest	30%	40%	51%	10%	36%		
Carrying amount of NCI, restated	15,690	2,011	1,043	1,255	35,825	(2,874)	52,950
Profit/(Loss) allocated to NCI, restated	1,505	51	(598)	(80)	4,157	(333)	4,702
Total comprehensive income/(loss) allocated to NCI, restated	1,505	51	(465)	(87)	4,157	(163)	4,998

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) Summarised financial information of material non-controlling interest

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows:

	Malaysian Energy Chemical Services Sdn. Bhd. RM'000	Uzma Integrated Solution Sdn. Bhd. RM'000	Uzma Consulting Limited RM'000	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000
2020					
Summarised statements of financial position					
Non-current assets	3,909	271	8,203	14,640	102,953
Current assets	61,146	6,000	7,724	12,770	129,244
Non-current liabilities	-	(348)	(289)	(488)	(47,870)
Current liabilities	(11,603)	(2,463)	(14,396)	(32,412)	(79,279)
Net assets/(liabilities)	53,452	3,460	1,242	(5,490)	105,048
Summarised statements of comprehensive income					
Revenue	68,051	5,718	13,670	10,537	157,687
Profit/(Loss) for the financial year	7,155	682	(876)	1,448	22,828
Total comprehensive income/(loss)	7,155	682	(835)	1,416	22,828
Summaried cash flows information					
Cash flows from/(used in) operating activities	4,682	3,177	781	(1,216)	39,297
Cash flows from/(used in) investing activities	8,694	23	(3)	(1,565)	(42,192)
Cash flows (used in)/from financing activities	(6,354)	(3,637)	(704)	2,033	9,356
Net increase/(decrease) in cash and cash equivalents	7,022	(437)	74	(748)	6,462
Dividends paid to non-controlling interests	1,800	900	-	-	2,752

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) Summarised financial information of material non-controlling interest (continued)

The summarised financial information (before intra-group elemination) of the Group's subsidiaries that have material non-controlling interests are as follows: (continued)

2019	Malaysian Energy Chemical Services Sdn. Bhd. RM'000	Uzma Integrated Solution Sdn. Bhd. RM'000	Uzma Consulting Limited RM'000	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000 (Restated)
Summarised statements of financial position					
Non-current assets	4,020	454	8,437	14,185	75,751
Current assets	60,048	6,032	10,923	11,559	88,581
Non-current liabilities	-	(377)	(896)	(165)	(21,016)
Current liabilities	(11,771)	(1,081)	(16,387)	(30,457)	(53,445)
Net assets/(liabilities)	52,297	5,028	2,077	(4,878)	89,871
Summarised statements of comprehensive income					
Revenue	67,570	3,870	11,136	12,652	73,031
Profit/(Loss) for the financial year	5,018	128	(1,173)	(801)	12,438
Total comprehensive income/(loss)	5,018	128	(914)	(867)	12,438
Summaried cash flows information					
Cash flows from/(used in) operating activities	5,547	361	3,076	(1,159)	28,694
Cash flows (used in)/from investing activities	(3,109)	1,669	(2,883)	(4,254)	(19,995)
Cash flows (used in)/from financing activities	(5,723)	(106)	(728)	4,278	(11,480)
Net (decrease)/increase in cash and cash equivalents	(3,285)	1,924	(535)	(1,135)	(2,781)
Dividends paid to non-controlling interests	870	-	-	-	-

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, at cost				
At beginning of the financial year	8,791	8,791	4,392	4,392
Additions	-	-	-	-
At end of the financial year	8,791	8,791	4,392	4,392
Share of post-acquisition results				
At beginning of the financial year	1,960	540	-	-
Share of profits	1,297	1,620	-	-
Dividend received from an associate	-	(200)	-	-
	3,257	1,960	-	-
At end of the financial year	12,048	10,751	4,392	4,392

The associates are accounted for using the equity method in the consolidated financial statements.

Details of the associates are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2020	Proportion equity interest 2019	Principal activities
Sazma Aviation Sdn. Bhd. *	Malaysia	40%	40%	Provision of professional aviation services and ground handling services, trading, general merchant agency, carrier and air transportation
Rockwash Prep and Store Limited @	United Kingdom	30%	30%	Rock sample preparation, storage and support for oil and gas industry
Aerosun Uzma Malaysia Sdn. Bhd. ^	Malaysia	48%	48%	Dormant

* Audited by other auditors other than Baker Tilly Monteiro Heng PLT.
^ Disclosed using unaudited management financial statements, auditors' report is not available.
@ Disclosed using unaudited management financial statements, no statutory requirement for the financial statements to be audited at financial year end.

9. INVESTMENT IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates:

Group 2020	Sazma Aviation Sdn. Bhd. RM'000	Rockwash Prep and Store Limited RM'000	Aerosun Uzma Malaysia Sdn. Bhd. RM'000	Total RM'000
Assets and liabilities:				
Non-current assets	2,577	5,402	466	8,445
Current assets	18,846	3,554	16,488	38,888
Non-current liabilities	(750)	(2,505)	-	(3,255)
Current liabilities	(3,252)	(1,699)	(20,153)	(25,104)
Net assets/(liabilities)	17,421	4,752	(3,199)	18,974
Results:				
Revenue	34,564	3,798	-	38,362
Profit/(Loss) for the financial year	3,948	(1,326)	-	2,622
Total comprehensive income/(loss)	3,948	(1,326)	-	2,622
Reconciliation of net assets/(liabilities) to carrying amount:				
Share of net assets/(liabilities) at the acquisition date	3,967	1,560	(1,536)	3,991
Goodwill on acquisition	94	3,571	-	3,665
Cost of investment	4,061	5,131	(1,536)	7,656
Share of post-acquisition profits	2,663	54	-	2,717
Share of unrecognised losses	139	-	1,536	1,675
Carrying amount in the statements of financial position	6,863	5,185	-	12,048
Group's share of results				
Group's share of profits/(loss), representing Group's share of total comprehensive income/(loss)	1,579	(282)	-	1,297

9. INVESTMENT IN ASSOCIATES (continued)

The following table illustrates the summarised financial information of the Group's associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates: (continued)

Group 2019	Sazma Aviation Sdn. Bhd. RM'000	Rockwash Prep and Store Limited RM'000	Aerosun Uzma Malaysia Sdn. Bhd. RM'000	Total RM'000
Assets and liabilities:				
Non-current assets	1,552	3,537	466	5,555
Current assets	16,379	3,130	16,488	35,997
Non-current liabilities	(114)	(5)	-	(119)
Current liabilities	(4,344)	(886)	(20,153)	(25,383)
Net assets/(liabilities)	13,473	5,776	(3,199)	16,050
Results:				
Revenue	33,315	8,032	-	41,347
Profit for the financial year	4,057	1,106	-	5,163
Total comprehensive income	4,057	1,106	-	5,163
Reconciliation of net assets/(liabilities) to carrying amount:				
Share of net assets/(liabilities) at the acquisition date	3,967	1,560	(1,536)	3,991
Goodwill on acquisition	94	3,571	-	3,665
Cost of investment	4,061	5,131	(1,536)	7,656
Share of post-acquisition profits	1,284	336	-	1,620
Share of unrecognised losses	139	-	1,536	1,675
Dividend received	(200)	-	-	(200)
Carrying amount in the statements of financial position	5,284	5,467	-	10,751
Group's share of results				
Group's share of profits, representing Group's share of total comprehensive income	1,284	336	-	1,620

9. INVESTMENT IN ASSOCIATES (continued)

(a) The Group has not recognised its share of losses of Sazma Aviation Sdn. Bhd. and Aerosun Uzma Malaysia Sdn. Bhd. because the Group's cumulative share of losses has exceeded its interest in these associates and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM139,000 (2019: RM139,000) and RM1,536,000 (2019: RM1,536,000) respectively.

(b) The financial year end of Sazma Aviation Sdn. Bhd. is 31 December. For the purpose of applying equity method of accounting, the financial statements of Sazma Aviation Sdn. Bhd. for the financial year ended 31 December 2019 have been used and appropriate adjustments have been made to account for significant transactions from Sazma Aviation Sdn. Bhd.'s financial year end to 30 June 2020.

10. INVESTMENT IN JOINT VENTURE

Details of joint venture are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2020	Proportion equity interest 2019	Principal activities
Khausar Energy Sdn. Bhd. *	Malaysia	50%	50%	Dormant

* Audited by other auditors other than Baker Tilly Monteiro Heng PLT.

The Group has not recognised its share of losses of Khausar Energy Sdn. Bhd. because the Group's cumulative share of losses has exceeded its interest in that joint venture and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM349,599 (2019: RM340,255).

11. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Deferred tax assets/(liabilities)				
At beginning of the financial year	(16,554)	(4,268)	156	-
Acquisition of subsidiaries (Note 8(a))	-	(10,381)	-	-
Recognised in profit or loss (Note 30)	4,447	(1,980)	(49)	156
Exchange differences	406	75	-	-
At end of the financial year	(11,701)	(16,554)	107	156

(a) Presented after appropriate off-setting as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Deferred tax assets	6,284	2,292	107	156
Deferred tax liabilities	(17,985)	(18,846)	-	-
	(11,701)	(16,554)	107	156

11. DEFERRED TAX ASSETS/(LIABILITIES) (continued)

(b) The components of deferred tax assets/(liabilities) prior to offsetting are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Deferred tax assets				
Unutilised tax losses	5,853	1,888	107	156
Provisions	431	404	-	-
	6,284	2,292	107	156
Deferred tax liabilities				
Differences between the carrying amounts of property, plant and equipment and their tax bases	(9,872)	(9,369)	-	-
Deferred tax liabilities arising from acquisition of subsidiaries	(8,113)	(9,477)	-	-
	(17,985)	(18,846)	-	-

(c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unrealised loss on foreign exchange	3,509	2,514	-	-
Unabsorbed capital allowances	34	34	-	-
Unutilised tax losses	39,703	68,400	-	-
	43,246	70,948	-	-

The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to Section 11 of the Act 812, special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business loss, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 years consecutive years of assessment (i.e. from year of assessments 2019 to 2025).

The unused tax losses are available indefinitely for offset against future taxable profits of the Group except for certain unused tax losses which will expire in the following financial years:

	Group 2020 RM'000
2025	22,227
2026	8,306
2027	9,170

12. TRADE AND OTHER RECEIVABLES

	Note	Group 2020 RM'000	Group 2019 RM'000 (Restated)	Company 2020 RM'000	Company 2019 RM'000
Non-current:					
Other receivables					
- Amounts owing by subsidiaries	(d)	-	-	3,086	4,891
- Third parties		10,067	9,516	-	-
- Deposits		134	154	-	-
		10,201	9,670	3,086	4,891
Less: Impairment losses for non-current other receivables					
- Third parties	(b)	(3,724)	(3,109)	-	-
		6,477	6,561	3,086	4,891
Current:					
Trade receivables					
- Third parties		84,707	89,941	-	-
- Related parties		9,791	3,253	-	-
		94,498	93,194	-	-
Less: Impairment losses for trade receivables					
- Third parties		(16,800)	(17,023)	-	-
Total trade receivables, net	(a)	77,698	76,171	-	-
Other receivables					
- Third parties	(c)(g)	94,954	132,465	1,806	-
- Amounts owing by subsidiaries	(d)	-	-	95,553	88,187
- Amounts owing by related parties	(e)	5,913	3,192	-	-
- Amounts owing by an associate	(f)	5	-	5	-
		100,872	135,657	97,364	88,187
Less: Impairment losses for other receivables					
- Third parties	(b)	(22,670)	(22,578)	-	-
Total other receivables, net		78,202	113,079	97,364	88,187
Deposits		5,141	6,145	913	880
Advances to sub-contractors		17,997	54,983	-	-
GST refundable		1,807	3,916	79	-
Prepayments	(h)	31,885	18,987	654	1,534
		135,032	197,110	99,010	90,601
Total trade and other receivables (current)		212,730	273,281	99,010	90,601
Total trade and other receivables (non-current and current)		219,207	279,842	102,096	95,492

12. TRADE AND OTHER RECEIVABLES (continued)

(a) Credit term of trade receivables

Trade receivables are non-interest bearing and the Group's normal trade credit terms extended to customers ranging from 30 to 60 days (2019: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The movement in the impairment of trade receivables is as follows:

	Group 2020 RM'000	Group 2019 RM'000 (Restated)
Trade receivables		
At beginning of the financial year	17,023	6,112
Acquisition of a subsidiary (Note 8(a))	(413)	413
Charge for the financial year (Note 29)		
- individually assessed	-	16,265
- collectively assessed	302	298
Written off	-	(6,066)
Exchange differences	(112)	1
At end of the financial year	16,800	17,023

Trade receivables that are individually determined to be credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

(b) Other receivables

The movement in the impairment of other receivables is as follows:

	Group 2020 RM'000	Group 2019 RM'000
Other receivables		
At beginning of the financial year	25,687	944
Charge for the financial year (Note 29)		
- individually assessed	1,039	24,596
Written off	(445)	-
Exchange differences	113	147
At end of the financial year	26,394	25,687

12. TRADE AND OTHER RECEIVABLES (continued)

(c) Included in other receivables of the Group are amounts owing by Petroliam Nasional Berhad ("Petronas") in relation to the Tanjong Baram Small Field Risk Service Contract ("TB SFRSC") as follows:

	Group	
	2020 RM'000	2019 RM'000
Current:		
Capital expenditure	64,551	92,163
Operating expenditure	4,445	3,358
Remuneration fee	15,446	15,442
	84,442	110,963
Less: Allowance for impairment loss	(21,725)	(21,633)
	62,717	89,330

(d) Amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash except for amounts of RM90,462,000 (2019: RM84,646,000) which bear interest at rate of 5.5% (2019: 5.5%) per annum. Included in non-current other receivables are amounts owing by subsidiaries of RM3,086,000 (2019: RM4,891,000) which are not expected to be settled within the next twelve months.

(e) Amounts owing by related parties are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(f) Amount owing by an associate is non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(g) Included in other receivables of the Group is an amount of approximately RM5,059,000 (2019: RM33,611,000) which represents materials purchased in advance for customers. The installation services had yet to be performed at the end of the reporting period.

(h) Included in prepayments of the Group is a down payment of RM22,920,000 (2019: RM7,630,000) for the purchase of equipment.

(i) The information about the credit exposures are disclosed in Note 33(a).

13. OTHER INVESTMENTS

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Non-current:				
Financial assets at designated fair value through other comprehensive income ("DFVOCI")				
At fair value:				
- Unquoted equity securities	4,285	4,285	-	-
Current:				
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
- Quoted equity securities	1,398	1,141	136	132
Total other investments (non-current and current)	5,638	5,426	136	132

The Group holds non-controlling interests in unquoted equity securities designated at fair value through other comprehensive income. These investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments as strategic long-term investments.

14. INVENTORIES

	Group	
	2020 RM'000	2019 RM'000
At cost:		
Raw materials	3,528	3,476
Work-in-progress	1,600	-
Finished goods	19,492	11,850
Consumable goods	16,522	15,384
	41,142	30,710

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year is RM366,437,000 (2019: RM267,594,000). In addition, the expenses recognised in the profit or loss include the following:

	Group	
	2020 RM'000	2019 RM'000
Inventories written down	82	244
Inventories written off	-	87
Inventories written back	(288)	(59)
	(206)	272

15. CONTRACT ASSETS

	Group	
	2020 RM'000	2019 RM'000 (Restated)
Contract assets relating to service contracts	138,980	92,672

Significant changes in contract balances

	2020 Contract assets increase/ (decrease) RM'000	2019 Contract assets increase/ (decrease) RM'000 (Restated)
Group		
Increases due to revenue recognised but no right to consideration	46,308	92,672

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Cash and bank balances	57,508	25,536	24	13
Cash deposits placed with licensed banks	86,936	38,076	10,330	-
Cash and cash equivalents as reported in the statements of financial position	144,444	63,612	10,354	13
Less: Fixed deposits with tenure more than 3 months	(8,197)	(5,125)	-	-
Less: Pledged deposits	(32,629)	(13,835)	(10,330)	-
Less: Bank overdrafts (Note 23)	(34,275)	(21,492)	(13,500)	-
Cash and cash equivalents as reported in the statements of cash flows	69,343	23,160	(13,476)	13

(a) Cash deposits placed with licensed banks of the Group and of the Company bear interest at rates ranging from 0.45% to 3.61% (2019: 0.85% to 4.00%) per annum.

(b) Fixed deposits with tenure more than 3 months bear interest at rates ranging from 3.00% to 3.60% (2019: 2.50% to 3.71%) per annum and mature within one year.

(c) Cash deposits placed with licensed banks amounting of RM32,629,000 (2019: RM13,835,000) and RM10,330,000 (2019: Nil) of the Group and of the Company respectively are pledged as security for banking facilities granted to subsidiaries as disclosed in Note 23.

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2020 Unit'000	2019 Unit'000	2020 RM'000	2019 RM'000
Issued and fully paid up:				
At beginning of the financial year	320,029	320,029	290,069	194,926
Transfer from share premium	-	-	-	95,143
At end of the financial year	320,029	320,029	290,069	290,069

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

18. SHARE PREMIUM

	Group and Company	
	2020 RM'000	2019 RM'000
At beginning of the financial year	-	95,143
Transfer to share capital	-	(95,143)
At end of the financial year	-	-

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. Pursuant to Section 618(2) of the Act, the sum of RM95,143,000 standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital as disclosed in Note 17.

19. FOREIGN CURRENCY TRANSLATION RESERVE

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity of the foreign operation or another currency.

20. CAPITAL RESERVE

	Group	
	2020 RM'000	2019 RM'000
Statutory reserve	76	76
Other capital reserve	350	350
	426	426

The foreign subsidiary is required under provision of the Civil and Commercial Code of Thailand, to set aside as a statutory reserve of at least 5% of its net profit at each dividend declaration until the reserve reaches 10% of the authorised share capital.

Other capital reserve is related to the bonus issue by a subsidiary by capitalisation of the subsidiary's retained profits account.

All the above reserves are not available for dividend declaration.

21. MERGER DEFICIT

The merger deficit relates to the difference between the nominal value of shares issued for the purchase of a subsidiary amounting to RM29,700,000 and the nominal value of the shares acquired of RM1,300,000.

22. FAIR VALUE RESERVE

This reserve comprises the cumulative net change in fair value of financial asset at fair value through other comprehensive income ("FVOCI") until the investment is derecognised or impaired.

The Group has elected to recognise changes in the fair value of an investment in equity securities in other comprehensive income, as disclosed in Note 13. These changes are accumulated within the fair value reserve of financial asset at FVOCI. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

23. LOANS AND BORROWINGS

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current:					
Term loans	(a)	157,361	147,881	91,930	30,000
Finance lease liabilities	(b)	-	9,761	-	-
Medium term notes	(f)	222,822	247,408	-	-
		380,183	405,050	91,930	30,000
Current:					
Term loans	(a)	78,125	61,698	-	6,000
Finance lease liabilities	(b)	-	3,578	-	-
Revolving credit	(c)	52,357	21,603	30,286	-
Invoice financing	(d)	5,448	14,262	-	-
Bank overdrafts (Note 16)	(e)	34,275	21,492	13,500	-
Medium term notes	(f)	25,000	-	-	-
		195,205	122,633	43,786	6,000
		575,388	527,683	135,716	36,000
Total loans and borrowings:					
Term loans	(a)	235,486	209,579	91,930	36,000
Finance lease liabilities	(b)	-	13,339	-	-
Revolving credit	(c)	52,357	21,603	30,286	-
Invoice financing	(d)	5,448	14,262	-	-
Bank overdrafts (Note 16)	(e)	34,275	21,492	13,500	-
Medium term notes	(f)	247,822	247,408	-	-
		575,388	527,683	135,716	36,000

23. LOANS AND BORROWINGS (continued)

(a) Term loans

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Term loan 1	-	1,422	-	-
Term loan 2	14,536	15,817	-	-
Term loan 3	32,853	43,697	-	-
Term loan 4	650	1,146	-	-
Term loan 5	354	555	-	-
Term loan 6	38,245	63,201	-	-
Term loan 7	5,322	8,430	-	-
Term loan 8	13,063	16,000	-	-
Term loan 9	-	1,665	-	-
Term loan 10	-	36,000	-	36,000
Term loan 11	-	2,656	-	-
Term loan 12	-	6,076	-	-
Term loan 13	4,629	4,965	-	-
Term loan 14	7,940	8,011	-	-
Term loan 15	35,358	-	35,358	-
Term loan 16	56,572	-	56,572	-
Term loan 17	12,098	-	-	-
Term loan 18	13,711	-	-	-
Term loan 19	155	-	-	-
	235,486	209,641	91,930	36,000

The term loans are repayable as follows:

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current liabilities:				
- due more than 1 year but not later than 5 years	102,207	54,113	52,536	30,000
- due after 5 years	55,154	93,768	39,394	-
	157,361	147,881	91,930	30,000
Current liabilities:				
- due within 1 year	78,125	61,760	-	6,000
	235,486	209,641	91,930	36,000
Less: Transaction costs	-	(62)	-	-
	235,486	209,579	91,930	36,000

23. LOANS AND BORROWINGS (continued)

(a) Term loans (continued)

The term loans bear interest at rates ranging from 2.00% to 7.85% (2019: 4.27% to 7.85%) per annum and are supported as follows:

(i) Legal charge over the freehold properties of a subsidiary (Note 5);
(ii) Fixed deposits of a subsidiary and of the Company (Note 16);
(iii) Corporate guarantees from the Company;
(iv) Legal charge over the operating equipment of a subsidiary (Note 5);
(v) Legal charge over the leasehold properties of a subsidiary (Note 5);
(vi) Pledge over the shares of a subsidiary;
(vii) Joint and several guarantee by a director of the Company and of a subsidiary;
(viii) Fresh assignment of future income as per Schedule A, C, F of water injection facility contract;
(ix) Assignment of insurance proceeds of a subsidiary;
(x) Assignment and a fixed charge over receivables of a subsidiary;
(xi) Assignment and a fixed charge over the designated Escrow account of a subsidiary; and
(xii) Assignment over Collection Account and Finance Service Reserve Account of a subsidiary.

(b) Finance lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group 2019 RM'000
Future minimum lease payments	15,426
Less: Future finance charges	(2,087)
Total present value of minimum lease payments	13,339
Payable within one year	
Future minimum lease payments	4,198
Less: Future finance charges	(620)
Present value of minimum lease payments	3,578
Payable more than 1 year but not more than 5 years	
Future minimum lease payments	7,837
Less: Future finance charges	(1,114)
Present value of minimum lease payments	6,723
Payable more than 5 years	
Future minimum lease payments	3,391
Less: Future finance charges	(353)
Present value of minimum lease payments	3,038
Total present value of minimum lease payments	13,339

In the previous financial year, the finance lease liabilities of the Group bore effective interest at rates ranging from 2.57% to 7.32% per annum.

23. LOANS AND BORROWINGS (continued)

(c) Revolving credit

The revolving credit is secured by way of:

(i) Corporate guarantee from a subsidiary and the Company;
(ii) First legal charge in favour of the bank over the designated Escrow account;
(iii) Second legal charge over the freehold properties of a subsidiary (Note 5);
(iv) Assignment and a fixed charge over receivables;
(v) Cash deposit equivalent to 3 months profit payment under the Facility shall be maintained with the Bank at all times; and
(vi) A fixed charge over the Designated Collections Account.

The revolving credit bears effective interest rates ranging from 4.41% to 7.31% (2019: 5.15% to 5.56%) per annum.

(d) Invoice financing

The invoice financing is secured by way of:

(i) Corporate guarantee from the Company;
(ii) First legal charge in favour of the bank over the designated Escrow account; and
(iii) Assignment and a fixed charge over receivables.

The invoice financing bears effective interest rate of 3.90% (2019: 4.90%) per annum.

(e) Bank overdrafts

The bank overdrafts are secured by way of:

(i) Corporate guarantee from the Company;
(ii) First legal charge in favour of the bank over the designated Escrow account;
(iii) Assignment and a fixed charge over receivables;
(iv) Legal charge over the freehold properties of a subsidiary (Note 5);
(v) Fixed deposits of a subsidiary and of the Company (Note 16);
(vi) Pledge over the shares of a subsidiary;
(vii) Legal charge over the operating equipment of a subsidiary (Note 5); and
(viii) Legal charge over the leasehold properties of a subsidiary (Note 5).

The bank overdrafts bear effective interest at rates ranging from 5.45% to 7.45% (2019: 6.62% to 7.70%) per annum.

(f) Medium term notes

On 26 September 2018, a wholly-owned subsidiary of the Company, Uzma Integrasi Padu Berhad ("UIPB") issued Sukuk Wakalah of RM250,000,000 in nominal value under the Sukuk Wakalah Programme. The Sukuk Wakalah bears interest at rates ranging from 4.33% to 4.43% (2019: 5.51% to 5.61%) per annum over tenure of 2.5 to 7 years.

The Sukuk Wakalah is secured by way of:

(i) Specific debenture by a subsidiary over D18, Well Testing and Tubing Conveyed Perforations ("WT&TCP") Contracts' proceeds;
(ii) Assignment of Takaful/Insurance by a subsidiary in relation to D18 and WT&TCP Contracts; and
(iii) Vessel mortgage by a subsidiary.

24. LEASE LIABILITIES

	Group 2020 RM'000	Company 2020 RM'000
Non-current:		
Lease liabilities	9,915	230
Current:		
Lease liabilities	6,870	63
	16,785	293

The incremental borrowing rates applied to the lease liabilities ranging from 2.42% to 7.60% per annum.

Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Group 2020 RM'000	Company 2020 RM'000
Future minimum lease payments	18,549	335
Less: Future finance charges	(1,764)	(42)
Total present value of minimum lease payments	16,785	293
Payable within one year		
Future minimum lease payments	7,556	80
Less: Future finance charges	(686)	(17)
Present value of minimum lease payments	6,870	63
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	8,140	255
Less: Future finance charges	(844)	(25)
Present value of minimum lease payments	7,296	230
Payable more than 5 years		
Future minimum lease payments	2,853	-
Less: Future finance charges	(234)	-
Present value of minimum lease payments	2,619	-
Total present value of minimum lease payments	16,785	293

25. TRADE AND OTHER PAYABLES

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current:					
Trade payables					
- Third party		3,776	3,646	-	-
Current:					
Trade payables					
Third parties		95,336	76,557	-	-
Related parties		2,699	4,641	-	-
Accruals		58,141	26,462	-	-
	(a)	156,176	107,660	-	-
Other payables					
Other payables	(b)	18,314	10,134	785	572
Accruals		19,153	4,046	1,145	359
GST payable		-	6,476	-	257
Amounts owing to related parties	(c)	2,052	3,652	-	-
Amount owing to a director	(d)	6,552	306	6,552	306
		46,071	24,614	8,482	1,494
Total trade and other payables (current)		202,247	132,274	8,482	1,494
Total trade and other payables (non-current and current)		206,023	135,920	8,482	1,494

(a) Trade payables of the Group are non-interest bearing and the normal trade credit terms granted to the Group ranging from 7 to 120 days (2019: 7 to 120 days).

(b) In the previous financial year, included in other payables was an amount of RM1,802,000 in relation to the construction costs payable for operating equipment.

(c) Amounts owing to related parties of the Group are non-trade in nature, unsecured, interest- free and repayable upon demand in cash.

(d) Amount owing to a director of the Group and of the Company is non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(e) For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 33(b).

26. POST EMPLOYMENT BENEFIT LIABILITIES

	Group	
	2020 RM'000	2019 RM'000
At beginning of the financial year	748	918
Recognised in profit or loss (Note 29)	1,939	124
Paid during the financial year	(91)	(353)
Actuarial loss/(gain) recognised in other comprehensive income	155	(23)
Translation differences	181	82
At end of the financial year	2,932	748

(a) This is in respect of provision for employees' benefits related to retirement, separation fee, service fee, compensation payments and other benefits recognised.

(b) The provision is made based on the actuarial valuation performed by an independent actuarist using the projected unit credit method.

(c) Principal actuarial assumptions used at the reporting date are as follows:

	Group	
	2020	2019
Discount rate	7.92%	7.97%
Normal retirement age	55 years	55 years
Salary increase rate	5%	5%

Assumptions on future mortality are determined based on the published past statistics and actual experience. The measurements assume an average life expectancy of 39 years for an employee retiring at age 55.

Sensitivity analysis

The sensitivity analysis of the defined benefit obligation to the significant actuarial assumptions at the end of the reporting period are shown below:

	Reasonably possible change in assumption	Effect on defined benefit obligation	
		Increase RM'000	Decrease RM'000
Group			
2020			
Discount rate	1.0%	(48)	55
Future salary growth	1.0%	56	(49)
2019			
Discount rate	1.0%	(21)	25
Future salary growth	1.0%	26	(22)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in significant actuarial assumptions occurring at the end of reporting period.

27. DEFERRED INCOME

	Group 2020 RM'000
Non-current:	
Government grants:	
At 1 July	-
Received during the financial year	8,748
Released to profit of loss	(1,281)
At 30 June	7,467

Goverment grants related to assets

Government grants have been received for the purchase of certain items of property, plant and equipment by a subsidiary. There are no unfulfilled conditions or contingencies attached to these grants.

28. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contract customers:				
At a point in time				
Sales of goods	97,416	72,636	-	-
Consultancy fee	1,027	2,002	-	-
Dividend income	347	-	4,200	2,030
	98,790	74,638	4,200	2,030
Over time				
Services rendered	270,183	279,106	-	1,246
Management fee	-	-	17,080	17,757
	270,183	279,106	17,080	19,003
	368,973	353,744	21,280	21,033
Revenue from other source:				
Rental income	183,458	92,755	-	-
	552,431	446,499	21,280	21,033

29. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Auditors' remuneration:				
- statutory audit				
- current year	380	459	125	115
- (over)/under provision in prior years	(5)	31	(5)	19
- non-statutory audit				
- current year	12	7	12	7
- under provision in prior years	-	7	-	7
Accretion of interest on:				
- other receivables	-	(4,490)	-	-
- trade payable	-	(487)	-	-
Amortisation of deferred income	(1,281)	-	-	-
Amortisation of intangible assets	5,439	3,623	-	-
Depreciation of property, plant and equipment	46,380	40,301	409	27
Depreciation of right-of-use assets	3,888	-	57	-
Directors' remuneration (Note (a))	7,756	8,743	3,781	6,420
Employee benefits expenses (Note (b))	75,701	62,825	6,634	7,646
Fair value loss on quoted equity securities	7	12	-	-
Gain on derecognition of a joint venture	-	(56,573)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(1,053)	1,527	-	-
Gain on disposal of right-of-use assets	(224)	-	-	-
Impairment losses on property, plant and equipment	21,749	-	-	-
Impairment losses on:				
- trade receivables	302	16,563	-	-
- other receivables	1,039	24,596	-	-
Interest expense:				
- bank overdrafts	1,586	1,677	235	-
- bank guarantee	758	784	-	-
- invoice financing	902	1,252	-	-
- finance lease liabilities	-	732	-	-
- lease liabilities	523	-	17	-
- revolving credit	881	700	1,160	-
- term loans	25,656	23,114	3,051	1,061
- others	120	1,130	-	-
- unwinding of discount on payables	130	-	-	-
Interest income:				
- deposits	(1,299)	(1,165)	-	-
- inter-company loans	-	-	(2,101)	(2,769)
- others	-	-	(34)	(5)

29. (LOSS)/PROFIT BEFORE TAX (continued)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax: (continued)

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Inventories written down	82	244	-	-
Inventories written off	-	87	-	-
Inventories written back	(288)	(59)	-	-
Net loss/(gain) on foreign exchange:				
- realised	1,359	(1,114)	2	-
- unrealised	2,272	(7,354)	-	-
Property, plant and equipment written off	2,010	49	-	-
Provision for post employment benefits	1,939	124	-	-
Rental expenses:				
- office equipment	-	256	-	106
- premises	-	387	-	40
- office	-	762	-	1,502
- forklift and cranes	-	11,703	-	10
- motor vehicles	-	36	-	-
- car park	-	113	-	113
- warehouse	-	1,281	-	20
Expenses relating to short-term leases:				
- office equipment	339	-	48	-
- premises	472	-	20	-
- office	265	-	1,368	-
- office	2,900	-	171	-
- forklift and cranes	23,643	-	80	-
- car park	126	-	126	-
- motor vehicles	254	-	7	-
Expenses relating to low-value assets:				
- office equipment	49	-	-	-
Share of results in associates, net of tax	(1,297)	(1,620)	-	-
Share of results in a joint venture, net of tax	-	(3,519)	-	-

29. (LOSS)/PROFIT BEFORE TAX (continued)

(a) The aggregate amount of emoluments received and receivable by the directors of the Group and the Company during the financial year are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company				
Executive Directors:				
- fees	236	100	-	-
- salaries, bonus and other benefits	2,798	3,278	1,490	3,025
- defined contribution plans	315	319	165	319
	3,349	3,697	1,655	3,344
Non-executive Directors:				
- fees	463	514	463	514
- salaries, bonus and other benefits	31	20	31	20
	494	534	494	534
Directors of the subsidiaries				
Executive Directors:				
- fees	130	70	-	-
- salaries, bonus and other benefits	3,424	4,036	1,461	2,269
- defined contribution plans	359	406	171	273
	3,913	4,512	1,632	2,542
Total directors' remuneration	7,756	8,743	3,781	6,420

(b) Employee benefits expenses are:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Salaries, wages, bonuses, allowances and other benefits	69,198	58,577	5,966	6,844
Defined contribution plans	6,503	4,248	668	802
	75,701	62,825	6,634	7,646

30. TAX EXPENSE/(CREDIT)

The major components of income tax expense/(credit) for the financial years ended 30 June 2020 and 30 June 2019 are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	10,474	7,033	495	-
- Adjustment in respect of prior years	(212)	(481)	-	(610)
	10,262	6,552	495	(610)
Deferred tax (Note 11)**:**				
- (Reversal)/Origination of temporary differences	(2,075)	314	(100)	(156)
- Adjustment in respect of prior years	(2,372)	1,666	149	-
	(4,447)	1,980	49	(156)
	5,815	8,532	544	(766)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year.

The reconciliations from the tax amount at statutory income tax rate to the Group's and the Company's tax expense/(credit) are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
(Loss)/Profit before tax	(9,794)	41,623	(3,045)	(1,498)
Tax at Malaysian statutory income tax rate of 24% (2019: 24%)	(2,351)	9,990	(731)	(360)
Tax effects arising from:				
- non-deductible expenses	24,325	12,899	2,135	675
- non-taxable income	(6,535)	(16,481)	(1,009)	(488)
Effect of different tax rates in foreign jurisdictions	(295)	(1,761)	-	-
Deferred tax assets not recognised during the financial year	2,671	1,466	-	17
Utilisation of deferred tax assets not recognised in the previous financial years	(9,319)	-	-	-
Share of results of associates	(97)	389	-	-
Share of results of joint ventures	-	845	-	-
Adjustments in respect of prior years:				
- income tax	(212)	(481)	-	(610)
- deferred tax	(2,372)	1,666	149	-
Tax expense/(credit)	5,815	8,532	544	(766)

31. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per ordinary share

Basic (loss)/earnings per share are based on the (loss)/profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2020 RM'000	2019 RM'000 (Restated)
(Loss)/Profit attributable to owners of the Company	(22,881)	28,389
Weighted average number of ordinary shares for basic earnings per share	320,029	320,029
Basic (loss)/earnings per ordinary share (sen)	(7.15)	8.87

Diluted (loss)/earnings per ordinary share

The diluted (loss)/earnings per ordinary share of the Group for the financial year ended 30 June 2020 and financial year ended 30 June 2019 are same as the basic (loss)/earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost ("AC")

(ii) Fair value through profit or loss ("FVPL")

(iii) Designated fair value through other comprehensive income ("DFVOCI")

32. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

2020	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
Financial assets				
Group				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	167,518	167,518	-	-
Other investments	5,683	-	1,398	4,285
Deposits, cash and bank balances	144,444	144,444	-	-
	317,645	311,962	1,398	4,285
Company				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	101,363	101,363	-	-
Other investments	136	-	136	-
Deposits, cash and bank balances	10,354	10,354	-	-
	111,853	111,717	136	-
Financial liabilities				
Group				
Loans and borrowings	575,388	575,388	-	-
Lease liabilities	16,785	16,785	-	-
Trade and other payables, net of GST payable	206,023	206,023	-	-
	798,196	798,196	-	-
Company				
Loans and borrowings	135,716	135,716	-	-
Lease liabilities	293	293	-	-
Trade and other payables, net of GST payable	8,482	8,482	-	-
	144,491	144,491	-	-

32. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

	Carrying amount RM'000 (Restated)	AC RM'000 (Restated)	FVPL RM'000 (Restated)	DFVOCI RM'000
2019				
Financial assets				
Group				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	201,956	201,956	-	-
Other investments	5,426	-	1,141	4,285
Deposits, cash and bank balances	63,612	63,612	-	-
	270,994	265,568	1,141	4,285
Company				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	93,958	93,958	-	-
Other investments	132	-	132	-
Deposits, cash and bank balances	13	13	-	-
	94,103	93,971	132	-
Financial liabilities				
Group				
Loans and borrowings	527,683	527,683	-	-
Trade and other payables, net of GST payable	129,444	129,444	-	-
	657,127	657,127	-	-
Company				
Loans and borrowings	36,000	36,000	-	-
Trade and other payables, net of GST payable	1,237	1,237	-	-
	37,237	37,237	-	-

(b) Fair value of financial instruments

The carrying amounts of deposits, cash and bank balances, short-term receivables and payables are reasonable approximation to their fair values due to relatively short-term nature of these financial instruments.

The fair values of long-term receivables and payables are estimated using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

The carrying amount of long-term and short-term floating rate borrowings approximates their fair value as the borrowings will be re-priced to market interest rate on or near reporting date. The fair value of finance lease liabilities in the previous financial year was calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

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

There have been no transfers between Level 1 and Level 2 during the financial year (2019: no transfer in either directions).

32. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

The following table provide the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	Carrying amount RM'000	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group									
2020									
Financial assets									
Other investments	5,683	1,398	-	4,285	5,683	-	-	-	-
2019									
Financial assets									
Other investments	5,426	1,141	-	4,285	5,426	-	-	-	-
Financial liabilities									
Finance lease liabilities	13,339	-	-	-	-	-	13,168	-	13,168
Company									
2020									
Financial assets									
Other investments	136	136	-	-	136	-	-	-	-
2019									
Financial assets									
Other investments	132	132	-	-	132	-	-	-	-

32. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

Level 2 fair value

Fair value of financial instruments not carried at fair value

The fair value of finance lease liabilities in previous financial year was determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rates as at the end of the reporting period.

Level 3 fair value

Fair value of financial instruments carried at fair value

The fair value of unquoted investments has been estimated based on adjusted net assets. This method involves deriving the fair value of the investee's equity instruments by reference to the fair value of its assets and liabilities with appropriate adjustment and is used in the management's estimate of fair value for these unquoted equity instruments.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees policies and procedures for managing each of these risks and they are summarised below.

(a) Credit risk

Credit risk is the risk of financial loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to the credit risk arises primarily from trade and other receivables. For cash and bank balances and deposits with licensed bank, the Group and the Company minimise credit risk by dealing exclusively with high credit rating financial institutions.

The Group's and the Company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an on-going basis with the result that the Group's and the Company's exposure to bad debt is not significant.

Trade receivables and contract assets

At the reporting date, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

At the end of the reporting period, approximately 63% (2019: 43%) of the Group trade receivables was due from three (2019: one) major customers.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on the days past due.

The information about the credit risk exposure on the Group's trade receivables and contract assets using the provision matrix are as follows:

Group	Expected credit loss rate %	Gross carrying amount at default RM'000	Impairment losses RM'000
2020			
Contract assets	0%	138,980	-
Trade receivables			
Current	0%	50,775	-
1 to 30 days past due	0%	17,637	-
31 to 60 days past due	0%	2,880	-
61 to 90 days past due	0%	519	-
91 to 120 days past due	0%	2,435	-
More than 121 days past duepast due	17%	3,452	600
		77,698	600
Impaired - individually		16,800	16,200
		94,498	16,800
		233,478	16,800
2019			
Contract assets	0%	92,672	-
Trade receivables			
Current	0%	33,561	-
1 to 30 days past due	0%	27,604	-
31 to 60 days past due	0%	8,815	-
61 to 90 days past due	0%	2,485	-
91 to 120 days past due	0%	1,424	-
More than 121 days past duepast due	12%	2,580	298
		76,469	298
Impaired - individually		16,725	16,725
		93,194	17,023
		185,866	17,023

Other receivables and other financial assets

For other receivables and other financial assets (including deposits, cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Other receivables and other financial assets (continued)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. The following indicators are incorporated, amongst others:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due from the credit term in making a contractual payment.

Some intercompany loans between the entities are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.10(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

As at the end of the reporting date, the Group did not recognise any loss allowance for impairment for other financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks is representing by the maximum amount the Company could pay if the guarantee is called on is disclosed in Note 33(b). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity risk (continued)

Maturity Analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual undiscounted cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2020					
Group					
Financial liabilities					
Trade and other payables	206,023	202,247	4,133	-	206,380
Term loans	235,486	91,445	128,294	63,159	282,898
Lease liabilities	16,785	7,556	8,140	2,853	18,549
Revolving credit	52,357	52,357	-	-	52,357
Invoice financing	5,448	5,448	-	-	5,448
Bank overdrafts	34,275	34,275	-	-	34,275
Medium term notes	247,822	25,000	225,000	-	250,000
	798,196	418,328	365,567	66,012	849,907
Company					
Financial liabilities					
Trade and other payables	8,482	8,482	-	-	8,482
Term loans	91,930	3,530	62,454	41,537	107,521
Lease liabilities	293	80	255	-	335
Revolving credit	30,286	30,286	-	-	30,286
Bank overdrafts	13,500	13,500	-	-	13,500
Financial guarantee contracts	-	575,388	-	-	575,388
	144,491	631,266	62,709	41,537	735,512
2019					
Group					
Financial liabilities					
Trade and other payables	129,444	125,798	4,132	-	129,930
Term loans	209,579	86,634	255,505	28,584	370,723
Finance lease liabilities	13,339	4,198	7,837	3,391	15,426
Revolving credit	21,603	21,603	-	-	21,603
Invoice financing	14,262	14,262	-	-	14,262
Bank overdrafts	21,492	21,492	-	-	21,492
Medium term notes	247,408	-	175,000	75,000	250,000
	657,127	273,987	442,474	106,975	823,436
Company					
Financial liabilities					
Trade and other payables	1,237	1,237	-	-	1,237
Term loans	36,000	8,333	33,207	-	41,540
Financial guarantee contracts	-	527,683	-	-	527,683
	37,237	537,253	33,207	-	570,460

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales, purchases, deposits with licensed banks and borrowings that are denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD").

The Group does not use any forward contracts to hedge against its exposure to foreign currency risk as the foreign exchange exposure in transactional currencies other than functional currency of the Group are kept to an acceptable level.

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	Group USD RM'000
2020	
Trade and other receivables	97,710
Cash and cash equivalents	2,263
Loans and borrowings	(71,098)
Trade and other payables	(60,774)
	(31,899)
2019	
Trade and other receivables	152,619
Cash and cash equivalents	3,863
Loans and borrowings	(106,899)
Trade and other payables	(31,461)
	18,122

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, with all the variables held constant on the Group's (loss)/profit for the financial year.

	Group Effect on (loss)/profit for the financial year	
	2020 RM'000	2019 RM'000
USD/RM - strengthen by 10% (2019: 10%)	(2,424)	1,377
- weaken by 10% (2019: 10%)	2,424	(1,377)

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from:

(i) Interest bearing financial assets

Cash deposits are short-term in nature and are not held for speculative purposes.

The Group manages its interest rate yield by prudently placing deposits with varying maturity periods.

(ii) Interest bearing financial liabilities

The Group and the Company manage their interest rate exposure by maintaining a prudent mix of fixed and floating borrowings. The Group and the Company actively review their debt portfolio, taking into account the investment holding period and the nature of its assets. This strategy allows them to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

As at the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's (loss)/profit net of tax would have been RM4,373,000 (2019: RM3,316,000) and RM1,031,000 (2019: RM274,000) lower/higher respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observable market environment.

34. CAPITAL COMMITMENTS

The Group has made commitments for the following capital expenditure:

	Group	
	2020 RM'000	2019 RM'000
Property, plant and equipment - approved and contracted for	21,391	20,726

35. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

The Group and the Company have related party relationship with their subsidiaries, associates, joint ventures, related parties, directors of the Company and key management personnel. Related parties of the Group are as follows:

Related parties	Relationship
Ecolab Pte. Ltd.	A company in which a director of a subsidiary (Malaysian Energy Chemical & Services Sdn. Bhd.) is a director and has substantial financial interest
Ecolab Asia Pacific Pte. Ltd.	A company in which a director of a subsidiary (Malaysian Energy Chemical & Services Sdn. Bhd.) is a director and has substantial financial interest
CTI Chemicals Asia Pacific Pte. Ltd.	A company in which a director of a subsidiary (Malaysian Energy Chemical & Services Sdn. Bhd.) is a director and has substantial financial interest
ChampionX SG Service Pte. Ltd.	A company in which a director of a subsidiary (Malaysian Energy Chemical & Services Sdn. Bhd.) is a director and has substantial financial interest
Uzma Engineering Limited	A company in which a director of the Company is a director and has substantial financial interest

35. RELATED PARTIES (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Subsidiaries				
Dividend income received/ receivable	-	-	(4,200)	(2,030)
Management fees received/ receivable	-	-	(17,080)	(17,757)
Interest income received/ receivable	-	-	(2,101)	(2,769)
Rental expenses paid/ payable	-	-	1,308	1,440
Joint venture				
Sales received/receivable	-	(337)	-	-
Dividend income received/ receivable	-	(3,065)	-	-
Management fees received/ receivable	-	(130)	-	-
Secondment income received/receivable	-	(322)	-	-
Rental income received/ receivable	-	(28)	-	-
Entities in which Directors have substantial interests				
Sales received/receivable	(14,282)	-	-	-
Purchases paid/payable	35,832	29,793	-	-

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 12 and 25 to the financial statements.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 33(b).

35. RELATED PARTIES (continued)

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any director of the Group and of the Company.

The remuneration of the key management personnel is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company				
Executive Directors:				
- fees	236	100	-	-
- salaries, bonus and other benefits	2,798	3,278	1,490	3,025
- defined contribution plans	315	319	165	319
	3,349	3,697	1,655	3,344
Non-executive Directors:				
- fees	463	514	463	514
- salaries, bonus and other benefits	31	20	31	20
	494	534	494	534
Directors of the subsidiaries				
Executive Directors:				
- fees	130	70	-	-
- salaries, bonus and other benefits	3,424	4,036	1,461	2,269
- defined contribution plans	359	406	171	273
	3,913	4,512	1,632	2,542
Total directors' remuneration	7,756	8,743	3,781	6,420
Other key management personnel				
Short-term employee benefits	1,751	3,154	989	2,631
Defined contribution plans	236	401	112	312
	1,987	3,555	1,101	2,943
	9,743	12,298	4,882	9,363

36. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal management reports of the Group's strategic business units which are regularly reviewed by the Group's Chief Executive Officer ("CEO") for the purpose of making decisions about resource allocation and performance assessment.

The three reportable operating segments are as follows:

Segments	Products and services
Services	Provision of geoscience and reservoir engineering, drilling, project and operation services, and other specialised services within oil and gas industry.
Trading	Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
Investment holding	Investment in subsidiaries.

Inter-segment pricing is determined at arm's length basis.

Segment profit

Segment performance is used to measure performance as Group's Chief Executive Officer believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measure differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment assets is measured based on all assets (excluding investment in associates and joint ventures) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

Segment liabilities

The total of segment liabilities is measured based on all liabilities (excluding deferred tax liabilities) of a segment, as included in the internal management reports that are reviewed by the Group's Chief Executive Officer.

36. SEGMENT INFORMATION (continued)

Group	Note	Services RM'000	Trading RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
2020						
Revenue:						
Revenue from external customers	(a)	481,023	71,061	347	-	552,431
Inter-segment revenue		39,192	5,710	26,176	(71,078)	-
		520,215	76,771	26,523	(71,078)	552,431
Results:						
Included in the measure of segment (loss)/ profit are:						
Interest income	(a)	4,680	513	13,799	(17,693)	1,299
Finance costs	(a)	(29,084)	(18)	(19,096)	17,642	(30,556)
Depreciation and amortisation		(48,199)	(1,885)	(502)	(5,121)	(55,707)
Amortisation of deferred income		1,281	-	-	-	1,281
Other non-cash (expense)/income	(b)	(26,065)	39	-	(1,809)	(27,835)
Not included in the measure of segment (loss)/profit but provided to Group's CEO are:						
Share of results in associates, net of tax		-	-	-	1,297	1,297
Segment (loss)/profit after tax	(c)	10,387	6,910	(3,062)	(29,844)	(15,609)
Assets:						
Investment in associates		-	-	-	12,048	12,048
Additions to non-current assets	(d)	69,614	89	1,278	-	70,981
Segment assets	(e)	1,278,193	77,779	828,446	(867,003)	1,137,415
Liabilities:						
Segment liabilities	(f)	909,274	17,180	452,418	(551,545)	827, 327

36. SEGMENT INFORMATION (continued)

Group	Note	Services RM'000	Trading RM'000	Investment holding RM'000	Adjustments and eliminations RM'000 (Restated)	Consolidated RM'000 (Restated)
2019						
Revenue:						
Revenue from external customers		371,391	73,862	1,246	-	446,499
Inter-segment revenue	(a)	30,998	5,644	22,852	(59,494)	-
		402,389	79,506	24,098	(59,494)	446,499
Results:						
Included in the measure of segment (loss)/ profit are:						
Interest income	(a)	14,988	403	12,608	(26,834)	1,165
Finance costs	(a)	(41,549)	(436)	(14,501)	27,097	(29,389)
Depreciation and amortisation		(39,601)	(892)	(125)	(3,306)	(43,924)
Other non-cash (expense)/income	(b)	(23,636)	(570)	3	49,964	25,761
Not included in the measure of segment (loss)/profit but provided to Group's CEO are:						
Share of results in associates, net of tax		-	-	-	1,620	1,620
Share of results in a joint venture, net of tax		-	-	-	3,519	3,519
Segment (loss)/profit after tax	(c)	(15,979)	4,547	(2,279)	46,802	33,091
Assets:						
Investment in associates		-	-	-	10,751	10,751
Additions to non-current assets	(d)	354,318	162	1,082	-	355,562
Segment assets	(e)	1,457,246	76,388	668,983	(963,793)	1,238,824
Liabilities:						
Segment liabilities	(f)	1,100,826	23,671	361,232	(802,213)	683,516

36. SEGMENT INFORMATION (continued)

(a) Inter-segment revenue and interest are eliminated on consolidation.

(b) Other material non-cash expense/(income) consists of the following items as presented in the respective notes:

	2020 RM'000	2019 RM'000 (Restated)
Accretion of interest on:		
- other receivables	-	(4,490)
- trade payable	-	(487)
Impairment loss on property, plant and equipment	21,749	-
Impairment losses on trade and other receivables	1,341	41,159
Inventories written down	82	244
Inventories written off	-	87
Inventories written back	(288)	(59)
Fair value loss on quoted equity securities	7	12
Gain on derecognision of a joint venture	-	(56,573)
(Gain)/Loss on disposal of property, plant and equipment	(1,053)	1,527
Gain on disposal of right-of-use assets	(224)	-
Net unrealised loss/(gain) on foreign exchange	2,272	(7,354)
Property, plant and equipment written off	2,010	49
Provision for post employment benefits	1,939	124
	27,835	(25,761)

(c) Inter-segment transactions eliminated on consolidation.

(d) Additions to non-current assets (excluding financial instruments, intangible assets and deferred tax assets) consist of:

	2020 RM'000	2019 RM'000
Property, plant and equipment	66,497	355,562
Right-of-use assets	4,484	-
	70,981	355,562

(e) The following items are deducted from segment assets to arrive at total assets reported in the statements of financial position:

	2020 RM'000	2019 RM'000 (Restated)
Investment in associates	12,048	10,751
Inter-segment assets	(879,051)	(974,544)
	(867,003)	(963,793)

36. SEGMENT INFORMATION (continued)

(f) The following items are (deducted from)/added to segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2020 RM'000	2019 RM'000 (Restated)
Deferred tax liabilities	9,679	11,043
Inter-segment liabilities	(561,224)	(813,256)
	(551,545)	(802,213)

(g) Geographical information

Revenue information based on the geographical location of subsidiaries is as follows:

	Revenue	
	2020 RM'000	2019 RM'000
Malaysia	497,889	410,436
Outside Malaysia	54,542	36,063
	552,431	446,499

The following is the analysis of non-current assets other than financial instruments and deferred tax assets analysed by the Group's geographical location:

	Non-current assets	
	2020 RM'000	2019 RM'000 (Restated)
Malaysia	630,066	624,772
Outside Malaysia	125,959	136,484
	756,025	761,256

(h) Major customers

Revenue from a major customer (2019: one) in services segment represents approximately RM305,227,000 (2019: RM255,357,000) or 55% (2019: 57%) of the Group's revenue.

37. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal structure so as to support its business and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustment to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group and the Company at the end of the reporting period was as follows:

	Group		Company	
	2020 RM'000	2019 RM'000 (Restated)	2020 RM'000	2019 RM'000
Loans and borrowings	575,388	527,683	135,716	36,000
Lease liabilities	16,785	-	293	-
Less: Deposits, cash and bank balances	(144,444)	(63,612)	(10,354)	(13)
Net debt	447,729	464,071	125,655	35,987
Total equity	490,088	555,308	293,721	297,310
Gearing ratio	91%	84%	43%	12%

The Group is not subject to any externally imposed capital requirements.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 27 February 2020, the Company's wholly-owned subsidiary, Tenggara Analisis Sdn. Bhd. ("Tenggara") had acquired additional 1,018,380 ordinary shares in Setegap Ventures Petroleum Sdn. Bhd. ("SVP"), representing additional 22% equity interest in SVP for a cash consideration of RM52,800,000. Consequently, SVP became a 86% owned indirect subsidiary of the Company.

(b) On 28 February 2020, the Company's wholly-owned subsidiary, Uzma Resource Solutions Sdn. Bhd. ("URSSB") had acquired for 765,000 ordinary shares in Jannatul Firdaus International Sdn. Bhd. ("JFISB"), representing 51% of JFISB's issued and paid-up share capital for a total consideration of RM765,000. Consequently, JFISB became a 51% owned indirect subsidiary of the Company.

(c) **Coronavirus outbreak**

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to 31 March 2020 ("MCO Phase 1") to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group and the Company operate.

The Group has considered and estimated the impact of the COVID-19 pandemic in the Group's financial position and performance by carrying out the assessments of its property, plant and equipment and trade receivables.

In developing the assumptions relating to the possible future uncertainties in the global economic conditions, the Group has, as at the reporting date, used internal and external sources, including economic forecasts and estimates from market sources. However, the impact assessment of the COVID-19 pandemic is a continuous process and the Group will continue to monitor any material changes to future economic conditions.

The Group's operations are largely project-focused and hence, liquidity requirements and cash flow positions are subject to fluctuations and market exposures. As the Group's earnings and operating cashflows are expected to be affected by the challenging operating environment due to the COVID-19 pandemic, the Group is currently focusing on capital and cashflow management, including cost-cutting measures and actively seeking to enhance their financing facilities. These are expected to equip the Group with sufficient cash flows and financial resources to meet its obligations as and when they fall due. Details of the Group's liquidity risk management and available facilities are disclosed under the Liquidity risk section in Note 33(b).

As the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the duration of the pandemic and its full range of possible effects on the Group's financial and liquidity positions.

39. COMPARATIVE FIGURES

(i) The following comparative figures have been reclassified to conform with current year presentation:

	As previously classified RM'000	Reclassification RM'000	As reclassified RM'000
Group			
2019			
Statements of Financial Position			
Current assets			
Deposits, cash and bank balances	63,617	(5)	63,612
Other investments	5,421	5	5,426
Trade and other receivables	365,953	(92,672)	273,281
Contract assets	-	92,672	92,672
Statements of Cash Flows			
Net cash from operating activities	11,861	(306)	11,555
Net cash used in investing activities	(78,934)	4,346	(74,588)
Net cash from financing activities	83,011	306	83,317
Cash and cash equivalents at the beginning of the financial year	9,802	(4,351)	5,451
Cash and cash equivalents at the end of the financial year	23,165	(5)	23,160
Company			
2019			
Statements of Cash Flows			
Net cash used in operating activities	(7,012)	(306)	(7,318)
Net cash from financing activities	36,000	306	36,306

(ii) Arising from the Purchase Price Allocation ("PPA") exercise carried out on the acquisition of Setegap Ventures Petroleum Sdn. Bhd. ("SVP") and Uzma Artificial Lift Sdn. Bhd. ("UAL") as disclosed in Note 8(a), the impact to the financial statements of the Group for the financial year ended 30 June 2019 are as follows:

	As previously stated RM'000	Effects of adjustment from PPA RM'000	As restated RM'000
Group			
2019			
Statements of Comprehensive Income			
Net impairment losses of financial assets	(41,572)	413	(41,159)
Other operating expenses	(54,076)	(625)	(54,701)
Tax expense	(8,682)	150	(8,532)
Statements of Financial Position			
Non-current assets			
Goodwill	177,213	(15,325)	161,888
Other intangible assets	21,398	18,686	40,084
Equity attributable to owners of the Company			
Retained earnings	(205,329)	(110)	(205,439)
Non-controlling interests	(54,184)	1,234	(52,950)
Non-current liabilities			
Deferred tax liabilities	(14,361)	(4,485)	(18,846)

40. PRIOR YEAR ADJUSTMENTS

The Group had undertaken up the translation differences of goodwill arising from acquisition of MMSVS Group Holding Co., Ltd. ("MMSVS") since the date of acquisition.

Accordingly, the consolidated statement of financial position of the Group as at 30 June 2019 and 1 July 2018 have been restated to correct the errors. The following prior year adjustments have been adjusted.

	As previously stated RM'000	Effect of adjustment from PPA (Note 39(ii)) RM'000	Prior year adjustments RM'000	As restated RM'000
Group				
30 June 2019				
Statements of Financial Position				
Goodwill	177,213	(15,325)	15,583	177,471
Foreign currency translation reserve	(26,541)	-	(15,583)	(42,124)
1 July 2018				
Statements of Financial Position				
Goodwill	61,368	-	14,034	75,402
Foreign currency translation reserve	(21,937)	-	(14,034)	(35,971)

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, **DATO' KAMARUL REDZUAN BIN MUHAMED** and **DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON**, being two of the directors of Uzma Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 120 to 217 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

DATO' KAMARUL REDZUAN BIN MUHAMED
Director

....

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON
Director

Kuala Lumpur

Date: 30 October 2020

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, **ZALEHA BINTI ABDUL HAMID**, being the officer primarily responsible for the financial management of Uzma Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 120 to 217 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

....

ZALEHA BINTI ABDUL HAMID
Group Chief Financial Officer
MIA Membership No.: CA25715

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 30 October 2020.

Before me,

Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Uzma Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 120 to 217.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

GROUP

Business combination (Note 4(a) and Note 8(a) to the financial statements)

In the previous financial year ended 30 June 2019, the Group acquired Setegap Ventures Petroleum Sdn. Bhd. ("SVP") and Uzma Artificial Lift Sdn. Bhd. ("UAL"), and assessed that the acquisition of SVP and UAL qualifies as a business combination and an acquisition of asset respectively by applying the definition in MFRS 3.

In accounting for the acquisition of SVP and UAL under MFRS 3, the fair values of the identifiable assets and liabilities acquired, including intangible assets, are recognised. The determination of the fair values of acquired assets and liabilities assumed, including intangible assets is based on directors' judgement. Any changes in these assumptions will have an impact on the carrying amounts of the acquired assets and liabilities assumed.

Our response:

Our audit procedures included, among others:

- agreeing the identifiable assets acquired and the liabilities assumed at the acquisition date to the management accounts at the date of acquisition;
- reviewing the valuation of intangible assets by reviewing the work performed by management's experts;
- reviewing the assumptions used in determining the valuation of assets and liabilities assumed, including intangible assets;
- reviewing the computations in the allocation of the purchase price to the different assets and liabilities; and
- reviewing the appropriateness and adequacy of the related disclosures in compliance with MFRS 3 *Business Combinations*.

Goodwill (Note 4(b) and Note 7 to the financial statements)

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including near-term impact from COVID-19, forecast growth rates and profit margin. The economic uncertainties from COVID-19 pandemic may result in higher levels of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

Our response:

Our audit procedures focus on evaluating the cash flow projections and the Group's projection procedures which included, among others:

- assessing the valuation methodology adopted by the Group;
- comparing the actual results with previous cash flow projections to assess the performance of the business of the respective CGU and historical accuracy of the projections;
- assessing the reasonableness of the Group's assumptions in relation to key inputs such as discount rates, forecast growth rates and profit margins;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount of the respective CGU.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

GROUP (CONTINUED)

Trade receivables (Note 4(c) and Note 12 to the financial statements)

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding trade receivables and impairment calculation;
- developing an understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by the Group;
- obtaining confirmation of balances from selected samples of the receivables;
- checking subsequent receipts, customer correspondence, and considering explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of expected credit loss as at the end of the reporting period.

COMPANY

Investment in subsidiaries (Note 4(d) and Note 8 to the financial statements)

The Company assesses impairment of investment in subsidiaries whenever the events or changes in circumstances indicate that the carrying amounts of investment in subsidiaries may not be recoverable i.e. the carrying amounts of investment in subsidiaries are more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Company uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including near-term impact from COVID-19, future sales, profit margins and operating expenses. The economic uncertainties from COVID-19 pandemic may result in higher levels of estimation uncertainty to the inputs and assumptions used in the value-in-use calculation. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Company's financial positions and results if the actual cash flows are less than expected.

Our response:

Our audit procedures focused on evaluating the cash flows projections which included, among others:

- comparing the actual results with previous budgets to assess the performance of the business and reliability of the forecasting process;
- comparing the Company's assumptions to our assessment in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessments; and
- performing a sensitivity analysis around the key assumptions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (CONTINUED)

KEY AUDIT MATTERS (CONTINUED)

COMPANY (CONTINUED)

Amounts owing by subsidiaries (Note 4(e) and Note 12 to the financial statements)

The Company performs impairment review on the amounts owing by subsidiaries whenever the events or changes in circumstances indicate that the amounts by subsidiaries may not be recoverable in accordance with its accounting policy.

Significant judgement is required over assumptions about risk of default and expected loss rate. In making the assumptions, the Company selected inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding amounts owing by subsidiaries;
- reviewing the shareholders' fund and expected manner of recovery of each subsidiary;
- obtaining confirmation of balances from subsidiaries;
- checking subsequent receipts, correspondence, and considering explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of expected credit loss as at the end of the reporting period.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (CONTINUED)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (CONTINUED)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Kenny Yeoh Khi Khen
No. 03229/09/2022 J
Chartered Accountant

Kuala Lumpur

Date: 30 October 2020

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SECTION 8 : ADDITIONAL INFORMATION

LIST OF PROPERTIES

Title/Location	Description/ Existing Use	Registered Owner	Date of Acquisition	Age of Building (Years)	Built-Up Area	Tenure	Net Book Value as at 30.06.2020 (RM'000)	Original Cost (RM'000)
H.S. (D) 102228 P.T. No. 16042 Damansara, Selangor Darul Ehsan	Semi-detached industrial premises / Geological laboratory	Uzma Engineering Sdn. Bhd.	13/10/2008	23 years	9,601.49 sq.ft	Freehold	3,191	3,626
No. 29, Jalan Kartunis U1/47, Temasya Industrial Park, Section U1, Shah Alam, Selangor Darul Ehsan								
H.S. (D) 256295, P.T. No. 47371 in the Mukim of Sungai Buloh, District of Petaling, State of Selangor	12-Storey commercial building / Office	Uzma Engineering Sdn. Bhd.	22/11/2013	7 years	38,901 sq.ft	Leasehold (expiring on 13/05/2108)	21,302	24,000
H-B1-01, H-02-01, H-03-01, H-03A-01, H-05-01, H-06-01, H-07-01, H-08-01, H-09-01, H-10-01, H-11-01, H-12-01, all situated at Blok Empire Pejabat, Empire Damansara, No. 2, Jalan PJU 8/8A, Damansara Perdana, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan								
H-Cape Biz Sector @ On-Nut Sukhaphiban 2 Rd, Prawet, Prawet, Bangkok, Thailand	3 and a half floor commercial building / Office	Uzma Consulting Limited	10/11/2014	6 years		Freehold	5,478	6,414
Room No. 22/30					250.80 sq.m			
Room No. 22/31					250.80 sq.m			
Room No. 22/32					250.80 sq.m			
Room No. 22/33					250.80 sq.m			
H.S. (D) 110395/110396 P.T No. 549 & 550 Seksyen 92, Bandar Kuala Lumpur	Two adjacent multi-storey building / Office	Setegap Ventures Petroleum Sdn. Bhd.	14/01/2018	15 years	751.12 sq.m	Freehold	8,891	9,310
No. 68 & No. 70, Fraser Business Park, Jalan Metro Pudu 2, Off Jalan Yew, 55100 Kuala Lumpur								

Title/Location	Description/ Existing Use	Registered Owner	Date of Acquisition	Remaining Lease (Year)	Land Area	Tenure	Net Book Value as at 30.06.2020 (RM'000)	Original Cost (RM'000)
Lot No. 12909 (Formerly PT. 1237) and 1727,	Commercial Land	Uzma Engineering Sdn. Bhd.	1/10/2019	-	6,114 sq.m	Freehold	560	1,772
Title No. GM 2838 (Formerly HSM 670 and GM 671)								
Padang Enggang, Kota Bharu, Kelantan Darul Naim					6,318 sq.m		440	
Teluk Kalung Industrial Land, Teluk Kalung, Kemaman, Terengganu, Darul Iman	Industrial Land	Uzma Engineering Sdn. Bhd.	30/06/2016	52 years	20,000 sq.m	Leasehold	5,530	5,973

ANALYSIS OF SHAREHOLDINGS

Information on Directors Shareholding as at 1 October 2020

NAMES OF DIRECTORS	DESIGNATION	NATIONALITY	DIRECT HOLDINGS NO.	DIRECT HOLDINGS %	INDIRECT HOLDINGS NO.	INDIRECT HOLDINGS %
DATUK ABDULLAH BIN KARIM	CHAIRMAN	MALAYSIAN	0	0.00	-	-
DATO' KAMARUL REDZUAN BIN MUHAMED	MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER	MALAYSIAN	0	0.00	110,526,674 (1)	34.54
DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON	EXECUTIVE DIRECTOR	MALAYSIAN	3,568,780 (2)	1.12	-	-
DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM	INDEPENDENT NON-EXECUTIVE DIRECTOR	MALAYSIAN	0	0.00	-	-
YAHYA BIN RAZALI	INDEPENDENT NON-EXECUTIVE DIRECTOR	MALAYSIAN	0	0.00	-	-
DATO' HAJJAH ZURAINAH BINTI MUSA	INDEPENDENT NON-EXECUTIVE DIRECTOR	MALAYSIAN	0	0.00	-	-
AHMAD YUNUS BIN ABD TALIB	EXECUTIVE DIRECTOR	MALAYSIAN	103,000	0.03	-	-
IKHLAS BIN ABDUL RAHMAN	INDEPENDENT NON-EXECUTIVE DIRECTOR	MALAYSIAN	0	0.00	-	-

1) Share held through:-

a) Tenggiri Tuah Sdn Bhd - 75,074
b) CGS-CIMB Nominees (Tempatan) Sdn Bhd - 10,000
c) Kenanga Nominees (Tempatan) Sdn Bhd - 110,441,600

2) Share held through:-

a) Kenanga Nominees (Tempatan) Sdn Bhd - 3,568,780

Information on Substantial Shareholders 5% and Above as at 1 October 2020

NAMES OF SUBSTANTIAL SHAREHOLDERS	NRIC/ REGISTRATION NO	NATIONALITY/ COUNTRY OF INCORPORATED	DIRECT HOLDINGS NO.	DIRECT HOLDINGS %	INDIRECT HOLDINGS NO.	INDIRECT HOLDINGS %
TENGGIRI TUAH SDN BHD	1184373K	MALAYSIAN INCORPORATED	-	-	110,526,674 (1)	34.54
BRAHMAL A/L VASUDEVAN	265449P	MALAYSIAN INCORPORATED	12,500,000 (2)	3.90	4,500,000 (3)	1.41

1) Share held through:-

a) Own Account - 75,074
b) CGS-CIMB Nominees (Tempatan) Sdn Bhd - 10,000
c) Kenanga Nominees (Tempatan) Sdn Bhd - 110,441,600

2) Share held through:-

a) Cimsec Nominees (Tempatan) Sdn Bhd - 6,500,000
b) HLB Nominees (Tempatan) Sdn Bhd - 6,000,000

3) Share held through:-

a) HSBC Nominees (Asing) Sdn Bhd - 4,000,000
Part of HSBC Nominees (Asing) Sdn Bhd - 500,000 - under Exempt An For Credit Suisse (SG BR-TST-ASING)

Distribution Schedule of Share as at 1 October 2020

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS SHAREHOLDERS	PERCENTAGE OF SHAREHOLDERS (%)	NO. OF SHARES	PERCENTAGE OF SHARE CAPITAL (%)
less than 100	39	0.63	573	0.00
100 to 1,000	992	16.05	472,661	0.15
1,001 to 10,000	3,027	48.96	17,843,405	5.58
10,001 to 100,000	1,898	30.70	62,295,066	19.46
100,001 to less than 5% of issued shares	220	3.56	111,890,121	34.96
5% and above of issued shares	6	0.10	127,526,674	39.85
TOTAL	**6,182**	**100.00**	**320,028,500**	**100.00**

Top 30 Shareholders as at 1 October 2020

NO.	ACCOUNT NO.	NAME	INVESTOR ID/ OLD INVESTOR ID	HOLDINGS	%
1.	073-001-060658796	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TENGGIRI TUAH SDN BHD	16778M	110,441,600	34.51
2.	098-001-065361305	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA KUAN WEE (XIE GENG WEI)	284592K	8,800,000	2.75
3.	065-001-058465634	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR BRAHMAL A/L VASUDEVAN (PBCL-OGOI 15)	265449P	6,500,000	2.03
4.	073-001-064536733	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BRAHMAL A/L VASUDEVAN	47697U	6,000,000	1.87
5.	064-001-055410724	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	42234H	4,800,000	1.50
6.	073-001-056626286	TAN YU WEI	730727-08-5805 A2455127	4,718,200	1.47
7.	207-001-051416832	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	199301012273	4,222,500	1.32
8.	206-001-052566478	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JP MORGAN CHASE BANK, NATIONAL ASSOCIATION (SINGAPOREJPMPB)	4381U	4,000,000	1.25
9.	073-001-057688228	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHE NAZAHATUHISAMUDIN BIN CHE HARON	16778M	3,568,780	1.12
10.	207-001-061064218	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AHAM EQUITY FUND)	199301012273	3,320,000	1.04

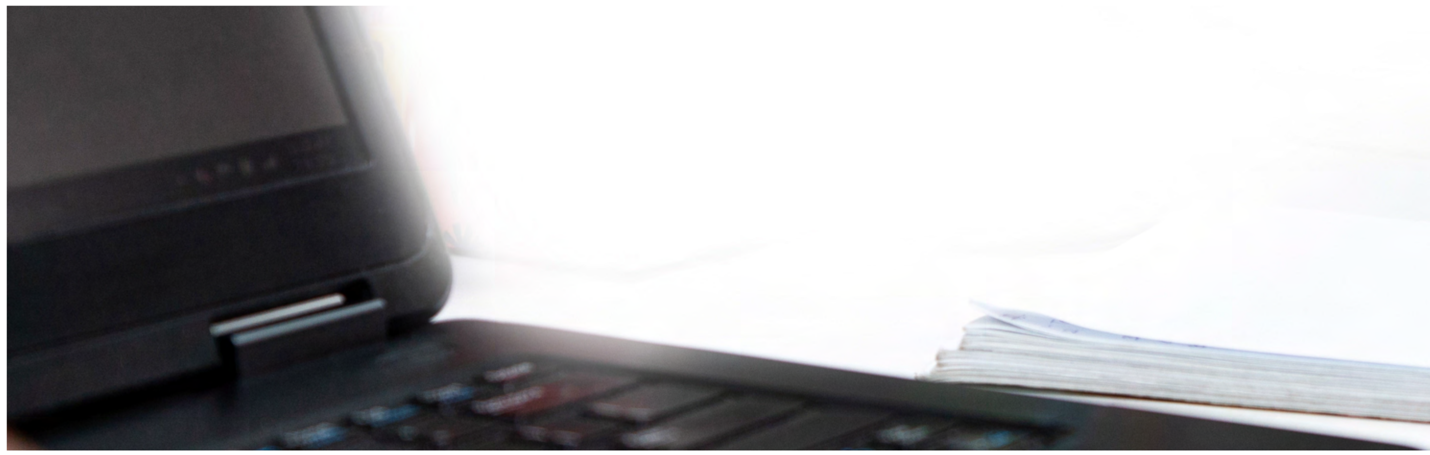
Top 30 Shareholders as at 1 October 2020 (Cont'd)

NO.	ACCOUNT NO.	NAME	INVESTOR ID/ OLD INVESTOR ID	HOLDINGS	%
11.	207-001-041771759	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	199301009138	2,730,591	0.85
12.	073-001-017118837	TENGKU AB MALEK BIN TENGKU MOHAMED	570103-03-5543 5091816	2,484,800	0.78
13.	201-001-057528408	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA FAMILY TAKAFUL BERHAD (DANA EKUITI)	258939H	2,277,300	0.71
14.	209-001-055710891	CARTABAN NOMINEES (TEMPATAN) SDN BHD SSBT AIFM FUND SAFP FOR LEMBAGA TABUNG HAJI	263368K	2,219,700	0.69
15.	064-001-038053153	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (B)	393510U	2,200,000	0.69
16.	207-001-054858451	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AMISLAMIC FD)	199301012273	2,152,800	0.67
17.	073-001-058474065	MOHD ZULHAIZAN BIN MOHD NOOR	710331-11-5299 A1846512	2,130,400	0.67
18.	087-001-046436168	BONG SEA POH	791015-13-5041	1,982,300	0.62
19.	206-001-043573708	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	4381U	1,960,000	0.61
20.	207-001-058104886	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 1)	199301009138	1,740,700	0.54
21.	068-019-068291640	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM TECK HUAT	41117T	1,572,500	0.49
22.	087-001-065077182	CREHAN PRASANNA RICHARD PERERA	N7223637	1,500,000	0.47
23.	206-001-055715643	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (VULTURE FUND)	258854D	1,500,000	0.47
24.	263-001-059261255	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	274737T	1,488,000	0.46

NO.	ACCOUNT NO.	NAME	INVESTOR ID/ OLD INVESTOR ID	HOLDINGS	%
25.	263-001-063164743	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD PEMBANGUNAN SUMBER MANUSIA BERHAD	274740T	1,284,100	0.40
26.	207-001-064362460	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR TAN YU YEH	199301012273	1,168,600	0.37
27.	068-001-000541433	LEE KOK HIN	580908-02-5093 5621428	1,152,900	0.36
28.	206-001-048796171	HSBC NOMINEES (ASING) SDN BHD DZ PRIVATBANK FOR NPB SICAV - NPB ASIA (EXCL. JAPAN)	4381U	1,088,000	0.34
29.	098-002-058288085	MOHAMED FIRDOUS BIN KAMARUL JAMAN	900808-02-5643	1,020,000	0.32
30.	209-001-059561647	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR SP TACTICAL INVESTMENT FUND	263368K	1,000,000	0.31

TOP 30 SHAREHOLDERS

TOTAL NO OF HOLDER :	30	STOCK CODE:	7250
TOTAL HOLDINGS :	191,023,771		
TOTAL PERCENTAGE :	59.68		




NOTICE OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth Annual General Meeting ("**13th AGM**") of UZMA BERHAD will be conducted **fully virtual** via **Remote Participation Electronic Voting** ("**RPEV**") facilities for the purpose of considering and if thought fit, passing with or without modifications the resolutions setting out in this notice.

13TH ANNUAL GENERAL MEETING
OF UZMA BERHAD

Date :	Wednesday, 16 December 2020
Time :	10:00am
Broadcast Venue :	Meeting Room TR12-R02, 12th Floor, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan Malaysia
Mode of Communication :	1) Submit questions to the Board prior to the 13th AGM by emailing to communications@uzmagroup.com no later than 5.00 p.m., Monday, 14 December 2020. 2) Post questions to the Board via real time submission of typed text at https://web.lumiagm.com/ during live streaming of 13th AGM.

AGENDA

AS ORDINARY BUSINESS

1 To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Directors' and Auditors' Reports thereon. **(Please refer to Explanatory Note)**

2 To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM692,000 for their services from 17 December 2020 until the next Annual General Meeting ("AGM") of the Company in year 2021 and the payment 2020 thereof. **Ordinary Resolution 1**

3 To re-elect the following Directors who are retiring pursuant to Clause 98 of the Constitution of the Company:-

i) Dato' Che Nazahatuhisamudin Bin Che Haron **Ordinary Resolution 2**

ii) Encik Encik Ikhlas Bin Abdul Rahman **Ordinary Resolution 3**

Encik Ahmad Yunus Bin Abd Talib who retires in accordance with Clause 98 of the Constitution of the Company, have expressed his intention not to seek re-election at the 13th AGM and will retain office until the conclusion of the 13th AGM.

4 To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions:-

5 **Proposal Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

"THAT pursuant to Sections 75 and 76 of the Act and the Constitution of the Company, the Directors be and are hereby authorised to allot and issue shares in the Company, at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at the time of issue, subject to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance." **Ordinary Resolution 5 (Please refer to Explanatory Note 3)**

6 Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("Proposed Share Buy-Back")

"THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to utilise an amount not exceeding the Company's audited retained profits as at 30 June 2020 to purchase such amount of ordinary shares in the Company ("Proposed Renewal of Share Buy-Back Authority") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

(a) the maximum aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s), subject to the provisions of the MMLR;

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares under the Proposed Share Buy-Back shall not exceed the total retained profits of the Company at the time of purchase; and

(c) the authority conferred by this resolution to facilitate the Proposed Share Buy-Back will be effective immediately upon the passing of this ordinary resolution and will continue to be in force until:-

(i) the conclusion of the next AGM of the Company, following the general meeting at which this resolution was passed at which time it will lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions but not as to prejudice the completion of purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act, the rules and regulations made pursuant thereto and the guidelines issued by Bursa Securities and/or any other relevant authority;

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and, made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority (if any).

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them or in any manner as prescribed by the Act and the requirements of the Bursa Securities and any other relevant authority for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company." **Ordinary Resolution 6 (Please refer to Explanatory Note 4)**

7 To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

TAI YIT CHAN
(SSM PC No. 202008001023)
(MAICSA 7009143)

WONG WEI FONG
(SSM PC No. 201908001352)
(MAICSA 7006751)
Company Secretaries

Selangor Darul Ehsan

Date: 30 October 2020

NOTES

1 Precautionary measures against COVID-19 pandemic

a. In light of the current COVID-19 pandemic and having regard to the well-being and safety of our Shareholders, the 13th AGM shall be held as a fully virtual meeting where shareholders are only allowed to participate remotely via live streaming and online voting using RPEV facilities which are available through the Company's Share Registrar's Portal at **https://web.lumiagm.com/**. Please follow the procedures provided in the Administrative Details of the 13th AGM in order to register, participate and vote remotely via RPEV facilities.

b. With RPEV facilities, a Shareholder may exercise his/her right to participate (including to pose questions to the Board/Management of the Company) and vote at the 13th AGM, in the comfort of your home. Shareholders may use the query box facility to submit questions real time during the AGM or e-mail questions to *communications@uzmagroup.com* no later than 5.00 p.m., Monday, 14 December 2020.

c. The venue of the 13th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue (Broadcast Venue) and to facilitate the conduct of the fully virtual meeting. (**No Members/Proxy(ies)/ corporate representatives shall be physically present at the Broadcast Venue**.)

2 Proxy

a. Since the 13th AGM will be conducted via a fully virtual meeting, all Shareholders are advised to participate in the 13th AGM remotely by registering yourself at **https://boardroomlimited.my** so that you would be able to participate in the virtual 13th AGM at **https://web.lumiagm.com/**.

b. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid. There shall be no restriction as to the qualification of the proxy.

c. If a Shareholder of the Company entitled to attend and vote at a meeting of the Company is not able to participate in the 13th AGM via RPEV facilities on Wednesday, 16 December 2020, in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, released by Securities Commission Malaysia on 18 April 2020 and revised on 13 October 2020 ("**SC Guidance Note**"), we strongly encourage all Shareholders to appoint the Chairman of the Meeting as his/her Proxy and indicate the voting instructions in the instrument appointing a Proxy (Proxy Form).

d. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

e. The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

The Proxy Form shall be deposited at the Share Registrar's Office of the Company, Boardroom Share Registrar Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM i.e. Monday, 14 December 2020, 10.00 a.m. or any adjournment thereof.

By Electronic Means

The Proxy Form may be submitted:

a. to the Share Registrar of the Company, Boardroom Share Registrar Sdn. Bhd. via e-mail to **bsr.helpdesk@boardroomlimited.com**, not less than forty-eight (48) hours before the time set for holding the 13th AGM i.e. Monday, 14 December 2020, 10.00 a.m. or any adjournment thereof; or

b. via electronic means ("e-Proxy") through the Boardroom Share Registrar's smart investor portal at **https://boardroomlimited.my** by logging in and selecting "E-PROXY LODGEMENT" not less than forty-eight (48) hours before the time set for holding the 13th AGM i.e. Monday, 14 December 2020, 10.00 a.m. or any adjournment thereof (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy).

3 Shareholders entitled to participate and vote

In respect of deposited securities, only members whose names appear on the Record of Depositors on Monday, 7 December 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

4 Voting

a. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the 13th AGM will be put to vote by way of poll.

b. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

c. The lodging of a form of proxy does not preclude a member from attending and voting at the meeting should the member subsequently decide to do so.

d. Please refer to the voting procedure as specified in the Administrative Details of the 13th AGM.

e. Upon completion of the voting session for the 13th AGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman of the Meeting's declaration whether the resolutions are duly passed.

EXPLANATORY NOTES

The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to Section 340(1)(a) of the Act. Hence, this agenda item is not put forward for voting by shareholders of the Company.

1. To receive the Audited Financial Statements

Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. Ordinary Resolution 1 – Directors' Fees and Benefits Payable

The amount of Directors' Fee payable includes fee payable to Directors as a member of Board and Board Committees. The amount of Benefits Payable to Non-Executive Directors comprise meeting allowances only. Other than the Directors' Fees and Benefits Payable from the Company, the Non-Executive Directors do not receive any Directors' Fees or Benefits Payable from any of the subsidiaries of Uzma Group of companies.

In the event that the proposed Directors' Fees and Benefits Payable during the above period exceed the estimated amount sought at the 13th AGM, approval will be sought at the next AGM for additional Directors' Fees and Benefits Payable to meet the shortfall.

3. Ordinary Resolution 5 – Proposed Renewal of Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares

The Company had, during its Twelfth AGM held on 16 December 2019, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Sections 75 and 76 of the Act. The Company did not issue any shares pursuant to this mandate obtained. The Ordinary Resolution 6 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

The Ordinary Resolution 6, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for purposes as the Directors consider would be in the interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

4. Ordinary Resolution 6 – Proposed Share Buy-Back

The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company authority to take all such steps as are necessary or expedient to implement, finalise, complete and/or to effect the purchase(s) of Ordinary Shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 13th AGM is required by law to be held.

Further information on the Proposed Share Buy-Back is set out in the Statement to Shareholders dated 30 October 2020 which was despatched together with this Annual Report.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

UZMA BERHAD
[Registration No. 200701011861(769866-V)]
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account No.	

I/We*, ________________________ (full name of member, in capital letters) NRIC No./Passport No./Company No.* ________________________ of ________________________

(full address) being a member/ members* of UZMA BERHAD, hereby appoint ________________________

(name of proxy as per NRIC, in capital letters) NRIC No ________________________ of

________________________ (full address) or failing him/her*________________________

(name of proxy as per NRIC, in capital letters) NRIC No ________________ of ________________________

________________________ (full address) or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Thirteenth Annual General Meeting of the Company to be conducted **fully virtual** via **Remote Participation Electronic Voting** ("**RPEV**") facilities at broadcast venue at Meeting Room TR12-R02 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia on **Wednesday, 16 December 2020** at **10.00 a.m**. and at any adjournment thereof.

* Please delete the words "THE CHAIRMAN OF THE MEETING" if you wish to appoint some other person to be your proxy.

NO.	RESOLUTIONS	FOR	AGAINST
Resolution 1	To approve the payment of Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM692,000 for their services from 17 December 2020 until the next Annual General Meeting of the Company in year 2021 and the payment 2020 thereof.		
Resolution 2	To re-elect Dato' Che Nazahatuhisamudin Bin Che Haron who is retiring pursuant to Clause 98 of the Constitution of the Company.		
Resolution 3	To re-elect Encik Ikhlas Bin Abdul Rahman who is retiring pursuant to Clause 98 of the Constitution of the Company.		
Resolution 4	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Resolution 5	Proposal Renewal of Authority under Sections 75 and 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares.		
Resolution 6	Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares		

*Strike out whichever is not desired.

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

____
Signature/Common Seal of Member/(s)

Number of shares held: ________________

Date: ________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100 %

UZMA BERHAD
[Registration No. 200701011861(769866-V)]
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account No.	

NOTES:

1. Precautionary measures against COVID-19 pandemic

a. In light of the current COVID-19 pandemic and having regard to the well-being and safety of our Members the 13th AGM shall be held as a fully virtual meeting where Members are only allowed to participate remotely via live streaming and online voting using RPEV facilities which are available through the Share Registrar's Boardroom Smart Investor Portal at **https://web.lumiagm.com/**. Please follow the procedures provided in the Administrative Details of the 13th AGM in order to register, participate and vote remotely via RPEV facilities.

b. With RPEV facilities, a Members may exercise his/her right to participate (including to pose questions to the Board/Management of the Company) and vote at the 13th AGM, in the comfort of your home. Members may use the query box facility to submit questions real time during the AGM or e-mail questions to *communications@uzmagroup.com* no later than 5.00 p.m., Monday, 14 December 2020.

c. The venue of the 13th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue (Broadcast Venue) and to facilitate the conduct of the fully virtual meeting. **No Shareholders/Proxy(ies)/Corporate Representatives shall be physically present at the Broadcast Venue.**

2. Proxy

a. Since the 13th AGM will be conducted via a fully virtual meeting, all Members are advised to participate in the 13th AGM remotely by registering yourself at **https://boardroomlimited.my** so that you would be able to participate in the virtual 13th AGM at **https://web.lumiagm.com/**.

b. A member entitled to attend and vote is entitled to appoint not more than two (2) proxies. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid. There shall be no restriction as to the qualification of the proxy.

c. If a Member of the Company entitled to attend and vote at a meeting of the Company is not able to participate in the 13th AGM via RPEV facilities on Wednesday, 16 December 2020, in line with the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, released by Securities Commission Malaysia on 18 April 2020 and revised on 13 October 2020 ("SC Guidance Note") , we strongly encourage all Members to appoint the Chairman of the Meeting as his/her Proxy and indicate the voting instructions in the instrument appointing a Proxy (Proxy Form).

d. Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

e. The appointment of Proxy may be made in a hardcopy form or by electronic means as follows:

In Hardcopy Form

The Hardcopy Proxy Form shall be in writing under the hands of the appointor or of his/her attorney duly authorised in writing or if the appointor is a corporation either under its common seal, or the hand of its officer or its duly authorised attorney. An instrument appointing a Proxy to vote at a meeting shall be deemed to include the power to demand or join in demanding a poll on behalf of the appointor.

The Proxy Form shall be deposited at the Share Registrar's Office of the Company, Boardroom Share Registrar Sdn. Bhd. at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM i.e. Monday, 14 December 2020, 10:00 am or any adjournment thereof.

By Electronic Means

The Proxy Form may be submitted:

a. to the Share Registrar of the Company, Boardroom Share Registrar Sdn. Bhd. via e-mail to **bsr.helpdesk@boardroomlimited.com**, not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof; or

b. via electronic means ("e-Proxy") through the Boardroom Share Registrar's smart investor portal at **https://boardroomlimited.my** by logging in and selecting "E-PROXY LODGEMENT" not less than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof (please refer to the Annexure to the Proxy Form for further information on submission via e-Proxy)

3. Members entitled to participate and vote

In respect of deposited securities, only members whose names appear on the Record of Depositors on Monday, 7 December 2020 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend, speak and/or vote on his/her behalf.

4. Voting

a. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the Notice of the 13th AGM will be put to vote by way of poll.

b. If no name is inserted in the space provided for the name of your proxy, the Chairman of the Meeting will act as your proxy.

c. The lodging of a form of proxy does not preclude a member from attending and voting at the meeting should the member subsequently decide to do so.

d. Please refer to the voting procedure as specified in the Administrative Details of the 13th AGM.

e. Upon completion of the voting session for the 13th AGM, the Independent Scrutineers will verify and announce the poll results followed by the Chairman of the Meeting's declaration whether the resolutions are duly passed.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 30 October 2020.

Fold this flap for sealing

Then fold here

Affix Stamp

The Share Registrar
Uzma Berhad
[Registration No.: 200701011861 (769866-V)]
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1st fold here

ANNEXURE TO THE PROXY FORM

Dear Members,

We are pleased to inform you that as a Member, you have the option to submit your Proxy Form via electronic means (e-Proxy) in paperless form. Once you have successfully submitted your e-Proxy form, you are no longer required to complete and submit the physical Proxy Form to the office of the Share Registrar of the Company.

To assist you on how to engage with e-Proxy, kindly read and follow the guidance notes which are detailed below:

ELECTRONIC LODGEMENT OF PROXY FORM OF THE 13TH AGM (E-PROXY LODGEMENT)

Step 1 – Register online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 below for e-Proxy lodgement.]

a. Access Boardroom's website at https://boardroomlimited.my
b. Click <<Login>> and click <<Register>> to sign up as a user. Registration is free.
c. Complete registration and upload a softcopy of your MYKAD (for Malaysian) front and back or your Passport (for non-Malaysian).
d. Please enter a valid e-mail address and wait for Boardroom's e-mail verification.
e. Your registration will be verified and approved within one (1) business day and an e-mail notification will be provided.

Step 2 – e-Proxy lodgement

a. Access Boardroom's website at https://boardroomlimited.my
b. Login with your user ID (i.e. e-mail address) and password.
c. Go to "E-PROXY LODGEMENT" and browse the Meeting List for "UZMA BERHAD THIRTEENTH (13TH) VIRTUAL ANNUAL GENERAL MEETING" and click "APPLY".
d. Read the terms and conditions and confirm the declaration.
e .Enter the CDS account number and indicate the number of securities for your Proxy to vote on your behalf.
f. Appoint the Chairman of the Meeting as your Proxy and enter the required particulars.
g. Indicate your voting instructions – FOR or AGAINST, otherwise your Proxy will decide your vote.
h. Review and confirm your Proxy appointment.
i. Click submit.
j. Download or print the e-Proxy form acknowledgement.