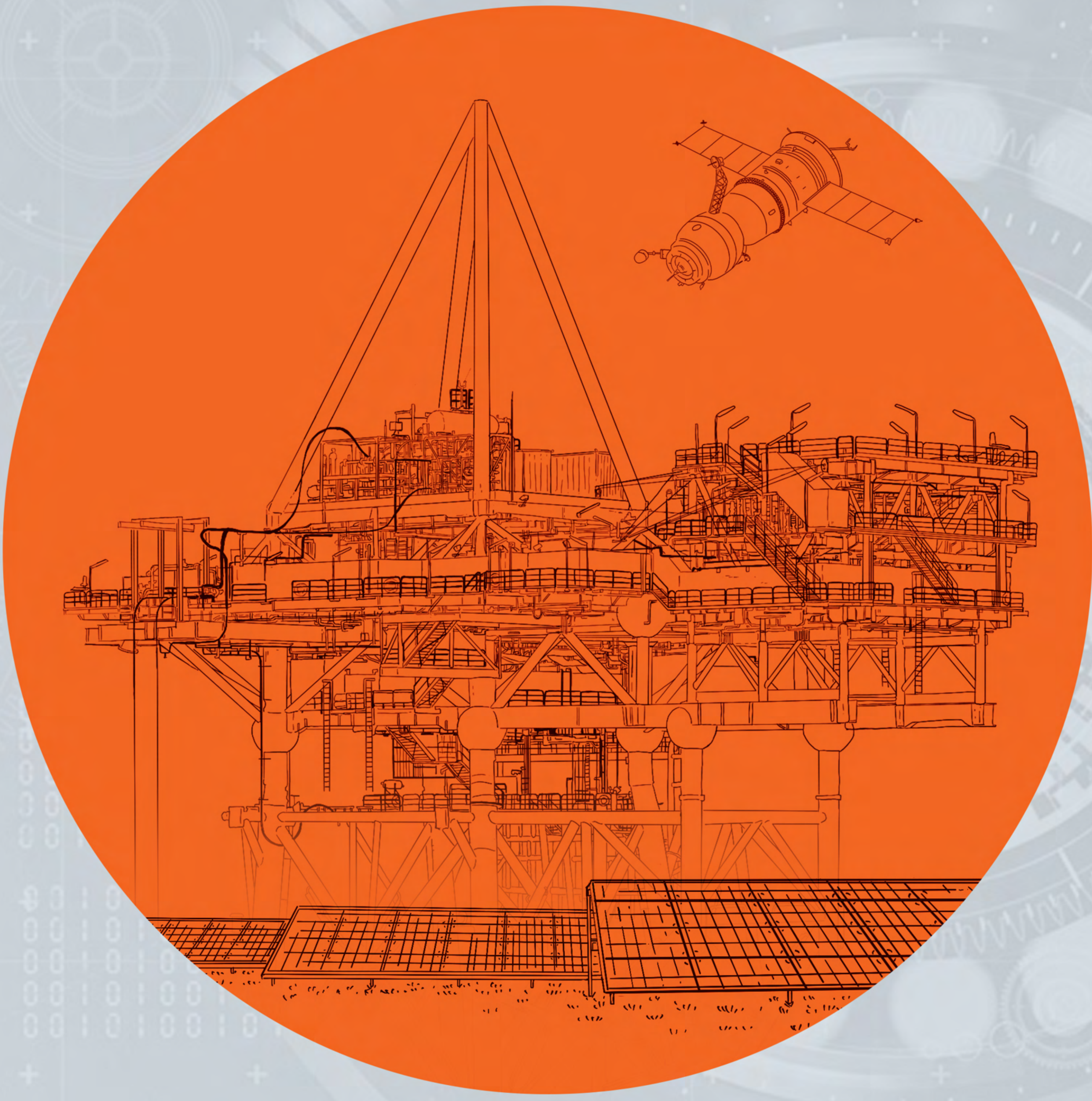
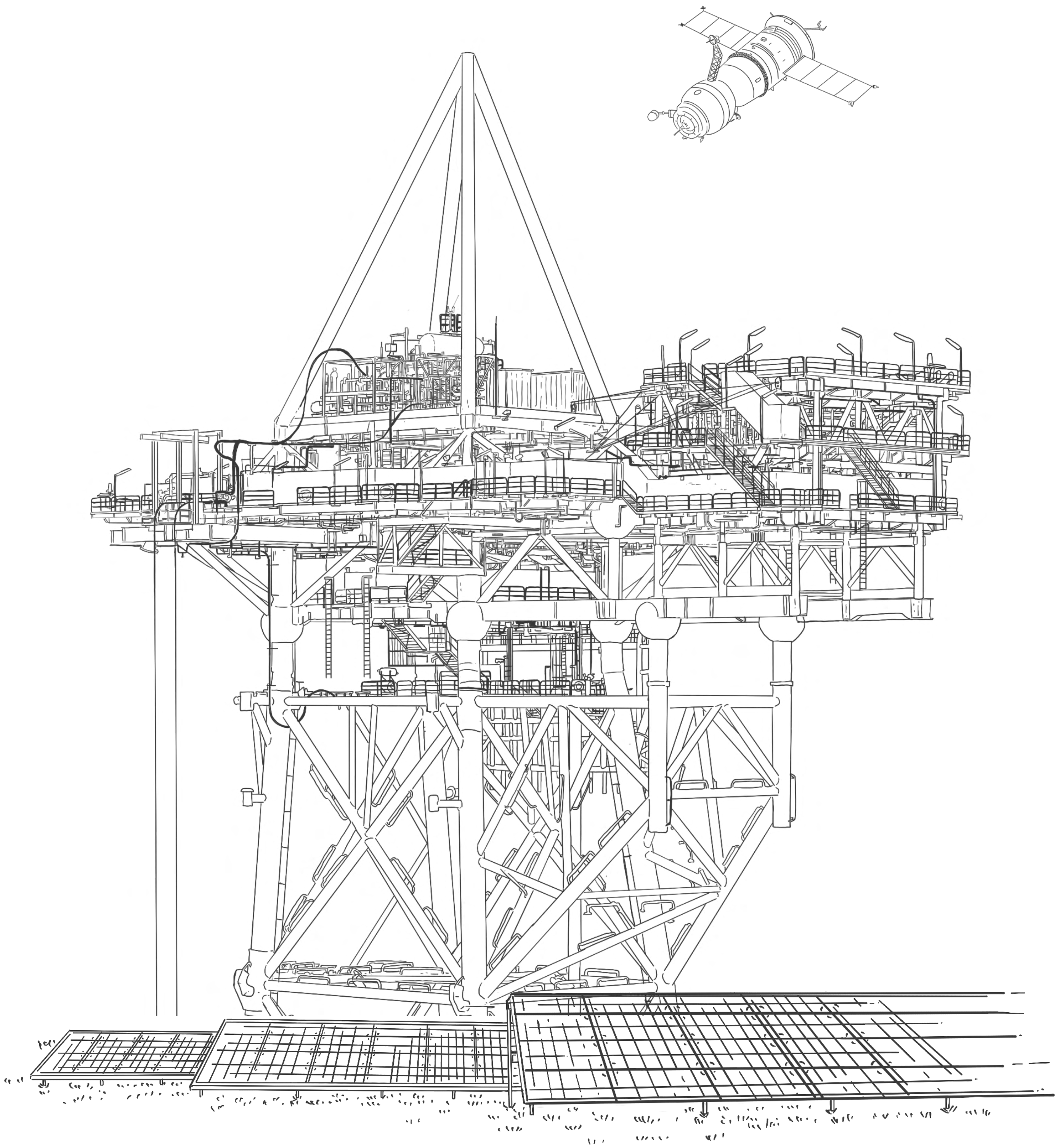


DIVERSIFYING ENERGY

ANNUAL REPORT 2021



UZMA BERHAD

ANNUAL REPORT 2021

DIVERSIFYING ENERGY

ABOUT THIS REPORT

Welcome to Uzma Berhad's Annual Report 2021. As you read through the following pages, you will find a comprehensive review of our performance during the financial year ended 30 June 2021. This Report presents the our commitment to transparent and quality disclosures on our business performance and our ability to create value to our stakeholders.

Scope

UZMA BERHAD ("Uzma" or "the Group")'s Annual Report is the main report covering all of the Group's primary business activities and business segments. We seek to present information that is relevant to stakeholders for the financial year from 1 July 2020 until 30 June 2021. This Report presents information that is accurate and relevant at time of publication.

Forward-Looking Statement

This Annual Report contains certain forward-looking statements with the use of words or phrases such as "might", "forecast", "anticipate", "project", "may", "believe", "intend", "seek" "predict", "expect", "continue", "will", "could", "plan", "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 may 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. In this respect, readers must therefore not rely solely on these statements in making investment decisions regarding the Group.

Reporting Frameworks

The content of this Annual Report is guided by the following reporting standards and frameworks:

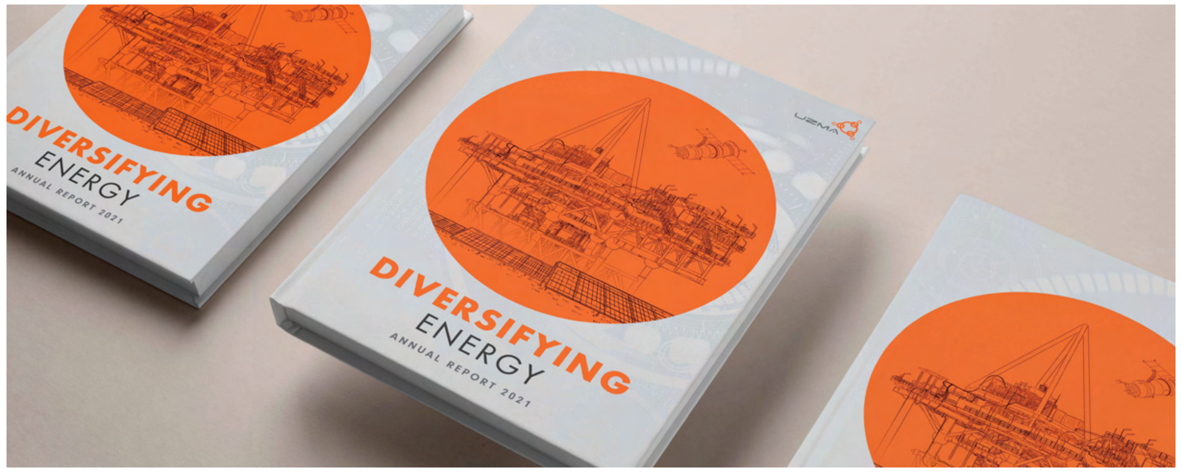
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2017 ("MCCG")
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")
- Companies Act 2016 ("CA")

Feedback And Enquiries

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

Note:
The Information stated in this Annual Report is as at 30 June 2021 unless otherwise stated.

COVER THEME RATIONALE



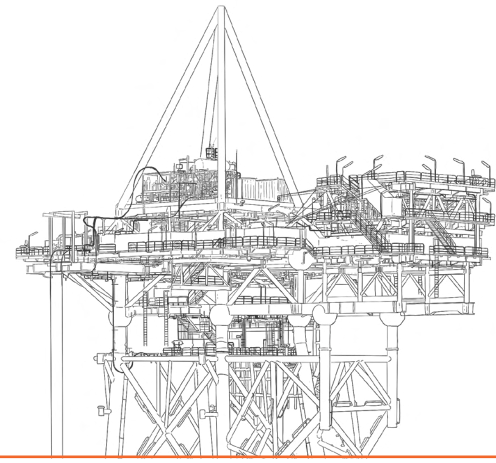
Theme
DIVERSIFYING ENERGY

As we navigate our way through the challenges and the fundamental shifts in the oil and gas industry brought upon by the pandemic, we reflect on how we overcame the odds to deliver on our commitments to our clients and still deliver value to our stakeholders, whilst expanding our business into new territories.

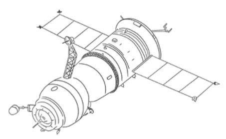
With a focus in building a space in the new energy sector, we are more than ready to capture more growth opportunities for the Group and also, continue strengthening opportunities for our core business within the oil and gas industry. Despite the onslaught of challenges, we shall continue to adapt our strategies to position ourselves for long-term success. Our people and capabilities remains to be the most valuable to our growth.

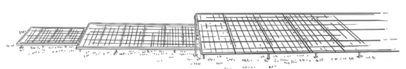
The cover design and the theme of 'Diversifying Energy' symbolises our journey in overcoming obstacles while remaining determined, committed and strong to face any uncertainty within the energy industry. Guided by our uzmaWAY, we remain focused in propelling ourselves forward to greater heights to emerge stronger together as a unit. We shall remain on course to ensure progress and success while we endure all challenges to guide us towards a more sustainable future for Uzma and our stakeholders.

The soft copies of Uzma Berhad Annual Report 2021 is available on our website www.uzmagroup.com.



WHAT'S INSIDE





14th Annual General Meeting

Day & Date:
Thursday, 16 December 2021

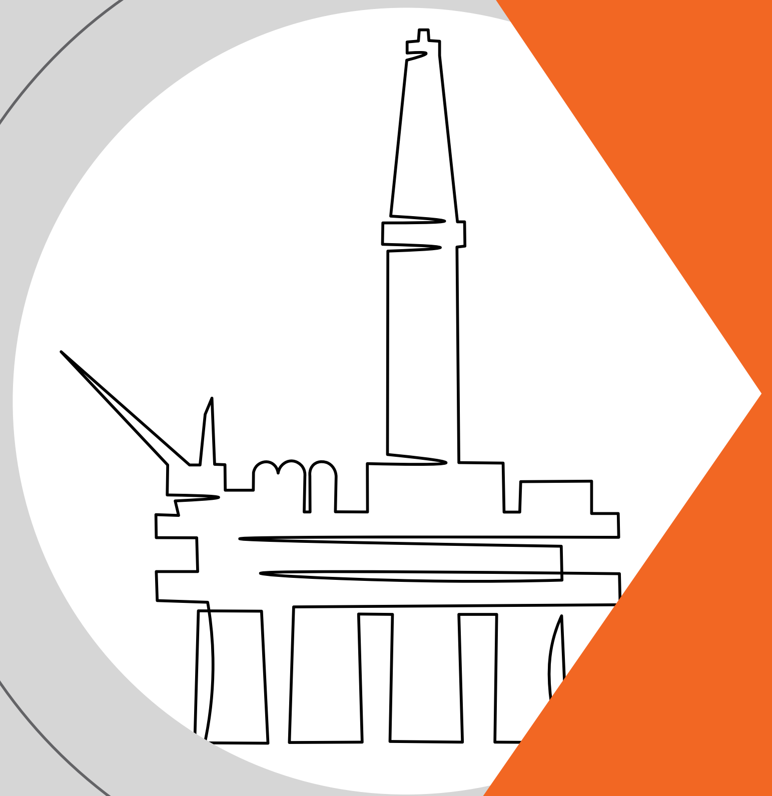
Time:
10.00 a.m.

Broadcast Venue:
Uzma Tower,
No. 2, Jalan PJU 8/8A, Damansara Perdana,
47820 Petaling Jaya, Selangor, Malaysia

Event Link:
https://agm.omesti.com
(Virtual Meeting Platform)

Read Uzma's Annual Report 2021 Via Our Website

In line with Uzma's commitment to sustainability and the environment, we are not distributing hardcopies of this Report, except by request. We encourage you to read this Report on our website, available at **www.uzmagroup.com**, also accessible by scanning this QR code.



OVERVIEW OF UZMA

WHO WE ARE

OUR STORY

Established in 2000, Uzma is one of the leading upstream Oil and Gas Service and Equipment ("OGSE") companies in Malaysia. Aside from Malaysia, we also have operational offices in Thailand, Indonesia and the Philippines. We offer a spectrum of cost-effective integrated solutions which leverages on innovation. Our expertise lies in services which cater to the needs of the exploration, development and production value chain within the Oil and Gas ("O&G") industry.

Since incorporation, 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. Over the past several years, as part of our transformation programme - the Five-Year Plan ("uzma5YP"), we have been putting into effect strategic decisions to reposition our business on integrated solutions and asset/technology-based solutions and diversifying beyond our existing business to venture into new growth areas such as New Energy, Digitalisation and Downstream business.

Our diverse, high performing team is our most valuable human capital asset, located throughout our local and international operations. Through their daily work, they drive through our desire to create value for our clients by consistently delivering high quality results, with the best cost structure, and an uncompromising approach towards safety.

Our company DNA is exemplified by the uzmaWAY, which rests on five core pillars that epitomize our commitment to an excellence-centric culture and project deliveries. The uzmaWAY emphasises our commitment to continuously innovate and provide better solution for our clients. Our innovative solutions take on the challenges of an ever shifting O&G industry and enables us to add value to our clients' businesses.

Our focused approach and unstinting resolve to deliver to the best of our ability has seen us grow in size and stature since our inception in 2000. Today, Uzma's regional presence is evident through our strong footprint spanning Malaysia, Thailand, Indonesia and the Philippines.

We remain committed to being a company of growth, to continuously innovate new solutions which benefit our stakeholders, and contribute towards a more sustainable industry ecosystem for all.

OUR VISION

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

OUR MISSION

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

OUR uzmaWAY

Uzma Group is an integrated group of companies that provide cost effective solutions to the oil and 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 organisation.

1

HEALTH & SAFETY

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 organisation. Our stakeholders and all their loved ones shall have a peace of mind knowing that they are always in good hands.

2

PEOPLE

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.

3

QUALITY

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 our stakeholders' expectation and we strive to be the best in everything that we do.

4

INTEGRITY

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

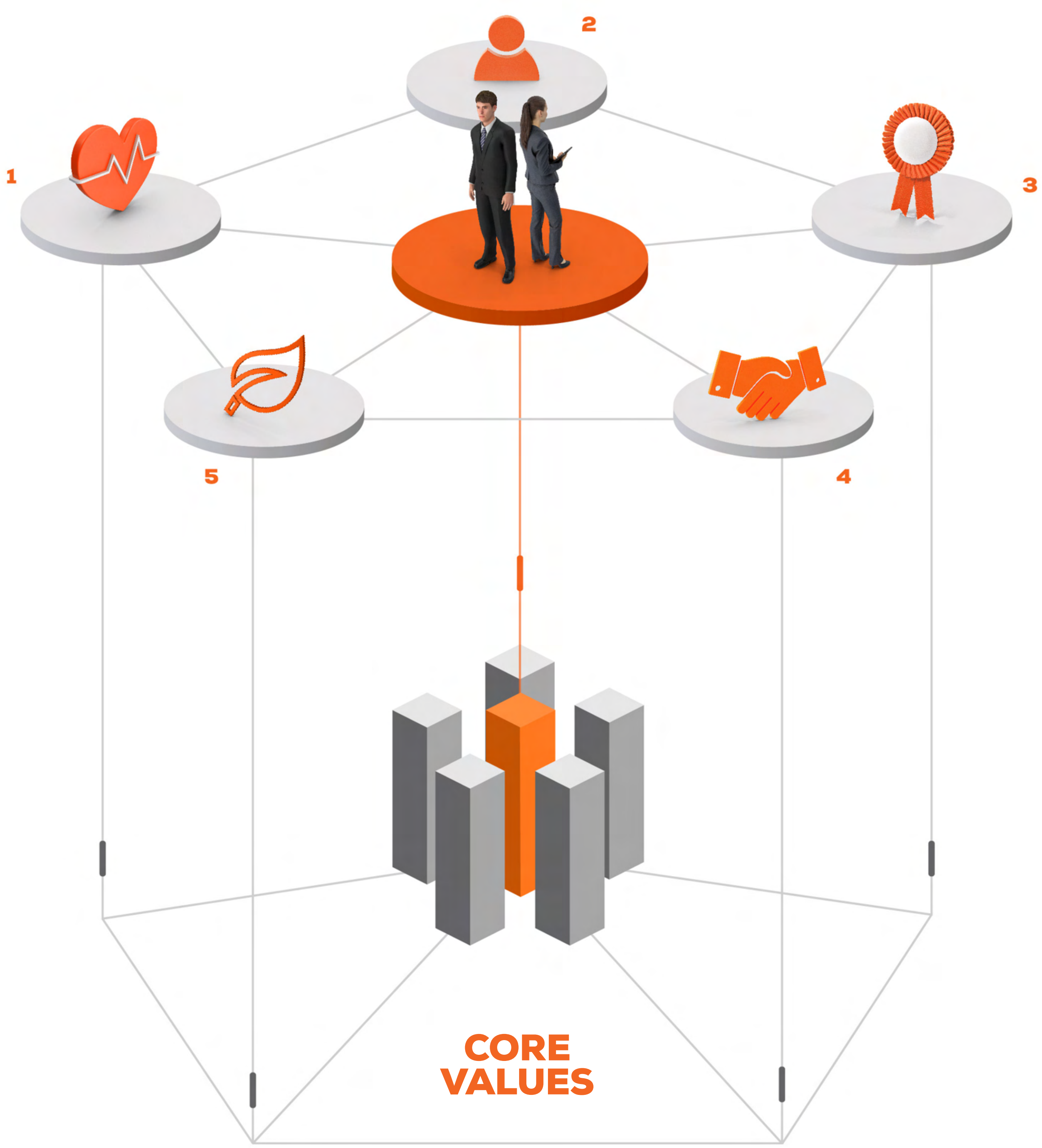
5

ENVIRONMENT

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 organisation.

Realising that we are only as strong as our weakest link, we ensure that our employees, partners, consultants and supply chain fully understand and promote voluntary subscription to the uzmaWAY.



WHAT WE DO

OIL AND GAS DIVISION

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

FIND

Potential Hydrocarbon Assets

SUBSURFACE SOLUTION

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

LATE LIFE ASSETS

Leveraging existing capabilities towards decommissioning the asset in phases

- Operation and Maintenance of Late Life Assets
- Decommissioning Services

CONNECT

Hydrocarbon Assets to Surface

INTEGRATED WELL SOLUTIONS

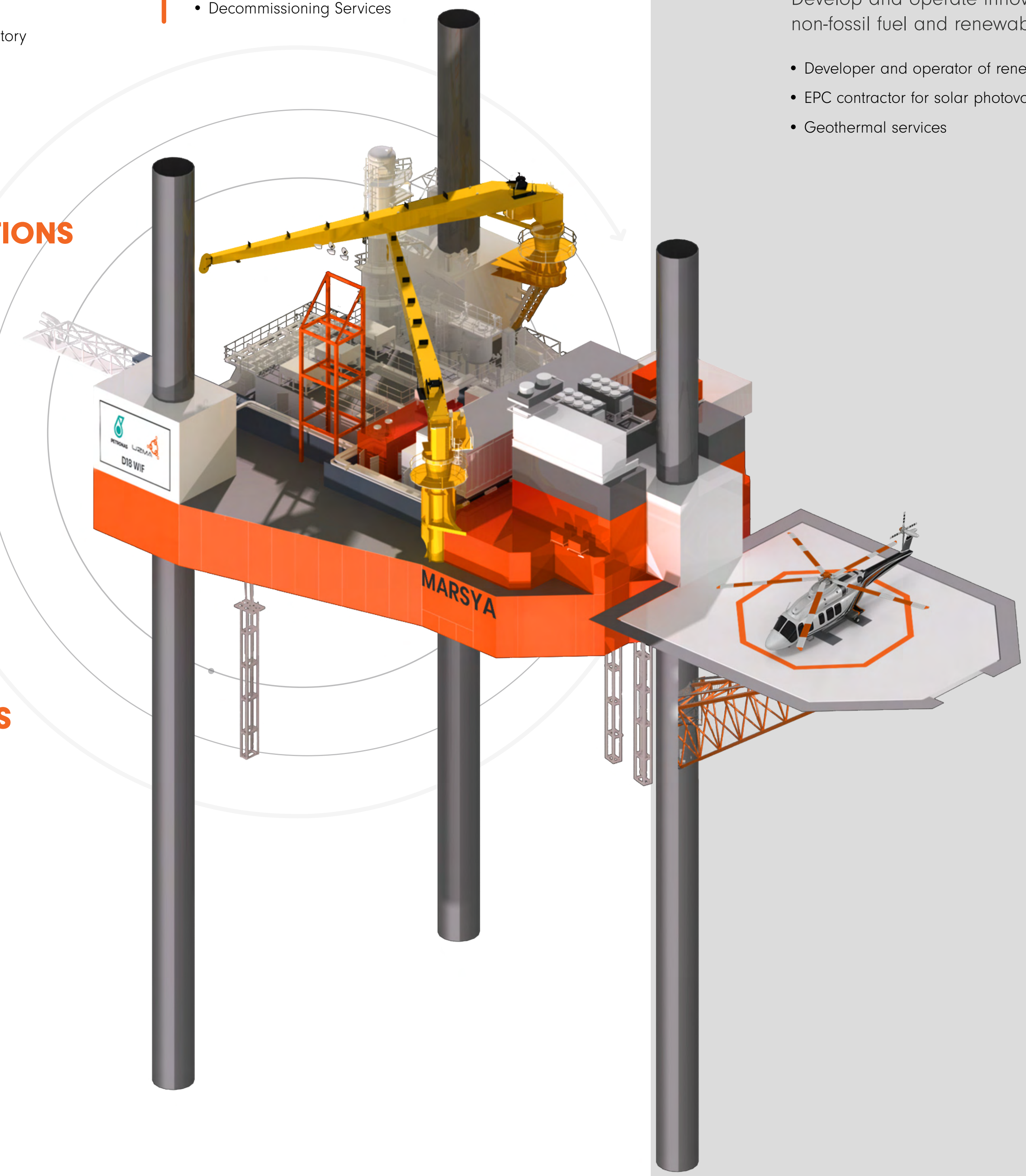
- Hydraulic Workover Services
- Plug and Abandonment
- Coiled Tubing
- Wireline
- Well Pumping
- Cementing
- Desander
- Directional Drilling
- Drill Bits & Enlargement Equipment and Services
- Annulus Wash & Cementing Assurance (AWCA)
- Well Stimulation
- Well Chemicals

PRODUCE

Hydrocarbon Optimally

PRODUCTION SOLUTIONS

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



NON-OIL AND GAS DIVISION

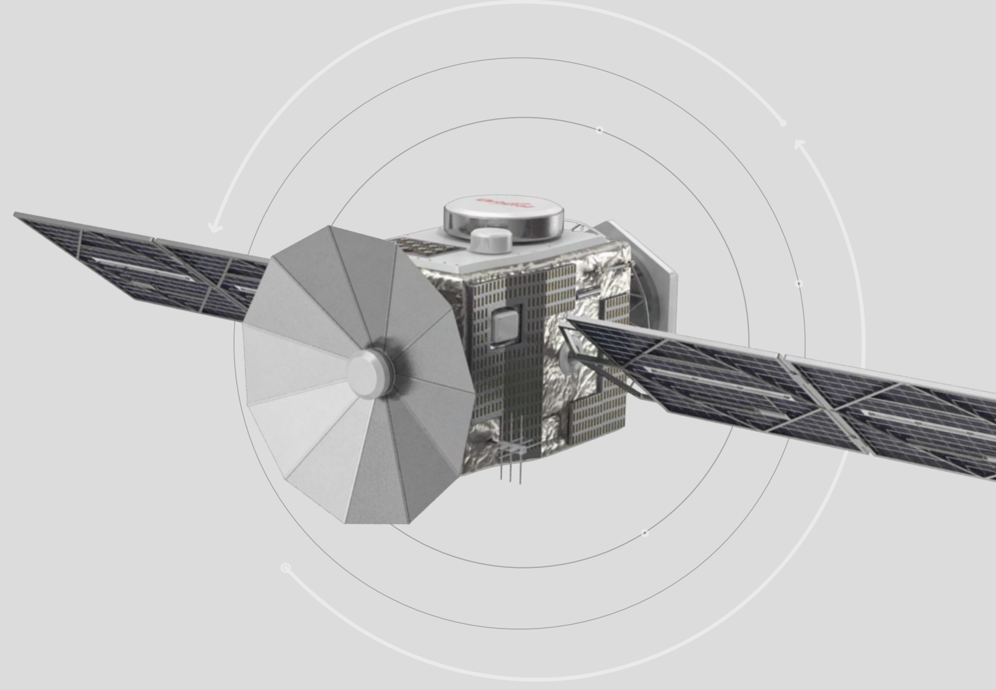
NEW ENERGY

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 photovoltaic
- Geothermal services

OTHER SERVICES

- Software Development and Digital Solutions
- Supply of Equipment and Consumables
- Aerospace Services
- LNG & Petrochemical trading



OUR ASSETS

HYDRAULIC WORKOVER UNIT

DESCRIPTION OF SERVICE / ASSET

Hydraulic workover functions are performed with the help of hydraulicworkover 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 through the monsoon season.
- Spacious accommodation living quarters for 60 pax
- 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 to assess the true reservoir potential at full scale under dynamic conditions. It validates well performance during well unloading, commissioning and provides reservoir monitoring for better field management.

Conventional well testing equipment is typically more suited to be deployed on either a drilling rig or production platform where the facilities can accommodate the space and use a lower 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 its introduction to the 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, to the metal piping that is inserted into the well during completion. These services are run in the wells to assess the well's integrity, improve reservoir management and to inspect for bypassed production before plugging and abandoning the well.

KEY SPECIFICATIONS / ADVANTAGES

- Perforation Services
- Pipe Recovery
- Casing and Tubing Inspection
- Production Logging Services
- Mechanical Services
- Well Intervention Services

PORTABLE WATER INJECTION MODULE

DESCRIPTION OF SERVICE / ASSET

Our Portable Water Injection Module ("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. The uzmaWIM is 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 any platforms. The unit has a small footprint enabling it to fit on any small wellhead platforms, which are 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 andeconomical in terms of equipment and material selections
- Equipment comes in skids for easymobilisation 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 of uzmAPRES track record
- Total of 13 installations
- First in Malaysia – the pioneer in mobile low-pressure system
- 9 million+ uzmAPRES cumulative oil gain (bbls)

DIRECTIONAL DRILLING (DD) UNIT

DESCRIPTION OF SERVICE / ASSET

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

The UZMA DD units 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

Our UZMA Measurement While Drilling ("MWD") unit comprises of single telemetry and dual telemetry modes, can be through mud pulse and can be with mud pulse/electromagnetic telemetry simulataneously. Our unit can be fished and retrieved in the case of stuck event, which would be very beneficial for operators. It can run in offshore and onshore sites.

The UZMA MWD has been specifically designed to handle both mature fields 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

Our Coiled Tubing Units ("CTUs") has become one of the most widely used tools in well intervention/workover operations, stimulating production and 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" to 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

- Pumping Data Acquisition System ("PDAS") – 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 rating up to 10,000 psi

DESANDER / FLOWBACK

DESCRIPTION OF SERVICE / ASSET

The surface handling system is 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 the 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 cementing is to support and protect the well casing as well as to achieve zonal isolation. Zonal isolation is created and maintained in the wellbore by the cementing process. A good cementing 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 of 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

UZMA'S YEAR IN BRIEF

CONTRACTS AWARDS

1 DECEMBER 2020

Setegap Ventures Petroleum Sdn. Bhd. ("SVP") was awarded a work order for the provision of integrated well service for intervention, workover & abandonment from SEA Hibiscus Sdn. Bhd ("SEAH"). This work order is part of a Pan Malaysia Umbrella Contract for the provision of integrated well services for intervention, workover and abandonment for Petroleum Arrangement Contractors (PACs).

15 DECEMBER 2020

SVP received a contract extension and amendment from PETRONAS Carigali Sdn. Bhd. ("PCSB") for the provision of coiled tubing and services for a period of 2 years commencing from December 2020 until November 2022. The contract was originally awarded to the Company in 2015. The value of the contract is approximately RM200 million over the contract period.

17 DECEMBER 2020

Uzma Engineering Sdn. Bhd. ("UESB") received a letter of award from PCSB for the provision of portable water injection modules ("PWIM") for a period of 10 years. UESB's scope includes design, engineering, procurement, fabrication, installation, hook-up, commissioning, operation and maintenance of the PWIM. The value of the contract is approximately RM130 million over the estimated contract period

17 FEBRUARY 2021

UESB was awarded two licenses from the Energy Commission for the Third-Party Access ("TPA") System, namely a license to import liquified natural gas ("LNG") into regasification terminal and a license to ship LNG within Malaysia.

15 MARCH 2021

Uzma via its wholly-owned subsidiary Uzma Environergy Sdn. Bhd. was selected as one of the shortlisted bidders for the fourth cycle of the large-scale solar programme ("LSS4") by the Energy Commission of Malaysia for the development of large scale solar photovoltaic plants in Peninsular Malaysia for commercial operation in 2022/2023 for the supply of 50MW package.

18 MARCH 2021

MMSVS Group Holding Co. Ltd. ("MMSVS") has received a contract award from Medco Energi Thailand (Bualuang) Limited for the provision of hydraulic workover unit ("HWU") services on a callout basis for a period of 3 years.

23 MARCH 2021

UESB received a letter of award from PCSB for the provision of electric wireline logging ("EWL") for a period of 3 years commencing from 3 March 2021 until 2 March 2024. The value of the contract is approximately RM180 million over the estimated contract period.

11 JUNE 2021

MMSVS received a contract award from Medco Energi Thailand (Bualuang) Limited for the provision of chemical supply and services for the Bualuang field for a period of 3 years on a callout basis. The value of the contract is approximately USD3 million over the estimated contract period. The chemical supply contract marks the first contract the group has secured in the ASEAN region outside of Malaysia, where it is the leading oilfield chemical provider.

18 JUNE 2021

UESB via a joint venture with Petra Energy Development Sdn. Bhd. ("PEDSB") received a Letter of Conditional Award Offer from Petroleum Sarawak Berhad ("PETROS") for the Petroleum Contract relating to Exploration, Development and Production of Petroleum in Block SK433, Onshore Sarawak. PEDSB will be the operator for and on behalf of its joint venture partnership.

PROJECT AWARDS & RECOGNITIONS

OCTOBER 2020

UESB received a Focused Recognition from PCSB in recognition of the Bayan D18-MARYSA team's successful implementation of the prevention and control of COVID-19 at the workplace. The team's effort has demonstrated their commitment in preventing the spread of COVID-19 by ensuring the health and wellbeing of workers onboard. This has attributed to the increase in workers' productivity and maintains their healthy working environment.

MAY 2021

Uzma through our Integrated Project Management ("IPM") had successfully completed an integrated workover campaign on an offshore platform in East Malaysian waters this year. Uzma's Hydraulic Workover Unit ("HWU"), Devin-252, was deployed for this campaign, along with the auxiliary services.

The success of the four workover wells was a result of great teamwork between the client's Workover Team and the Uzma IPM Team, despite the challenges during this pandemic crisis. This campaign also proves the ability of Uzma's fit-for-purpose HWU to work with the platform's limited space and load bearing capacity. Zero Loss Time Injury ("LTI") & Zero Incidents were recorded.

MARCH 2021

Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS") received a Focused Recognition award from PCSB for their chemical supply project. This award demonstrated MECAS' excellent efforts in planning and execution of the job at Angsi platform.

MMSVS received a Centre of Excellence ("COE") Contractor Award from PTTEP Limited in recognition of achieving the 2020 SSHE Performance Excellence for 3 consecutive years and total manhours of more than 50,000 hours for the provision of hydraulic workover services.

SVP participated in the PETRONAS Contractor HSE Mentorship program. This is a pioneer program (3-year program) initiated by PCSB to enhance HSE performance and culture to the selected contractors. SVP's QHSE team were able to complete the program successfully, one year ahead of schedule.

APRIL 2021

SVP had successfully deployed the First Coiled Tubing Catenary operations at SEA Hibiscus, South Furious C platform, North Sabah waters to perform logging on Coiled Tubing and acid stimulation treatment.

FINANCIAL CALENDAR

25 NOVEMBER 2020

Announcement of the quarterly report on consolidated results for the financial period 30/09/2020

16 DECEMBER 2020

13th Annual General Meeting

24 FEBRUARY 2021

Announcement of the quarterly report on consolidated results for the financial period 31/12/2020

30 APRIL 2021

The Company had issued the first tranche of Perpetual Sukuk Musharakah of RM42.25 million under its Perpetual Sukuk Muksharakah Programme

31 MAY 2021

Announcement of the quarterly report on consolidated results for the financial period ended 31/03/2021

27 AUGUST 2021

Announcement of the quarterly report on consolidated results for the financial period ended 30/06/2021

INCORPORATIONS, MERGERS & ACQUISITIONS

2 NOVEMBER 2020

Uzma Teras Sdn. Bhd. ("UTSB") had entered in a Subscription and Shareholders Agreement with Privasat Sdn. Bhd. ("PSB") and Tan Keng Ooi ("TKO") for the proposed subscription of 192,500 ordinary shares in the share capital of Mapri Sdn. Bhd. ("MSB"). MSB was incorporated to carried out the following services: - satellite services in O&G market, participating in aerospace business and manufacturing satellite.

24 MAY 2021

Completed the acquisition of 49% equity interest in Suria Infiniti Sdn. Bhd. and 100% equity in Mahendran Surya Innovations Sdn. Bhd. The acquisition represents an excellent opportunity for Uzma to enter the renewable energy sector with an established engineering, procurement, construction and commissioning contractor to capitalise on the opportunities within the solar value chain which includes net energy metering, large scale solar projects and other service portfolios within the renewable energy market.

HAPPENINGS IN UZMA

27 AUGUST 2020

Kicked off the UESB-SVP Integration Program

23 & 24 NOVEMBER 2020

Uzma Group's Virtual Annual Town Hall 2020

19 JANUARY 2021

BFM's The Breakfast Grille featuring Dato' Kamarul to discuss on the impact of the global oil price to our clients and how it will affect our margins and earnings

15 MARCH 2021

Virtual FY2021 Q2 Mini Town Hall

APRIL TO JUNE 2021

Uzma Recreational Club ("URC")'s Virtual Run

5-7 APRIL 2021

Uzma's QHSE Away Day

7 APRIL 2021

- Dato' Kamarul's Presidential Plenary Session at RESET 2021 where he covered on the Group's strategies to drive Uzma forward in terms of operations and profitability amidst the volatility in the O&G industry
- Featured in the WIEF-SIDC PowerTalk Webinar 2021, Dato' Kamarul discussed on the impact of the pandemic on the O&G industry

12 APRIL 2021

Dato' Kamarul joined a panel of distinguished speakers from various agencies and organisations to discuss about the future and development of the space industry

20 APRIL 2021

Dato' Naza was invited as a speaker for SPE's Virtual Workshop: Achieving Wells Excellence through Standardisation

4 MAY 2021

Virtual Doa Selamat & Solat Hajat to pray for our Group CEO's recovery from COVID-19

19 MAY 2021

UZMA TURNS 21!

8 JUNE 2021

Featured on TV3's Malaysia Hari Ini, Dato' Kamarul shared his experiences as a COVID-19 survivor and his recovery journey

29 JUNE 2021

Virtual FY2021 Q3 Mini Town Hall

MAY-JUNE 2021

Virtual Raya celebrations

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

DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM
Independent Non-Executive Director

YAHYA BIN RAZALI
Independent Non-Executive Director

DATUK SERI ZURAINAH BINTI MUSA
Independent Non-Executive Director

IKHLAS BIN ABDUL RAHMAN
Independent Non-Executive Director

AHMAD YUNUS BIN ABD TALIB
(Retired on 16 December 2020)
Executive Director

AUDIT COMMITTEE

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

YAHYA BIN RAZALI – *Member*

DATUK ABDULLAH BIN KARIM – *Member*

NOMINATION AND REMUNERATION COMMITTEE

DATUK ABDULLAH BIN KARIM – *Chairman*

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

IKHLAS BIN ABDUL RAHMAN – *Member*

COMPANY SECRETARIES

TAI YIT CHAN
(SSM Practicing Certificate No. 202008001023)
(MAICSA 7009143)

CHAN YOKE PENG
(SSM Practicing Certificate No. 202008001791)
(MAICSA 7053966)

REGISTERED OFFICE

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

Tel. No. : +603 7890 4800
Fax No. : +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. No. : +603 2297 1000
Fax No. : +603 2282 9980

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

CORPORATE OFFICE

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

Tel. No. : +603 7611 4000
Fax No. : +603 7611 4100

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

STOCK EXCHANGE LISTING

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

SHARE REGISTRAR

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

Tel. No. : +603 7890 4700
Fax No. : +603 7890 4670

UZMA BERHAD
CORPORATE STRUCTURE

UZMA BERHAD

- Uzma Engineering Sdn. Bhd. 100%
  - Uzma Well Services (Thailand) Co., Ltd. 49%
    - MMSVS Group Holding Co., Ltd. 100%
  - SVJ Holding Limited 100%
  - PT Uzma 95%
    - PT Uzma Development Services 90%
  - Uzma Integrated Solution Sdn. Bhd. 60% *disposed on 16/7/2021
  - Uzma Tracer Sdn. Bhd. 70%
  - Khausar Energy Sdn. Bhd. 50%
  - Uzma Archaeological Research Sdn. Bhd. 100%
  - Rizqma Energy Sdn. Bhd. 40% *w.e.f. 13/8/2020
- 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. Bnd. 51%
- Tenggara Analisis Sdn. Bhd. 100%
  - Setegap Ventures Petroleum Sdn. Bhd. 86%
    - SVP Well Services Sdn. Bhd. 100%
  - Uzma Artificial Lift Sdn. Bhd. 85%
- Geospatial AI Sdn. Bhd. (formerly known as Uzma Teras Sdn. Bhd.) 100%
  - Mapri Sdn. Bhd. 70% *w.e.f. 27/10/2020
  - Sazma Aviation Sdn. Bhd. 40% *disposed on 31/12/2020
- Uzma Energy Venture (Sarawak) Sdn. Bhd. 100%
  - Uzma Energy Venture SK 433 Sdn. Bhd 100% *w.e.f. 9/7/2021
- Uzma Environergy Sdn. Bhd. 100%
  - Suria Infiniti Sdn. Bhd. 49% *w.e.f. 21/5/2021
  - Mahendran Surya Innovations Sdn. Bhd. 100%
  - Uzma Kuala Muda Sdn. Bhd. 100% *w.e.f. 9/7/2021
  - Uzma Solar Sdn. Bhd. 100% *w.e.f. 16/7/2021
  - Uzma Nexus Sdn. Bhd. 100% *w.e.f. 15/7/2021
- Premier Enterprise Corporation (M) Sdn. Bhd. 100%
- Uzma Laboratory Sdn. Bhd. 94%
- Malaysian Energy Chemical & Services Sdn. Bhd. 70%
- Aerosun Uzma Malaysia Sdn. Bhd. 48%
- Rockwash Geodata Ltd 30%
- Uzma Production Enchancement Sdn. Bhd. 100% *w.e.f. 29/7/2021
- Uzma Wells Services Sdn. Bhd. 100% *w.e.f. 29/7/2021
- Uzma Engineering Pty. Ltd. 100% *struck-off w.e.f. 26/7/2020
- Uzma Consulting Limited 100% *disposed on 31/5/2021

OUR STRATEGY & PERFORMANCE REVIEW

5-YEAR FINANCIAL HIGHLIGHTS

REVENUE (RM Million)

FY2016	FY2018	FY2019	FY2020	FY2021
471.1	541.9	446.5	552.4	384.2

EBITDA (RM Million)

FY2016	FY2018	FY2019	FY2020	FY2021
84.8	116.7	114.9	76.5	96.9

ADJUSTED EBITDA (RM Million)

FY2016	FY2018	FY2019	FY2020	FY2021
86.5	121.9	156.1	99.6	101.7

Adjusted EBITDA is after adding back impairment loss provision.

NET EARNINGS (RM Million)

FY2016	FY2018	FY2019	FY2020	FY2021
39.3	26.5	28.4	-22.9	13.4

Adjusted Net Earnings is presented on page 46 of this Annual Report.

TOTAL ASSETS (RM Million)

FY2016	FY2018	FY2019	FY2020	FY2021
1,152.6	1,018.0	1,238.8	1,317.4	1,269.2

CHAIRMAN'S FOREWORD

Datuk Abdullah Bin Karim
Independent Non-Executive Chariman

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 2021 ("FY2021").

In the face of challenges brought on by the ongoing pandemic and downturn in the O&G industry, Uzma continues to be a financially resilient and profitable company. Our determined approach ensured we remained on track to achieving our growth objectives as defined in our uzma5YP, which has been updated and renamed uzma5R. This success is reflected in our improved gross profit margin of 36% for FY2021, from 31% in FY2020, despite a reduced revenue of RM168.2 million or 30% to RM384.2 million, from RM552.4 million in the previous financial year.

EVOLVING IN THE NEW WORLD

The COVID-19 pandemic has greatly impacted the industry and the Group, completely altering the landscape and the way we operate our business. Not only that, it has also completely changed the way people work, human behaviour, and most importantly, the way the world views and consumes energy. As the world slowly settles into a post-Covid 19 lifestyle, we foresee that the demand for energy will change. We, too, will adapt and grow our business in a different way to remain resilient and profitable.

In line with this evolution, Uzma has set a target of 40% contribution to revenue from new energy by 2025, with 60% coming from our core O&G business. To achieve this, we will continue with our two strategic themes which are to increase resiliency of our core O&G business and accelerate ventures in non-O&G industries.

One of the many impacts from the COVID-19 pandemic is the acceleration of the energy transition from fossil fuels, which led to an earlier than predicted "peak oil" demand. This does not mean that the O&G industry will cease to exist in the short term, but it does mean that longer-term growth will be limited. At the same time, we are anticipating that the industry's cyclic ups and downs will be more frequent.

As a result of our positioning as a brownfield service provider focusing on maintaining oil wells currently in operation and optimising production levels on existing O&G assets and platforms, we were largely spared from the volatility that impacted the industry. Our diverse range of services within this segment ensured that we maintained a stable income from both project-based contracts and recurring revenue contracts.

During the financial year in review, Uzma continued to expand its regional footprint in Thailand, the Philippines, and Indonesia following our successful penetration of these markets in the previous financial year. International business growth for FY2021 stood at 19% compared to 10%, previously.

In addition to recurring revenue contracts, the Group's geothermal business in the Philippines grew by more than 50%, contributing to both the new energy business and regional business growth.

We will continue to grow our regional presence, with the aim of reaching 70% within Malaysia and 30% outside Malaysia based contracts.

In FY2021, we made further inroads into the new energy space, winning our first contract under the Energy Commission's ("EC") Large Scale Solar 4 ("LSS4") programme for a 50MW solar power plant in Kedah. In addition to this, we secured an Engineering, Procurement, Construction, Comissioning ("EPCC") contract awarded by LSS4 winner for 30MW solar power plant.

While we venture into non-O&G areas for future growth, we are fully committed in maintaining O&G as our core business. However, we must operate differently in order to survive and strive in this volatile industry moving forward. "Costs Leadership" and "Integration" are two key strategic initiatives that will build resilience and ensure our operations are future-proof.

"We will continue to grow our regional presence, with the aim of reaching 70:30 Malaysia vs non-Malaysia based contracts."

RESILIENCE UNDERMINED BY STRONG GOVERNANCE

Upholding strong corporate governance policies and practices to promote corporate integrity, accountability and transparency remain at the heart of who we are as a business entity.

During the year under review, the Board of Directors ("Board") went through changes in Board composition where Encik Ahmad Yunus Bin Abd Talib has retired as the Executive Director of the Company during the Thirteenth Annual General Meeting ("13th AGM") held on 16 December 2020. With this change, the Group maintain a balanced composition of seven Directors, of which two are Executive Directors and five are Independent Non-Executive Directors, in line with Paragraph 15.02 of Bursa Malaysia's Listing Requirements and recommendation under Practice 4.1 of the Malaysian Code on Corporate Governance.

In FY2021, we continued to strengthen the governance and risk management structures that were established in the previous financial year, covering business continuity management, strengthening our Procurement Tender and Investment Committees, improving compliance in supply chain processes, consolidating our QHSE Management System, and training on Anti-Bribery and Whistleblowing Policies.

To further strengthen our corporate governance, we conducted a corporate risk review with the Management Committee and incorporated the findings in our strategic programmes.

ACKNOWLEDGEMENTS

After a turbulent period of massive changes and adjustments impacting the business landscape, there is light ahead. We foresee FY20222 as a year of recovery, following the recent uptrend in oil prices. The benefits are that it will be reflected in our results in FY2023.

As the industry recovers, a stronger Uzma Group will be better positioned to capitalise the local and regional markets. There are three areas that we will need to commit to in order to achieve a successful integration – consolidate strength, increase productivity and energised workforce.

As we venture forward, I'd like to take this opportunity to thank our stakeholders - business partners, clients and suppliers - for their continued support and invaluable contribution to the Group. I'd also like to express my gratitude to my fellow Board Members for their commitment and guidance in setting the course to achieving our strategic goals.

On behalf of the Board, I wish to thank each and every one of our Uzmarians for their contributions and dedication to building this company and creating the value that our stakeholders have come to expect.

And last but not least, to our shareholders, thank you for sharing this journey with us.

Datuk Abdullah Bin Karim
Independent Non-Executive Chairman

GROUP CEO'S REVIEW ON OPERATIONS

KEY PERFORMANCE HIGHLIGHTS 2021

FY2021 was a tough year for Uzma. Our financial performance in FY2021 reflects the uncertainties faced by the O&G industry as it was further compounded with the effect of weak demand caused by global lockdowns and movement restrictions and a fragile outlook for oil prices. Despite the uncertain and challenging market conditions in which we operate, the Group is committed to remaining agile and resolute in responding to these uncertainties and volatilities in its pursuit of long-term growth strategies towards a sustainable future.

The crude oil price has dropped since March 2020 and despite the production cuts that reflect a similar reaction to the 2014 oil price downturn, the drop in demand for oil has outweighed production cuts. Even with the governments giving out various stimulus packages to soften the downturn, the pace of recovery is still uncertain amidst a weak market and cautious consumer spending.

The low oil prices and uncertain pace of recovery pressured many oil majors to reduce their capital expenditure investments and operating expenses, and we were not spared the effects as our operations were impacted.

In this environment, Uzma recorded a drop in revenue of RM168.2 million or 30% to RM384.2 million, from RM552.4 million in the previous financial year. Our continued revenue generation was largely supported by recurring revenue and few project-based contracts such as the D18 field water injection facility contract, Shell plug and abandonment contract in Sarawak, PTTEP hydraulic workover service, and the Sepat field provision of portable water injection modules ("PWIM") service contract from PETRONAS Carigali Sdn. Bhd. This underlines our efforts in developing recurring revenue business to achieve the objectives of the uzma5R (previously known as uzma5YP) transformation strategy, in line with our vision of becoming a Top 5 OGSE company.

Despite the reduction in revenue, the Group's gross profit margin improved to 36% in FY2021, from 31% in FY2020. In FY2021, recurring revenue contracts contributed significantly to our revenue, signaling the shift from the project-based focus of previous financial years. Due to the pandemic, commencement date for most project-based contracts were delayed until the second half of the financial year and some into FY2022.

In addition to recurring revenue contracts, the Group's geothermal business in the Philippines grew by more than 50%, contributing to both the New Energy business and regional business growth.

We made significant inroads in the New Energy segment, as Uzma's wholly-owned subsidiary, Uzma Enviroenergy Sdn. Bhd. was awarded a project from the Energy Commission ("EC") for a 50MW solar power plant in Kedah under the Large Scale Solar ("LSS4") programme.

Dato' Kamarul Redzuan Bin Muhamed
Managing Director / Group CEO

I am pleased to present to you Uzma's Annual Report for the Financial Year Ended 30 June 2021 ("FY2021"). The current global COVID-19 pandemic since March 2020 and subsequent lockdowns have impacted many industries, including the O&G industry. Uzma's resilience and ability to adapt quickly remains our strength, and we proactively responded to the circumstances with Response Plans to steer us through the challenges brought on by the pandemic and industry downturn.

Uzma is banking on two strategies to drive the Group forward in terms of operations and profitability amid the volatility in the O&G industry. While oil and gas will remain the company's core business, we recognise the need to increase resilience and change the way we operate as the world moves toward alternative sources of energy.

Although we are primarily an O&G company, we want to reduce our environmental impact from our activities as much as possible. In keeping with this aim, our growth driver for the future will be in the non-oil and gas segment, which we will expand through mergers and acquisitions. The Group also plans to increase participation in this segment via our geothermal works in the Philippines and Indonesia.

As a true indicator of our resilience and agility, we revamped our uzma5YP transformation plan, and it is now uzma5R. Through uzma5R, we will increase our resilience in O&G but accelerate our diversification beyond O&G.

We remain confident in our ability to maintain a sustainable income, as the Group has a healthy order book which currently stands at RM2.3 billion, inclusive of contracts within Malaysia and outside Malaysia, as well as for O&G and Non-O&G, and a bid book prospects worth approximately RM600 million.

CHARTING OUR COURSE

In FY2019, Uzma unveiled the uzma5YP as the business strategy we developed to chart our course in transforming into one of the Top 5 OGSE companies in Malaysia. The focus is to enhance the Group's ability to withstand the challenges of an unpredictable business landscape.

In shaping the uzma5YP strategy, we considered the key factors impacting our long-term business sustainability. These 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. The longer-term impacts of the COVID-19 pandemic and the uncertainties associated with economic recovery both domestically and internationally have also impacted the industry's profitability and outlook.

In light of the more recent changes faced by the industry, Uzma has revised the uzma5YP to adapt to the current situation and unique challenges. The revised uzma5YP, now called uzma5R, takes into consideration the acceleration of the transition towards New Energy and the widespread adoption of digitalisation in addition to the key factors in uzma5YP. The main objectives of uzma5R are to increase resiliency in our O&G business and accelerate diversification into areas beyond this segment.

Under uzma5R, the Group has set a target of RM1.5 billion in revenue by 2025. While resilience in our O&G business remains a key focus, we are looking beyond the segment into New Energy. Uzma has set a target of 40% contribution from the Non - Oil & Gas Business to the group's revenue by 2025, with 60% coming from our core O&G business.

Our geographical focus across all products and services relating to the O&G value chain will be 70:30 Malaysia vs non-Malaysia based work. Of this, 60% will be from recurring contracts while 40% will be project-based to ensure sustainable income and to mitigate the impact of volatility.

The uzma5R strategy still retains its Four Focus Areas of People's Choice, Financial Resilience, Balanced Portfolio and Modernisation and Technology, and 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, with changes to the way we operate to increase resiliency and thrive in the post-Covid world.

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 and further consolidate our strength through integration of our subsidiaries.

The Second Strategic Theme ("Strategic Theme 2") focuses on non-O&G sectors as our growth drivers, with emphasis placed on high growth industries such as New Energy, Digitalisation and Technology.

Under this theme, we will take on a 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, as catalysed by the pandemic.

EXPANDING OUR REGIONAL FOOTPRINT

As part of our regional expansion strategy, Uzma has successfully grown its business in Thailand, the Philippines and Indonesia. The Well Solution services division has successfully penetrated the regional 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 to 19% in FY2021 from 10% in FY2020.

DRIVEN BY TALENT

At Uzma, we aim to establish a diverse and high performance-driven work environment where people with a passion for excellence can thrive. Our talents are our most important assets and as such, we place great effort into the motivation, development, recognition, and wellbeing of our talent.

In FY2021, we continue to carry out training and development, performance management and employee engagement programmes. These programmes were shifted online to enable our employees to continue their journey of upskilling themselves while accommodating the shift in working styles.

As restrictions arising from the pandemic continued, we continue to enforce stringent health protocols across the organisation and adjusted to the new norm.

Uzma was categorised as essential services throughout the Movement Control Order ("MCO") period, allowing the Company to service the ongoing contractual obligations with minimal disruption under the Company COVID-19 Business Continuity Plan ("BCP") that was established to focus on the business sustenance and safety of our employees throughout the pandemic.

The COVID-19 BCP guidelines released by the BCP team prioritised the business operation continuity, health and safety of our employees, and employee working arrangements during the MCO period.

Despite the challenges, Uzma remained committed to serving our clients and providing excellent quality and levels of service that have become our mainstay.

MITIGATING RISKS AND IDENTIFYING OPPORTUNITIES

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

We continue to strengthen the governance and risk management structures that were established in the previous financial year. These measures cover business continuity management, strengthening our Procurement Tender and Investment Committees, improving compliance in supply chain processes, consolidating our QHSE Management System, and training on Anti-Bribery and Whistleblowing Policies. In FY2021, we conducted a corporate risk review with the Management Committee and incorporated the findings in our strategic programmes. We incorporated risk assessment in both our Procurement Tender and Investment Committees. To ensure Group-wide risk mitigation we established and implemented Risk & Opportunity Management. This process aims to identify and access risks and opportunities throughout the organisation and to take appropriate measures to address them.

LOOKING FORWARD

While we are vigilant of the uncertainties that face us as economies look to rebuild after the pandemic, we are certain that opportunities lie ahead in our path to continued success.

Oil prices have been on the recovery path due to market confidence from the vaccination roll out and OPEC+'s measure to reduce production and increase compliance. We are ready to capture any opportunities brought on by the improved prices. However, we are also cognisant of the impact of the Net Zero Carbon emission policies on future prospects.

To prepare ourselves for the new world, we will continue or efforts to expand our business beyond the O&G sector, focusing on key new growth areas in Digitalisation and Technology and Renewable Energy. We are open to non-organic growth opportunities through M&As and strategic partnerships with existing players in the market with growth potential and/or a strong track record.

Uzma remains cautious and committed to deploying plans identified under our enhanced uzma5R strategy to fortify Uzma's internal capabilities focusing on people, processes and systems. Ensuring our financial resilience remains one of our most crucial areas, and to this end we will continue to focus on achieving a more robust cost management structure, protecting our business margins and building our cash reserves to fund our future growth plans.

As we journey forth into the new financial year, we remain committed to achieving our strategic targets and ensuring sustainable growth.

We thank all our stakeholders and shareholders for their unwavering support and faith as we move forward in the new post-Covid world.

Dato' Kamarul Redzuan Bin Muhamed
Managing Director / Group CEO

MANAGEMENT DISCUSSION AND ANALYSIS

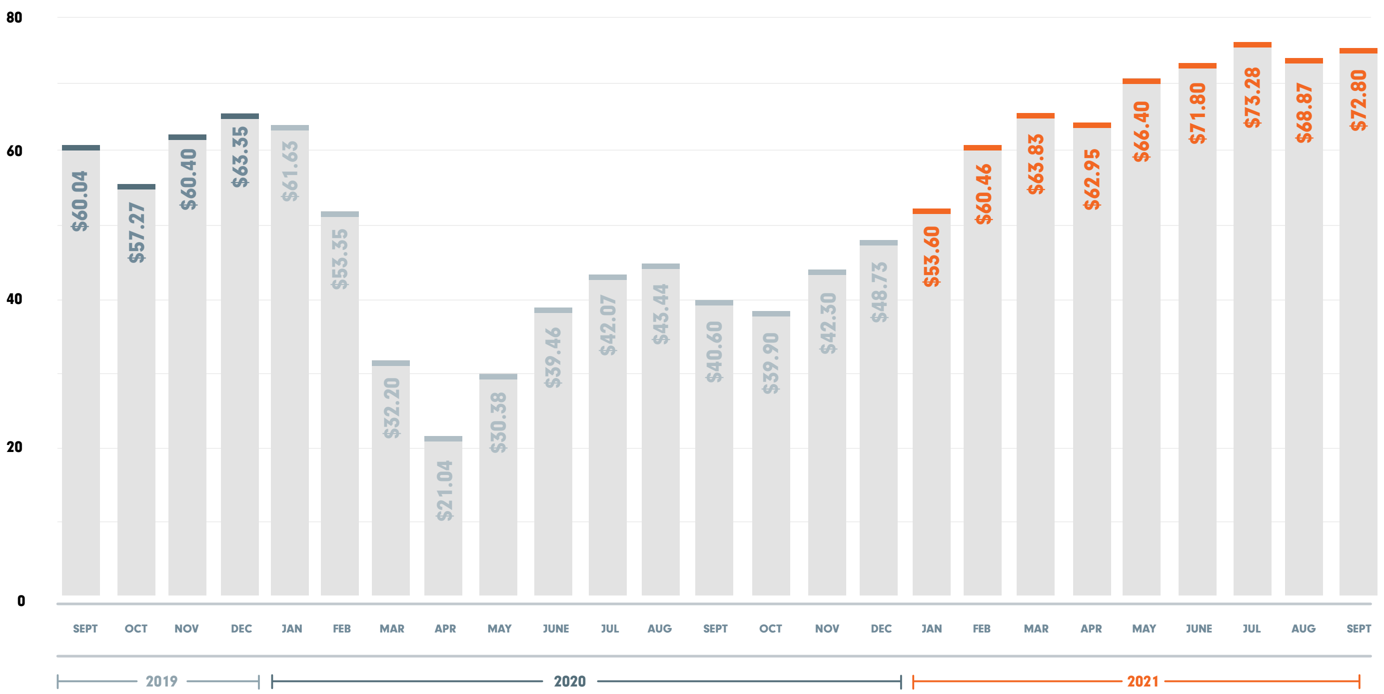
STRENGHTENING RESILIENCE AMIDST CHALLENGING TIMES

For the Financial Year Ended 30 June 2021 ("FY2021"), Uzma Berhad's ("Uzma" or "the Group") revenue was affected by the ongoing COVID-19 pandemic crisis and the crude oil price volatility that negatively impacted the Oil and Gas ("O&G") industry, resulting in lower O&G activities for the significant portion of the financial year under review. The Group recorded a drop in revenue of RM168.2 million or 30% to RM384.2 million, from RM552.4 million in the previous financial year. The recurring revenue contracts from our O&G business largely supported our continued revenue generation during this challenging year. This was in line with our efforts to develop recurring revenue to achieve the objectives of our uzma5R (previously known as uzma5YP) transformation strategy, in achieving our vision of becoming the Top 5 Oil & Gas Service and Equipment ("OGSE") company in Malaysia.

OPERATING ENVIRONMENT OVERVIEW

The COVID-19 pandemic had an 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. The International Energy Agency ("IEA") noted that global oil demand is expected to fall by a record 9.6 million barrels per day year-on-year in 2021, as a 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+") had decided to cut oil output. International O&G companies have responded to this by reducing capital and operational expenditures, which in turn indirectly 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 the O&G industry is mitigated in the short term.

Crude Oil (Petroleum) Dated Brent Monthly Price – Us Dollars Per Barrel



In 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 on many major O&G companies to reduce their capital expenditure investments, as well as their operating expenses.

FINANCIAL RESULTS

During the financial year under review, Uzma executed long-term rental lease recurring revenue contracts, as well as project-based contracts and long-term callout contracts. On the back of these contracts, Uzma recorded revenue of RM384.2 million in FY2021, a drop of RM168.2 million or 30% from RM552.4 million in FY2020.

REVENUE
RM 384.2 MILLION
FY2021

Despite the reduction in revenue, the Group has improved the Gross Profit Margin to 36% from 31%, mainly due to a better overall margins from ongoing and completed projects during the financial year under review compared to the previous financial year. In FY2021, recurring revenue from contracts contributed significant revenue compared to FY2020, where revenue came mainly from project-based contracts. Due to the pandemic situation, the commencement of most project-based contracts were deferred until the second half of the financial year and in FY2021.

CONTRACTS

The key contracts that contributed to the FY2021's revenue, among others, comprise the followings:

D18 Field Water Injection Facility ("WIF") Contract

Uzma was awarded a five-year contract by PETRONAS Carigali Sdn. Bhd. ("PCSB") which began in October 2016 and concluded in October 2021. The client awarded an extension of contract to April 2022. The Group is currently negotiating a new contract extension for a further five (5) years with the client to provide leasing, operation and maintenance for a WIF at the D18 field in offshore Sarawak. This is the first-ever WIF installed on a mobile self-elevated platform without other O&G production equipment. The WIF is a standalone facility designed for large quantities of water injection. The scope of this contract encompasses complete engineering, construction, installation, commissioning, leasing of WIF (which includes its operations and maintenance). Uptime for this project has improved to 99% for a continuous period due to result of better maintenance and equipment management. The project generated recurring revenue for the Group throughout FY2021.

Shell Plug and Abandonment ("P&A") Contract

Uzma secured a contract from Sarawak Shell Berhad ("SSB") in January 2020 to provide integrated P&A services for Shell's F06 and F23 platforms in offshore Sarawak. The contract covers five (5) wells with an expected completion in late of 2021, with Uzma's HWU Ghazi-461 mobilised for this project. This project is Uzma's first time providing integrated P&A services for SSB, marking a significant milestone for the Group as Malaysia's leading integrated hydraulic workover service provider.

PTTEP Hydraulic Workover Services Contract

Uzma, through our Integrated Project Management ("IPM"), had successfully completed an integral workover campaign on an offshore platform in East Malaysian waters this year. Uzma's hydraulic workover unit ("HWU"), Devin-252, was deployed for this campaign, along with the auxiliary services. The success of the four (4) workover wells was a result of great teamwork between the client and Uzma despite the challenges during the pandemic. This campaign also proves the ability of Uzma's fit-for-purpose HWU to work with the platform's limited space and load bearing capacity.

PCSB Portable Water Injection Module ("PWIM") for Sepat Contract

Uzma was awarded a two and a half (2.5)-year contract by PCSB for the period from April 2020 to February 2023 (or a later date from the first successful water injection date) for the provision of design engineering, construction, installation, commissioning, leasing, operation and maintenance of the PWIM. The PWIM, as the topside facility, will be installed on PCSB's existing Sepat-A Wellhead Platform offshore of Peninsular Malaysia. PCSB has entrusted the Group's highly experienced Project Management Team to deliver the facility on a fast-track program.

Specialty Chemical Contract

The contract consists of the Malikai and Gumusut-Kakap Deepwater Project which were effective from January 2016 and May 2018, respectively. Both contracts cover the supply of production chemicals and associated services for deepwater operations. Malikai's operations are located approximately 100km off the coast of Sabah with water depths of up to 500m (1,640 feet), whereas Gumusut-Kakap's operations cover fields in seas approximately 1,200 meters (3,937 feet) deep within the platforms located 120km offshore of Sabah. Both contracts for supplying production specialised chemicals to operations within an average daily production of up to 210,000 barrels of oil are ongoing.

Coiled Tubing Unit ("CTU") and Cementing Contracts

PCSB awarded two (2) contracts for the provision of CTU services in November 2015 and November 2016, which was further extended to November 2022. The CTU services are 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 to 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 in processes such as scale removal, leak repair and zone isolation. These contracts have contributed to the revenue generated for the Group in FY2021.

In addition, an umbrella contract for Integrated Well Services for Intervention, Workover & Abandonment was awarded in September 2019. The contract duration is for five (5) years, effective from 20 September 2019 until 19 September 2024. The services include an integrated solutions whereby complementary services are combined and managed by a single service provider. Under this contract, the lead service provider provides not only its own services but also 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 (2) work orders from Vestigo Petroleum Sdn. Bhd. and SEA Hibiscus Sdn. Bhd.

In addition to the above, the Group's geothermal business in the Philippines has grown by more than 50%, contributing to both the Group's New Energy business and its regional business growth. Geothermal is an alternative form of energy created by using water/steam derived from subsurface thermal heat to generate clean energy. Uzma has been providing services in the geothermal industry in the Philippines since 2017, mainly as a drilling contractor. This segment's recent growth is in line with the Group's focused initiatives to diversify into new energy.

Setegap Ventures Petroleum Sdn. Bhd. ("SVP")

REVENUE
RM **124.1 MILLION**
FY2021

Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS")

REVENUE
RM **42.4 MILLION**
FY2021

MMSVS Group Holding Co. Ltd.d ("MMSVS")

REVENUE
RM **64.1 MILLION**
FY2021

PT Uzma Development Services ("PT UDS")

REVENUE
RM **12.4 MILLION**
FY2021

Meanwhile, non-organic growth also contributed to the Group's revenue, as a result of the recent acquisition of subsidiaries and associated companies. The acquisition of additional shareholding in Setegap Venture Petroleum Sdn. Bhd. ("SVP") as a subsidiary in FY2019, brought in a revenue of RM124.1 million for the Group in the current financial year under review. Other acquisitions conducted over the years, namely Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS"), MMSVS Group Holding Co. Ltd. ("MMSVS") and PT Uzma Development Services ("PT UDS"), also contributed a stable recurring revenue and project-based revenue contract of RM42.4 million, RM64.1 million and RM12.4 million, respectively. These subsidiaries complemented Uzma's existing business and have been successfully transformed through sharing of resources within the Group, resulting in the growth of our subsidiaries' service offerings.

SUBSIDIARY

Subsidiary companies acquired in previous years which have contributed significantly to Uzma's revenue during the financial year, are as follows:

CTU, Pumping, Cementing & Desander Services: 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 into an integrated multi-service provider offering services ranging from pumping, cementing, CTU and desander services.

Over the years, SVP's revenue and net profit has grown substantially from RM42.7 million and RM10.2 million, respectively, in FY2012 to RM124.1 million and RM11.2 million, respectively, in FY2021. Today, Uzma is the leading provider of CTU services in the ASEAN region.

Downstream Specialty Chemical Company: MECAS

Uzma acquired a 70% stake in MECAS in FY2010 as part of its ongoing efforts to expand its service offerings in the oilfield chemicals ("OFC") segment. At the time, MECAS was the only local OFC company able to compete with international OFCs such as Baker Hughes, Schlumberger, Halliburton and Clariant. Today, MECAS is not only servicing PETRONAS, but also other international oil companies operating in Malaysia, and has remained the market leader for eight (8) consecutive 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 the present marketplace.

MECAS' revenue and net profit grew from RM36.5 million and RM2.8 million, respectively, in FY2010 to RM42.4 million and RM3.1 million, respectively, in FY2021. MECAS today is one of the largest in oilfield chemicals supply in Malaysia. Recently, as part of its efforts to expand its oilfield chemicals beyond Malaysia, Uzma made a successful maiden foreign foray into Thailand, via MMSVS, its Thailand set up.

HWU Company: 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 won a three-year HWU contract from PTTEP Thailand. MMSVS's revenue and net profit grew to THB481.8 million (equivalent to RM64.1 million) and THB34.9 million (equivalent to RM4.6 million), respectively, in FY2021. At present, MMSVS offers many other services including CTU services for Mubadala in Thailand.

Directional Drilling Company: PT UDS

Uzma acquired a 90% stake in PT UDS in FY2015 to expand the Group's footprint regionally and to establish a local presence in Indonesia. With a relatively low production rate given its market size, coupled with increasing energy demand from a growing middle class population, Indonesia's O&G industry will experience high growth rates. PT UDS now provides directional drilling services not only to PT Pertamina but also to other companies in Indonesia.

PT UDS's revenue and net profit grew from USD1.7 million (equivalent to RM7.1 million) and loss of USD1.9 million (equivalent to RM8.0 million), respectively, in FY2015 to USD3.0 million (equivalent to RM12.4 million) and USD0.3 million (equivalent to RM1.3 million), respectively, in FY2021.

During FY2021, the Group also focused on its initiatives to grow its new energy segment and acquired several companies to boost its revenue in this segment in the forthcoming years. In FY2021, this segment contributed marginally to the Group's revenue.

NEW ENERGY

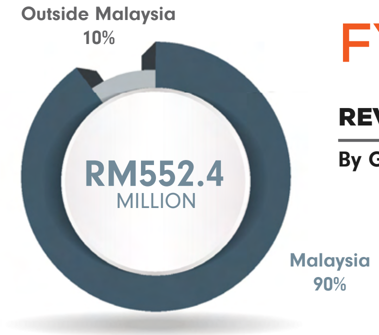
Companies acquired during the financial year under review, which have started to contribute to Uzma's revenue, are as follows:

Solar EPC Company: Suria Infiniti Sdn. Bhd. ("SI")

Uzma acquired a 49% stake in SI in FY2021 as part of its ongoing efforts to accelerate the growth of solar EPCC service offering in the new energy segment. SI will be supporting the Group in the EPCC of the solar farm for the LSS4 projects awarded to the Group in FY2021, i.e. the 50MW farm at Bukit Selambau.

Solar EPC Company: Mahendran Suria Innovations Sdn. Bhd. ("MSI")

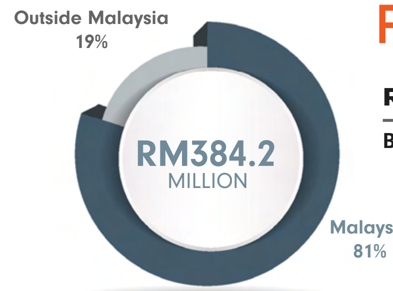
Uzma acquired a 100% stake in MSI in FY2021. MSI is currently operating and maintaining a 520,000 kwh solar farm for the remaining 18 years of the contract period. This will also contribute to the acceleration of the new energy segment.



FY2020

REVENUE

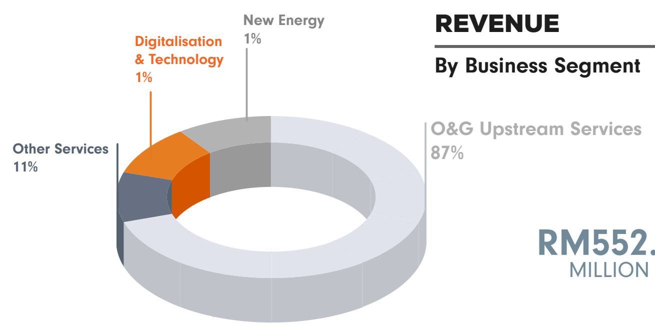
By Geographical Location



FY2021

REVENUE

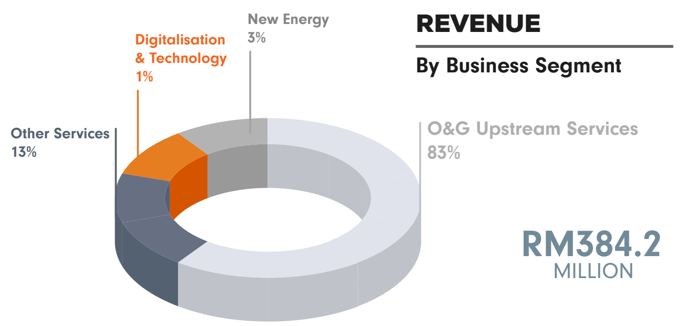
By Geographical Location



REVENUE

By Business Segment

RM552.4 MILLION



REVENUE

By Business Segment

RM384.2 MILLION

As part of its regional expansion strategy, Uzma has successfully grown its business in Thailand, the Philippines and Indonesia. The Well Solution services division has successfully penetrated the regional market for services such as HWU, pumping and directional drilling. As a result of these focused efforts, the Group has nearly doubled the Outside Malaysia revenue contribution from 10% in FY2020 to 19% in FY2021.

For FY2021, the revenue for the O&G upstream services segment dropped to 83% compared to FY2020, with revenue from the new energy segment increased to 3% of the total revenue for the Group.

Segmental Reporting

Segmental reporting of the Group is divided into four reportable segments for FY2021, 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 operation services, and other specialized services within the O&G industry.

Other Services

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

New Energy

The services under New Energy segment include developing and operating innovative ways to garner energy from non-fossil fuel and renewable energy and EPCC contractor for solar photovoltaic and geothermal.

Digitalisation & Technology

The services under Digitalisation & Technology segment include technology and modernisation through software development and digital solutions; supply technology/digitalisation equipment and consumables; aviation and aerospace services.

NET EARNINGS

In FY2021, net earnings improved and the Group recorded a profit of RM13.4 million compared to a net earnings at a loss of RM22.9 million in FY2020. This was due to a significant non-cash, as well as, one-off transaction in the previous financial year.

IIn the previous financial year, due to the uncertainties associated with the pace of economic recovery which has led to a dampened economic outlook, many major O&G companies undertook the prudent decision to reduce both their capital expenditure investments and operating expenses. Based on this challenging operating environment, Uzma assessed the impairment for our operating assets, and made an impairment loss provision for operating assets and non-operating assets of RM21.7 million, and wrote-off obsolete assets of RM2.0 million. These accounting treatments were a measure conducted in recognition of the COVID-19 related operational impacts, as well as business risks and challenges that have contributed to a continued difficult operating landscape as the pandemic persisted. There is no further impairment loss on assets made during the financial year under review. However, in the current financial year under review, on the same basis of prudent decision-making due to the prolonged COVID-19 pandemic, the Group made an additional impairment on trade and other receivables of RM5.3 million.

After taking into account the material adjustments, as tabulated in the table below, the Group's recorded Adjusted Net Earnings was RM24.8 million in FY2021 and RM9.9 million in FY2020, reflecting our robust and sound business fundamentals.

The Adjusted Net Earnings for FY2021, compared with FY2020, is further elaborated in the table below, compared against FY2020, as follows:

	FY2021 (RM'000)	FY2020 (RM'000)
Profit/(Loss) after taxation attributable to the owners of the Company	13,443	(22,881)
Adjust for material items:		
- Impairment loss on property, plant and equipment *	-	21,749
- Write-off of property, plant and equipment *	-	2,010
- Amoritisation of intangible assets	4,506	5,439
- Net unrealised loss on foreign exchange	1,547	2,272
- Impairment loss on trade and other receivables *	5,309	1,341
Adjusted Net Earnings	**24,805**	**9,930**

Notes: (*) : as described in the earlier paragraphs

FINANCIAL POSITION AND LIQUIDITY

Uzma's financial position remained positive with total assets of RM1.3 billion as at the end of FY2021 and FY2020. This is mainly due to the faster turnaround in our trade and other receivables. The balance was reduced to RM135.3 million in FY2021 from RM212.7 million in FY2020, supporting the Group's liquidity position with the strengthening of processes and controls that review and monitor our trade receivables on a regular basis.

Due to the lower activities in the O&G industry and lower income generation of the Group, a tighter cash flow review was implemented, which includes short term and medium term projections, as well as setting aside of funds for near term loan repayments and lengthen the timing of repayments of existing loans over the medium-term.

Uzma continued to invest in our operating assets to strengthen our business and increase our revenue generation capacities. In FY2021, RM59.2 million was spent on the acquisition of operating equipment.

The Group's net debt-to-equity ratio position has remained below our internal threshold of 1.0x threshold at 0.74x with the new issuance of Perpetual Sukuk – Tranche 1 as an equity instrument and the building up of sinking fund balance for the repayment of the Wakalah Sukuk.

CAPITAL MANAGEMENT

Uzma is firmly focused on practicing financial prudence as denoted by the establishment of the Investment Committee and the Procurement Tender Committee in FY2020. The committees placed a stronger emphasis on financial prudence and transparency in the evaluation of procurements and investments evaluation. In 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, and to facilitate the budgetary and spending 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 a 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

Financial Resiliency

It is important for Uzma to effectively face the challenges identified, by continuously seeking to sustain our financial resiliency and enhance our readiness for the future. In line with this, in FY2020 the Group has formulated and undertaken eight core initiatives to strengthen our financial resilience, which were continued into FY2021, as follows:

- 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, staff rationalisation and other operating cost reductions initiatives;
- Negotiating with Uzma's business partners for cost reductions, particularly vendors and suppliers for projects, including managing the timing of cash outflows to preserve immediate cash flow;
- Refinancing and securing lengthened tenures for existing loan's repayments supported by Uzma's principal bankers;
- Evaluating the existing portfolio of operating assets and utilisation rates and making a provision for impairment, where necessary;
- Assessing the excess capacity of resources and rationalisation through the disposal of assets, to improve cash flow;
- Assessing valuation of non-core equity investments and potential rationalisation through disposal or merger and acquisitions initiatives;
- Assessing funding requirements for new projects as well as working capital. Currently, Uzma is working on a financing programs to make available and create access to capital funding; and
- Assessing Uzma's O&G portfolio, integrating capabilities and cost synergies, particularly to strengthen project delivery, costing and service offerings.

In addition to the above, Uzma's orderbook as at FY2021, stands at RM2.3 billion, inclusive of firm orders from umbrella contracts, as well as contracts within Malaysia and outside Malaysia, for both O&G and Non-O&G, which will potentially support revenue generation for the next financial year, together with Uzma's internal replenishment rate guidelines, to main the current orderbook and beyond.

With the aim of ensuring business resilience against the cyclical nature of the O&G nature upstream services business and to achieve the objectives of the uzma5R transformation strategy, we remain steadfast in growing the O&G upstream services segment while remaining prepared to seize opportunities available upon the recovery of the industry, whilst at the same time, the Group plans to diversify and balance our portfolio with opportunities beyond the O&G sector.

OUTLOOK

Despite the extremely challenging business landscape ahead, Uzma remains cautiously optimistic. We are committed to the plans and initiatives outlined in our enhanced uzma5R strategy, solidifying our internal capabilities by focusing on our people, processes and systems in the face of difficulties ahead that remains a key area of concern. We remain sharply focused on achieving a more robust cost management structure, maintaining our business margins and building our cash reserves to fund our growth plans in the future.

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 Oil & Gas Service and Equipment ("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 Oil & Gas ("O&G") business, and to accelerate the Group's diversification beyond the O&G industry into new growth areas such as 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.

4 FOCUS AREAS

Becoming People's Choice for both employees and customers.

Ensuring Financial Resilience to support growth and sustain the busiensss 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

O&G

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

Key Moves:

- Consolidate strength through integration
- Restructure portfolio to increase resiliency towards oil price volatility
- Improve capital discipline

NON-O&G

will form our growth business but we need to accelerate our ventures into high growth industries.

Key Moves:

- Target high growth industries
- Smart partnerships and M&A for rapid growth

OUR LEADERS

BOARD OF DIRECTORS

Disclaimer

In this "group" photo, the Board of Directors was photographed individually adhering to SOPs. The photos were then edited and stitched into a "group" photo. The safety of our Board of Directors remains our highest priority.

Additional Information on the Board of Directors

- None of the Directors has any family relationship with each other and/or major shareholders of the Company.
- None of the Directors has any conviction for offences 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 Datuk Seri Zurainah Binti Musa, none of them hold any directorship in other public companies.
- The Director's holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of the Annual Report.
- None of the Directors has any conflict of interest with the Company.

DATUK ABDULLAH BIN KARIM

INDEPENDENT NON-EXECUTIVE CHAIRMAN

69 | Malaysian | Male

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

NO. OF BOARD MEETINGS ATTENDED 6 / 6

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

WORKING EXPERIENCE AND OCCUPATION
- 1981 to 1991 – Project Engineer, PETRONAS Carigali Sdn. Bhd.
- 1991 to 1995 – General Manager, Engineering Division, PETRONAS Carigali Sdn. Bhd.
- 1995 to 1999 – Managing Director/CEO, OGP Technical Services Sdn. Bhd.
- 1999 to 2004 – Managing Director/CEO, Malaysia LNG Group of Companies
- 2004 to 2010 – Vice President, Exploration & Production Business, PETRONAS
- 2010 to 2012 – President/CEO, PETRONAS Carigali Sdn. Bhd.
- 2012 to 2016 – Vice President and Venture Director of Domestic LNG, PETRONAS

BOARD COMMITTEE MEMBERSHIPS
- Chairman of Nomination and Remuneration Committee
- Member of Audit Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS
- Independent Non-Executive Director, Yinson Holdings Berhad
- Independent Non-Executive Director, Ranhill Utilities Berhad
- Independent Non-Executive Director, Icon Offshore Berhad

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

DATO' KAMARUL REDZUAN BIN MUHAMED

MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

49 | Malaysian | Male

DATE OF APPOINTMENT
- 21 May 2008 as a Member of the Board

NO. OF BOARD MEETINGS ATTENDED 6 / 6

QUALIFICATIONS
- Bachelor of Science in Petroleum Engineering, Colorado School of Mines, United States of America
- Master of Letters at Institute of the Malay World and Civilisation (ATMA), Universiti Kebangsaan Malaysia, Malaysia *In progress

WORKING EXPERIENCE AND OCCUPATION
- 1994 to 1995 – Facilities Engineer, Esso Production Malaysia Inc.
- 1995 to 1999 – Business Development Manager of Asian Region, Smedvig Technologies Sdn. Bhd.
- 1999 to 2005 – Managing Director, Roxar Sdn. Bhd.
- 2000 to Present – Managing Director / Group CEO of Uzma

BOARD COMMITTEE MEMBERSHIPS
NIL

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON

EXECUTIVE DIRECTOR

49 | Malaysian | Male

DATE OF APPOINTMENT
- 21 May 2008 as a Member of the Board

NO. OF BOARD MEETINGS ATTENDED 6 / 6

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

WORKING EXPERIENCE AND OCCUPATION
- 1996 to 1999 – Project Engineer, Scopetel (M) Sdn. Bhd.
- 1999 to 2003 – Business Development Executive, AKK Management Sdn. Bhd.
- 2003 to 2006 – General Manager, AKK Management Sdn. Bhd.
- 2006 to 2011 – General Manager, Resource Solutions, Uzma Engineering Sdn. Bhd.
- 2011 to 2013 – Senior Vice President, Sales & Marketing, Uzma Engineering Sdn. Bhd.
- 2013 to 2016 – Executive Vice President / Chief Executive Officer, Setegap Ventures Petroleum Sdn. Bhd. (secondment)
- 2016 to 2018 – Deputy Chief Executive Officer / Executive Vice President of Sales, Uzma Engineering Sdn. Bhd.
- 2018 to 2019 – Chief Executive Officer of Well Services, Uzma Engineering Sdn. Bhd.
- 2019 to 2021 – Chief Executive Officer of Upstream Services, Uzma Engineering Sdn. Bhd.
- 2021 to Present – Chief Executive Officer of O&G Business Division, Uzma Engineering Sdn. Bhd.

BOARD COMMITTEE MEMBERSHIPS
NIL

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

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

INDEPENDENT NON-EXECUTIVE DIRECTOR

70 | Malaysian | Male

DATE OF APPOINTMENT
- 26 May 2011 as a Member of the Board

NO. OF BOARD MEETINGS ATTENDED 6 / 6

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
- Member of Malaysian Institute of Accountants
- Chartered Accountant certification

WORKING EXPERIENCE AND OCCUPATION
- 1974 to 1978 – Trainee Accountant, Mecair (Malaysia) Sdn. Bhd.
- 1978 – Management Account Executive, Corporate Finance Division, PETRONAS
- 1978 to 1995 – Finance Manager and Joint Company Secretary, PETRONAS Gas Berhad
- 1996 to 2004 – Head of Finance and IT Division of OGP Technical Services Sdn. Bhd.

BOARD COMMITTEE MEMBERSHIPS
- Chairman of Audit Committee
- Member of Nomination and Remuneration Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS
- Independent Non-Executive Director, Alam Maritim Resources Berhad

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

YAHYA BIN RAZALI

INDEPENDENT NON-EXECUTIVE DIRECTOR

66 | Malaysian | Male

DATE OF APPOINTMENT

- 19 February 2014 as a Member of the Board

NO. OF BOARD MEETINGS ATTENDED 5 / 6

QUALIFICATIONS

- Bachelor of Science (Finance), Southern Illinois University, United States of America
- Master of Business Administration, University of California - Berkeley, United States of America
- Certified Financial Planner since 2000

WORKING EXPERIENCE AND OCCUPATION

- 1977 to 1979 – Selangor Economic Development Officer, Ministry of Culture, Youth and Sports of Malaysia
- 1984 to 1986 – Financial Analyst, United State Leasing Corporation, San Francisco, United States of America
- 1986 to 1988 – Associate Consultant, Alexander Proudfoot Productivity Consultant Pte. Ltd., Singapore
- 1988 to 1993 – Investment Manager & Executive Director for Selangor Foundation and Grand United Holdings Berhad
- 1994 to Present – Fund Manager cum Associate Director, Spectrum Asset Management Sdn. Bhd.

BOARD COMMITTEE MEMBERSHIPS

- Member of Audit Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

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

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY:

Tax issue for the year of assessment 2014 to 2017 with Lembaga Hasil Dalam Negeri ("LHDN")

DATUK SERI ZURAINAH BINTI MUSA

INDEPENDENT NON-EXECUTIVE DIRECTOR

59 | Malaysian | Female

DATE OF APPOINTMENT

- 13 May 2015 as a Member of the Board

NO. OF BOARD MEETINGS ATTENDED 6 / 6

QUALIFICATIONS

- Diploma in Secretarial Science from Universiti Teknologi MARA, Malaysia
- Diploma in Occupational Health and Safety, University of New South Wales, Australia
- Post Graduate Diploma in Human Resource Management, University of Newcastle, Australia
- Master of Business Administration, Berjaya University College of Hospitality, Malaysia
- Pursuing a Doctorate of Philosophy in Management, Universiti Kuala Lumpur

WORKING EXPERIENCE AND OCCUPATION

- 1984 to 1985 - Secretary, Kenyon & Eckhdart, Advertising
- 1985 to 1986 - Personal Assistant, Bangladesh High Commission
- 1986 to 1988 - General Manager, SHRM Sdn. Bhd., Malaysia, Singapore
- 1988 to 1989 - Senior Secretary, Servcop, Venture Capital Pty Ltd, Australia
- 1989 to 1992 – Supervisor, Commercial Union Travel & General Insurance, Australia
- 1992 to 1994 – General Manager, MMI Insurance Malaysia
- 1995 to 2010 – Managing Director, Permata Kancil (M) Sdn. Bhd
- 2010 to Present – Executive Director, Berjaya Corporation Berhad

BOARD COMMITTEE MEMBERSHIPS

NIL

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

- Executive Director, Berjaya Corporation Berhad
- Director, Tioman Island Resort Berhad
- Non-Independent Non-Executive Director, Boustead Holdings Berhad

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

IKHLAS BIN ABDUL RAHMAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

64 | Malaysian | Male

DATE OF APPOINTMENT

- 1 February 2017 as a Member of the Board

NO. OF BOARD MEETINGS ATTENDED 6 / 6

QUALIFICATION

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

WORKING EXPERIENCE AND OCCUPATION

- 1980 – Senior Planner, Malaysian Airline System.
- 1980 to 1985 – Project Coordinator, Production Department, PETRONAS.
- 1985 to 1997 – Project Manager and other various positions, PETRONAS Carigali Sdn. Bhd.
- 1997 to 2000 – General Manager, Business Development and Planning Division, and other various positions, OGP Technical Services Sdn. Bhd.
- 2001 to 2005 – General Manager, LGP Sales Division, and other various positions, PETRONAS Dagangan Berhad
- 2007 to 2008 – Chief Executive Officer, PETRONAS PICL (Egypt) Corp. Ltd
- 2008 to 2010 – Senior General Manager, JV Management Division, PETRONAS Carigali Sdn. Bhd.
- 2010 to 2014 – Country Chairman, PETRONAS Iraq
- 2014 to 2016 – Country Chairman, PETRONAS Iran

BOARD COMMITTEE MEMBERSHIPS

- Member of Nomination and Remuneration Committee

DIRECTORSHIP IN OTHER PUBLIC COMPANIES AND LISTED ISSUERS

NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

ANY CONFLICT OF INTEREST WITH THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

MANAGEMENT COMITTEE

Disclaimer

In this "group" photo, each member of the Management Committee was photographed individually adhering to SOPs. The photos were then edited and stitched into a "group" photo. The safety of our employees remains our highest priority.

Additional Information on the Management Committee

- None of the Managent Committee has any family relationship with any Director and/or as major shareholders of the Company except as disclosed above for Datin Rozita Binti Mat Shah @ Hassan.
- None of the Management Committee 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 Management Committee has any conflict of interest with the Company.

DATO' KAMARUL REDZUAN BIN MUHAMED

MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

49 | Malaysian | Male

YEAR JOINED
19 May 2000

Please see page 54 for profile

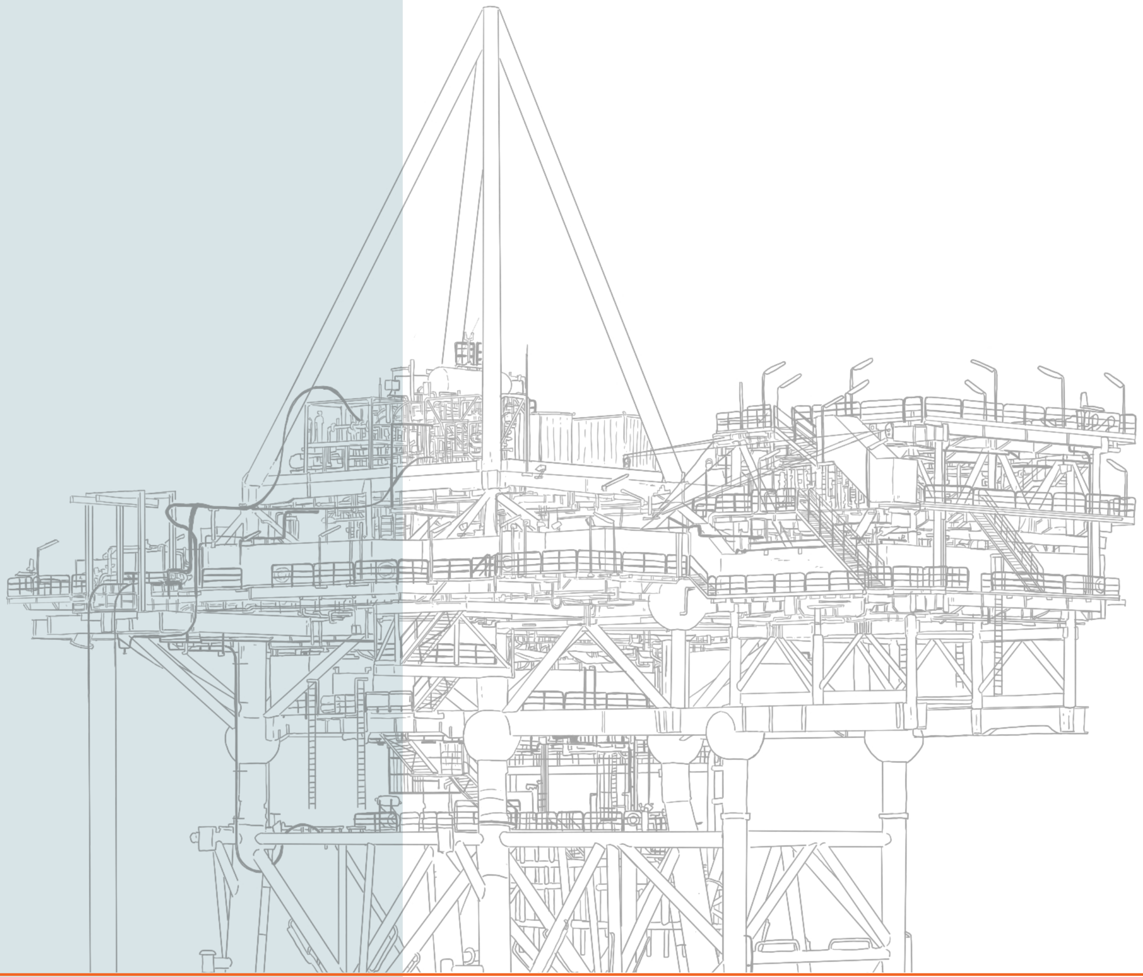
DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON

EXECUTIVE DIRECTOR

49 | Malaysian | Male

YEAR JOINED
19 May 2000

Please see page 55 for profile



DATIN ROZITA BINTI MAT SHAH @ HASSAN

CHIEF PEOPLE OFFICER

51 | Malaysian | Female

YEAR JOINED
1 November 2003

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

WORKING EXPERIENCE AND OCCUPATION:
- 1994 to 2000 – Project Engineer, Exxon Production Malaysia Inc.
- 2000 to 2001 – Process Engineer, OGP Technical Services Sdn. Bhd.
- 2001 to Present – Chief People Officer, Uzma Berhad

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER:
She is the spouse of Dato' Kamarul Redzuan Bin Muhamed, the Managing Director/ Group Chief Executive Officer of Uzma Berhad.

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

ZALEHA BINTI ABDUL HAMID

GROUP CHIEF FINANCIAL OFFICER

49 | Malaysian | Female

YEAR JOINED
28 November 2019

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 AND OCCUPATION:
- 1997 to 2006 – Audit Senior Manager, PricewaterhouseCoopers
- 2006 to 2008 – Head of Finance, CIMB Aviva Takaful Berhad
- 2009 to 2010 – Financial Controller, Pantai Management Resources Sdn. Bhd.
- 2010 to 2013 – Financial Controller, Ekuiti Nasional Berhad
- 2014 to 2017 – Chief Financial Officer, Icon Offshore Berhad
- 2020 to Present – Group Chief Financial Officer, Uzma Berhad

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

HANIE IZAWATIE BINTI AHMAD KAMIL

CHIEF LEGAL OFFICER

44 | Malaysian | Female

YEAR JOINED
7 December 2020

QUALIFICATIONS
- Bachelor Degree in Law (Honours), MARA University of Technology
- Admitted to the Malaysian Bar

WORKING EXPERIENCE AND OCCUPATION:
- 2003 to 2008 – Legal Assistant, Messrs. Lee Hishammuddin Allen & Gledhill
- 2008 to 2014 – Legal Manager, AirAsia X Berhad
- 2014 to 2015 – Head of Legal, AirAsia X Berhad
- 2015 to 2020 – Group Head of Legal, KUB Malaysia Berhad
- 2020 to Present – Chief Legal Officer, Uzma Berhad

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

ANUAR HASBUL'LAH BIN ABOO HASHIM

CHIEF GROUP SUPPLY CHAIN MANAGEMENT

52 | Malaysian | Male

YEAR JOINED
7 September 2015

QUALIFICATION
- Bachelor of Accountancy (Hons), Universiti Teknologi MARA (UiTM), Shah Alam, Malaysia

WORKING EXPERIENCE AND OCCUPATION:
- 1992 to 1995 – Audit Senior, Ahmad Abdullah & Goh
- 1998 to 1999 – Audit Senior, Mohd Noor Associates
- 1999 to 2001 – Audit Supervisor, Ahmad Abdullah & Goh
- 2001 to 2003 – Accountant, Medical Online Sdn. Bhd.
- 2003 to 2005 – Finance Manager, T-Melmax Sdn. Bhd.
- 2005 to 2007 – Financial Controller, Antah Holdings Berhad
- 2007 to 2009 – Head of Corporate Services, TH Technologies Sdn. Bhd.
- 2009 to 2015 – Finance Director, PT Gunanusa Fabricators Utama, Indonesia
- 2015 to 2020 – Chief Financial Officer, Setegap Ventures Petroleum Sdn. Bhd.
- 2020 to Present – Chief Group Supply Chain Management

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

SYED AZLAN BIN SYED IBRAHIM

CHIEF TRANSFORMATION AND STRATEGY OFFICER

48 | Malaysian | Male

YEAR JOINED
3 September 2018

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

WORKING EXPERIENCE AND OCCUPATION:
- 1996 to 1997 – Engineer, Esso Production Malaysia Inc.
- 1997 to 2002 – Consultant, Accenture Sdn. Bhd.
- 2002 to 2005 – Senior Consultant, iPerintis Sdn. Bhd.
- 2005 to 2008 – Manager, Accenture Sdn. Bhd.
- 2008 to 2012 – Manager, Shell IT International
- 2013 to 2018 – Senior Vice President, Malaysia Petroleum Resources Corporation ("MPRC")
- 2018 to Present – Chief Transformation and Strategy Officer, Uzma Berhad

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

DR. AHMAD KHALID BIN MD KHAIRI

CHIEF EXECUTIVE OFFICER OF NEW ENERGY DIVISION

49 | Malaysian | Male

YEAR JOINED
16 April 2018

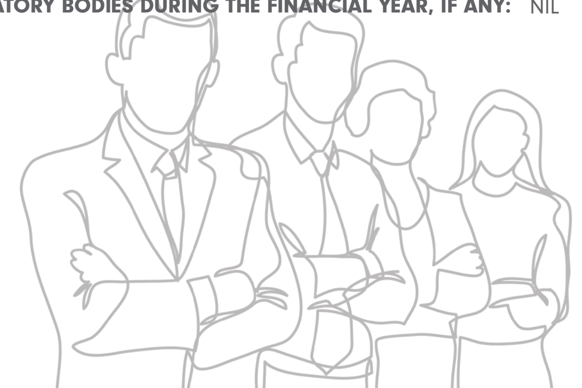
QUALIFICATIONS
- Bachelor of Electrical Engineering, University of Pennsylvania, United States of America
- Master in Business Administration, Universiti Utara Malaysia, Malaysia
- Doctorate in Business Administration, Universiti Utara Malaysia, Malaysia
- Malaysia Board of Technologist PT20100261 – Professional Technologist

WORKING EXPERIENCE AND OCCUPATION:
- 1995 to 1999 – Test Engineer, Motorola
- 1999 to 2005 – Product Marketing Engineer, Agilent Technologies
- 2006 to 2011 – Product Marketing Manager, Broadcom (formerly known as Avago Technologies)
- 2012 to 2018 – Senior Manager of Technology Venture, MIMOS Berhad
- 2018 to 2019 – Head of Digitalisation, Uzma Berhad
- 2020 to Present – Chief Executive Officer of New Energy Division, Uzma Berhad

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL



AHMAD YUNUS BIN ABD TALIB

CHIEF EXECUTIVE OFFICER OF PT UZMA

52 | Malaysian | Male

YEAR JOINED
14 July 2008

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

WORKING EXPERIENCE AND OCCUPATION:
- 1993 to 1995 – R&D Engineer, Motorola Malaysia
- 1995 to 2008 – Various positions in ExxonMobil
- 2008 to 2014 – General Manager of Production Optimization & Operation Services, Uzma Engineering Sdn. Bhd.
- 2014 to 2016 – Project Delivery Manager & Operations Manager for Tanjong Baram Risk Services Contract ("RSC") Project, Uzma Engineering Sdn. Bhd.
- 2016 – Project Director for Uzma's Water Injection Project, Uzma Engineering Sdn. Bhd.
- 2017 to 2019 – Chief Executive Officer of Production Solutions Division, Uzma Engineering Sdn. Bhd.
- 2019 to Present – Chief Executive Officer of Late Life Assets & Decommissioning Division, Uzma Engineering Sdn. Bhd.
- 2020 to Present – Chief Executive Officer, PT Uzma

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

MOHD SHAHRIN BIN SAAD

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

49 | Malaysian | Male

YEAR JOINED
13 July 2016

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

WORKING EXPERIENCE AND OCCUPATION:
- 1997 – Project/Sales Engineer, Best Waste Treatment Technologies Sdn. Bhd.
- 1997 to 1998 – Sales Engineer, Metertek Schlumberger Sdn. Bhd.
- 1998 to 1999 – Drilling Fluids Engineer, Kota Minerals and Chemicals Sdn. Bhd.
- 1999 to 2001 – Sales Executive, Roxar (M) Sdn. Bhd.
- 2001 to 2004 – Account Manager, Baker Oil Tools Malaysia
- 2004 to 2007 – District Manager, Baker Oil Tools Malaysia
- 2007 to 2008 – District Manager, Baker Oil Tools Brunei
- 2008 to 2009 – Operations/Marketing Manager, Baker Hughes Thailand
- 2010 to 2011 – Vice President of Sales, Uzma Engineering Sdn. Bhd.
- 2011 to 2015 – Region Business Development Manager, Weatherford MENA
- 2015 to 2016 – Global Business Director, Weatherford
- 2016 to 2018 – Executive Vice President, Uzma Berhad
- 2018 to Present – Chief Executive Officer, Setegap Ventures Petroleum Sdn. Bhd.

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

ZULKIFLI BIN KAMARUDDIN

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

55 | Malaysian | Male

YEAR JOINED
1 April 2005

QUALIFICATIONS
- Bachelor of Science with Honours, Universiti Putra Malaysia, Malaysia
- Diploma in Oilfield Demulsification, Liverpool, United Kingdom
- Technical Engineer III (Oilfield Chemistry), Delden, Netherlands

WORKING EXPERIENCE AND OCCUPATION:
- 1989 to 1992 – Technical Engineer, Mobil Oil Malaysia
- 1992 to 1994 – Technical Representative (Malaysia), SERVO (Delden) B.V.
- 1994 to 1999 – Sales Manager and Director, Baker Hughes (M) Sdn. Bhd.
- 1999 to 2005 – Contract Manager based at Brunei Shell, Baker Hughes (EHO) Ltd., United Kingdom
- 2005 to Present – General Manager promoted to Senior General Manager cum District Manager for Champion-X

OTHER DIRECTORSHIP IN PUBLIC COMPANIES AND LISTED ISSUERS:
NIL

ANY FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER OF THE LISTED ISSUER: NIL

OTHER THAN TRAFFIC OFFENCES, THE LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 5 YEARS AND PARTICULARS OF ANY PUBLIC SANCTION OR PENALTY IMPOSED BY THE RELEVANT REGULATORY BODIES DURING THE FINANCIAL YEAR, IF ANY: NIL

SUSTAINABILITY

SUSTAINABILITY STATEMENT

INTRODUCTION

Sustainability is at the core of Uzma Group's ethical business practices as we strike to balance continued growth, robust financial standing and supporting the community, where we have a presence, ethically and responsibly, with transparency and accountability in mind.

Acknowledging the importance of creating long-term values for the Group and our stakeholders, we are committed to addressing our sustainability efforts for the greater good of all.

It is of utmost importance to embed sustainability into our governance and operations, enhance fair work practices, as well as improve health, safety and environment. In FY2021, we further strengthened our governance, particularly in the Investment Committee ("IC") and Procurement Tender Committee ("PTC").

As part of our sustainability approach, we focused on continuing operations while operations while ensuring the health and safety of our employees and complying with Standard Operating Procedure ("SOP") requirements as per our Business Continuity Plan ("BCP").

Moreover, we will continue to develop our employees by involving our middle management in formulating our corporate and business strategies to respond and adapt to the industry's current downturn.

During the year, we also strengthened our corporate structure by adding to the senior leadership from the Oil & Gas Business in the BCP Committee to represent Oil & Gas Operations to cover operations at the base and offshore (not just at our office premises). We also included risks assessment in the IC and PTC as part of our Corporate Risk Management initiative.

In FY2021, we continued with the execution of our two strategic themes formed the previous year. The two strategic themes and their respective achievements are as follows:

Theme 1: Increase Resiliency of Our Oil & Gas Business

Improve the Operational Excellence aspects of our core business through the integration programme between Uzma Group and Setegap Ventures Petroleum Sdn. Bhd. ("SVP"), our largest subsidiary. The integration programme focused in adopting and standardising best practices, identifying synergies and improving costs reductions through sharing and optimising resources. The scope includes business development, base operations, Supply Chain Management ("SCM"), Enterprise Resources Planning ("ERP") system and support services functions such as Quality, Health, Safety & Environment ("QHSE"), Information Technology ("IT") and Human Resources ("HR").

Theme 2: Accelerate Ventures in Non-Oil & Gas Industries

Uzma won its first ever Large-Scale Solar ("LSS") contract from the Energy Commission for a 50MW solar farm and its first solar Engineering, Procurement, Construction and Commissioning ("EPCC") contract from NexTenaga for a 30MW solar farm. This resulted from several years of effort to balance our portfolio to have 40% of our revenue generated beyond Oil & Gas (as part of our uzma5YP – Five Year Plan).

As part of the strategy for New Energy, we identified and completed the acquisition of Suria Infiniti Sdn. Bhd. and Mahendran Surya Innovations Sdn. Bhd. in March 2021. These acquisitions will provide technical capabilities to support the EPCC work for our larger solar farm business and access to the retail solar market, i.e. solar system installation for enterprises, government and households.

For FY2021, we conducted several strategic review sessions, including a portfolio rationalisation and corporate risks assessment. There are two strategic objectives in order to increase the resiliency of our Oil & Gas Business. The first is to achieve cost leadership through operational excellence at corporate and business operations. The second is to grow our business through regaining local market share, expanding regionally and differentiating our products/solutions.

This Statement outlines our endeavour at incorporating sustainability throughout the Group is economic, environmental and social areas, including achievements and highlights throughout 2021, and is aligned to Bursa Malaysia's Main Board Listing Requirements and Sustainable Reporting Guide.

OUR STAKEHOLDERS

In FY2021, we continue to build on our relationships with all our stakeholders, strengthening our bonds and collaborations. There has been no change to our stakeholders' prioritisation matrix since 2020.

Stakeholder Influence of Uzma

Stakeholder Dependendence on Uzma	Low Influence	High Influence
High Dependence	Supply Chain	Employees The Board Clients Investors / Shareholders Lenders
Low Dependence	NGO	Local Community Authorities, Analyst / Media

Figure 1: Stakeholders Prioritisation Matrix

Stakeholders Engagement

We regularly engage with our stakeholders, in line with our prioritisation matrix. Our engagements with our key stakeholders for FY2021 are as follows: -

Dependence Level	Influence Level	Stakeholders	Engagements in FY2021
High	High	Employees (Uzmarians)	- Employee Engagement Survey ("EES") 2021: The second EES was conducted in March 2021 following the first EES completed in 2018. The survey received a 96% participation rate with an increase of 4% in the overall employee engagement score from the survey in 2018. On the overall employee perceptions dimension, the company scored 62%, which is a 6% increase from the EES in 2018 - People Handbook: A revised Employee Handbook (also known as the People Handbook) was released in January 2021. The People Handbook is an updated version from the first Employee Handbook that highlights the Company's vision, mission and values, apart from the company's policies, practices and employment guidelines including the employment benefits & entitlements - Annual town hall meeting held in November 2020, along with quarterly mini town halls in March 2021 and June 2021. - Monthly Head of Departments ("HODs") engagement sessions. - Internal quarterly newsletter publication, "NOCONSTRAINTS" - Quarterly uzmaGRIT awards - Individual employee Personal Performance Appraisal ("PPA") and Key Performance Indicators ("KPIs") goal-setting sessions during the beginning of the financial year
High	High	The Board	- Quarterly Board of Directors and Audit Committee Meeting - One Special Board of Directors and Audit Committee Meeting in FY2021 - One Nomination and Remuneration Committee Meeting in FY2021 - General updates via emails 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

Stakeholders Engagement (Cont'd)

We regularly engage our stakeholders in line with our prioritisation matrix. Our engagement with our key stakeholders for 2021 is as follows: (Cont'd)

Dependence Level	Influence Level	Stakeholders	Engagements in FY2021
High	High	Clients	– Sales initiations, new product introductions, market survey submissions, Invitation-to-Bid ("ITB") participations – Client site visits, regular project reporting, Service Quality Meeting ("SQM") sessions, customer survey form submission – Joint-hosted QHSE events and campaigns – Virtual industry exhibitions, forums and conferences participations – Uzma press releases – Uzma website, LinkedIn and Instagram updates
High	High	Investors/ Shareholders	– Thirteenth ("13th") Annual General Meeting ("AGM") conducted in line with COVID-19 Standard Operating Procedures ("SOPs") – Scheduled sessions with investors above internal threshold of shareholdings – Announcements of financial results and other material matters – 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 result briefings as well as regular ad hoc engagements via emails, 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 – Critical and Non-Critical Vendor Control – Enhancement of Inventory and Warehouse Management – Open Purchase Order ("PO") closure initiative – Digitalisation of SCM process – Strengthening SCM control procedure – Group logistic integration – Master Service / Supply Agreement ("MSA") initiative – Incoterms 2020 training
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	Authorities/ Analysts/Media	– Press releases and media updates – Publication on Anti-Bribery and Whistleblowing Policy on the company website
Low	Low	NGOs	– Allowing online access to related information upon request. No requests were received in FY2021

SUSTAINABILITY MATTERS

In embedding our sustainability agenda in all aspects of our business, we take into consideration the Economic, Environmental and Social matters, which provide guidance in the implementation of our sustainability programmes. Our sustainability initiatives reflect matters of material importance to our base of operations.

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 Savings – 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 Activites

CREATING ECONOMIC VALUE

The basis of Uzma's Economic sustainability initiatives are to create direct and indirect economic value for both our stakeholders and the nation. In FY2021, we continue to derive cost savings to create value for our shareholders and investors.

Group Supply Chain Management ("GSCM") Policies

The Group Supply Chain Management Policies, which govern all activities related to the supply chain and logistics of the Group, is in place. All our GSCM activities, such as processing of procuring requests, selection of Bidders, bidding, evaluation, inventory and warehouse management, are in accordance with the highest principles and standards of procurement practice and comply with ISO 9001: 2015 and API Q2 Quality Management System ("QMS") requirements.

Sustainable Procurement Practices

We embarked on sustainable procurement practices in FY2020 and for FY2021, we continued to strengthen our processes. In the light of the pandemic, the overall supply chain processes had face disruption or delays across some of our existing projects. In ensuring minimum disruption to our delivery, several measures were taken by the GSCM team by advising our partner organisation on the preventive actions to be implemented. In addition, as per normal practice, GSCM had requested a comprehensive estimated delivery date from vendors, taking into account the current process. Other than that, discussions with the Project teams were carried out to ensure these restrictions were taken into consideration in their planning. Frequent communications with vendors were also established to mitigate disruptions to the supply chain.

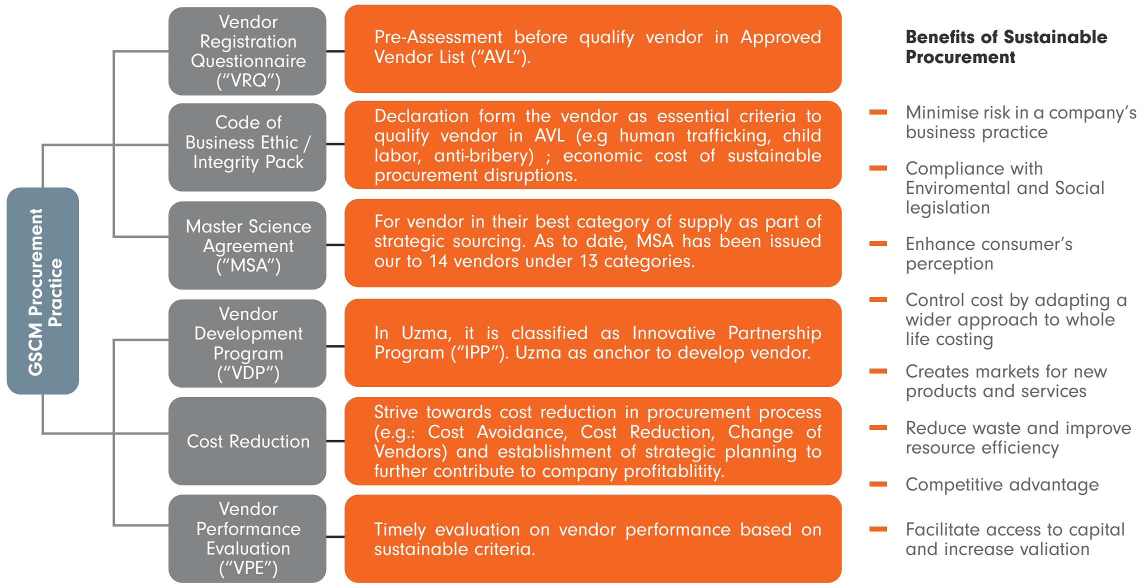


Figure 2: GSCM Procurement Practices

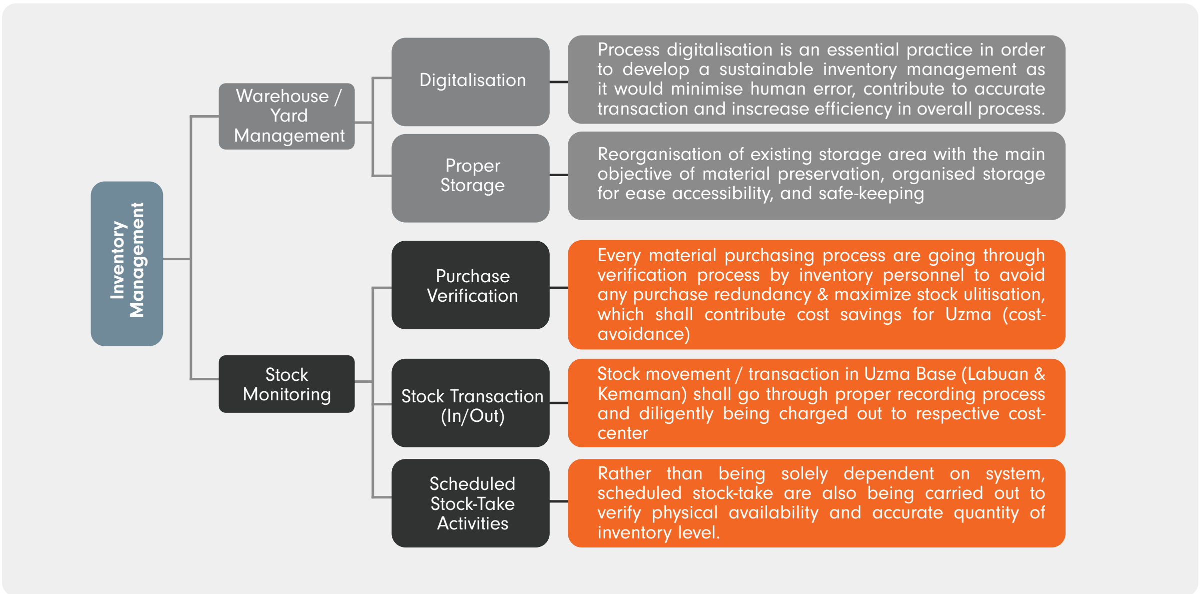


Figure 3: GSCM Inventory Management Practices/Principles

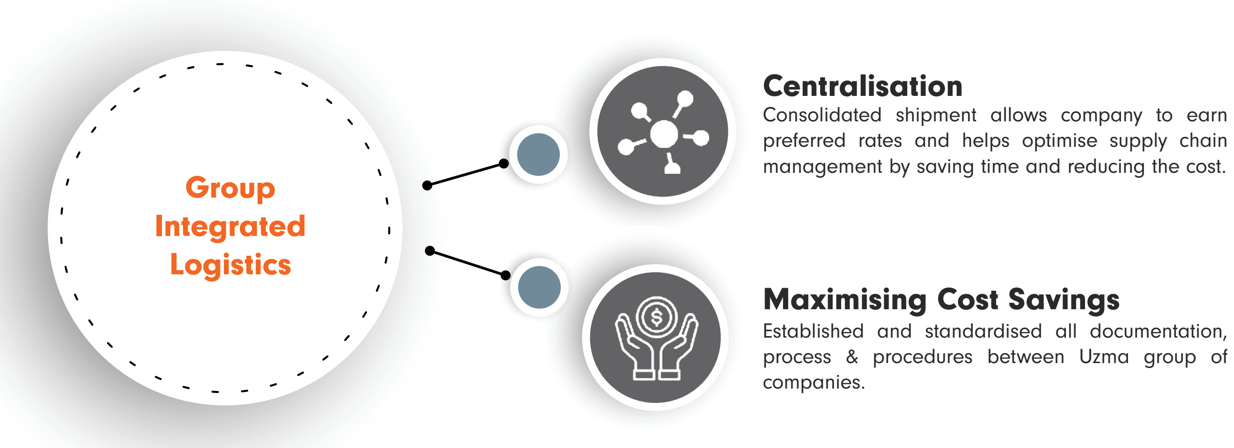


Figure 4: GSCM Logistics Management Practices

Long-Term Relationships With Vendors

One of the essential criteria when facing uncertain economic environments are the establishment of long-term relationships with our vendors. When suppliers are running low on resources, companies built long-term and trust-driven partnerships were given priority. However, if the vendor relationship is not handled properly, it can lead to miscommunications, delayed products and even a contentious relationship. On the other hand, when properly executed, greater integration of the supply chain and development of methods, as well as improving quality and lowering costs, is created as vendors take a vested interest in our business.

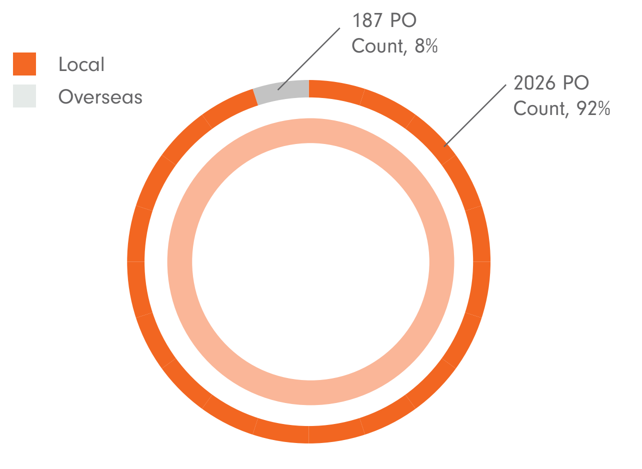
Supporting Local/Bumiputera Suppliers

We prioritise engagements and partnerships with local and bumiputera suppliers/vendors as part of our responsible sourcing initiative.

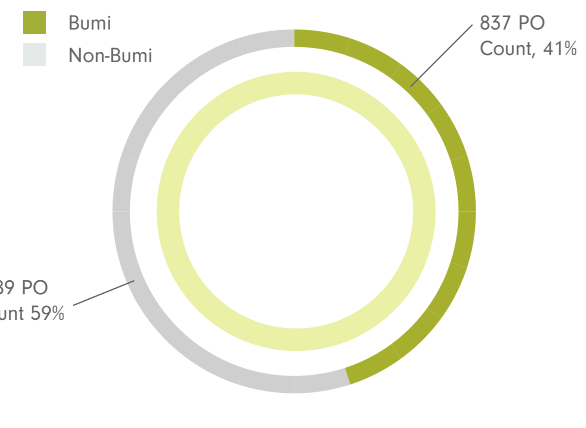
Strategic Vendor	Vendor Count	PO Count	PO Value (RM'000)
Local	449	2,026	90.2
Overseas	81	187	64.8
Total	**530**	**2,213**	**155.0**

Strategic Vendor	Vendor Count	PO Count	PO Value (RM'000)
Bumiputera	180	837	48.1
Non-Bumiputera	269	1,189	42.1
Total	**449**	**2,026**	**90.2**

Percentage of procurement budget used



PO Count and Percentage (Local & Overseas)



PO Count and Percentage (Bumi & Non-Bumi)

Cost Reduction

The year under review sees us continuing with our cost-reduction programme which we undertook in FY2020 in response to the impact of the pandemic as well as the global energy downturn. As such, our focus in FY2021 was to preserve cashflow to support our operations during this period of uncertainty. Amongst these initiatives are:

- Reduction on operational expenses, i.e. discretionary expenses, etc.
- Manpower planning and optimisation to align with forecasted work.
- Sell or rent underutilised equipment.
- Exit and sell equity from non-strategic businesses.
- Application of government incentives, grants, etc.
- Improve Account Receivables ("AR") collection and dispute management

Total PO Spent & Savings for FY2021

	FY2020	FY2021
Total PO Count	3,048	2,213
PO Amount Before Discount (RM'000)	269.8	160.1
PO Amount After Discount (RM'000)	263.0	155.0
Total Savings After Negotiation (RM'000)	6.8	5.1
Recorded Savings - SAGE	0.7	1.2
Unrecorded Savings - Offline	6.0	3.8
Percentage of Savings (%)	2.51	3.20

Project Execution and Delivery Management

In the execution and delivery of our projects, we ensured that all related parties (employees, vendors, suppliers and partners) adhere to the highest safety standards in accordance with the following standards and guidelines:

- OSH (Safety & Health Committee) Regulation: 1996
- Use and Standards of Exposure of Chemical Hazardous to Health Regulation: 2000
- Guidelines on Safety and Health (Notification on Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004

Product and Services

We strive to deliver our products and services responsibly. The customers' needs and expectations are first determined and monitored before being met to our fullest abilities. During the execution of services, we aim to minimise the potential of Non-Productive Time ("NPT") whilst enhancing customer satisfaction. The following are the Service Execution process activities:

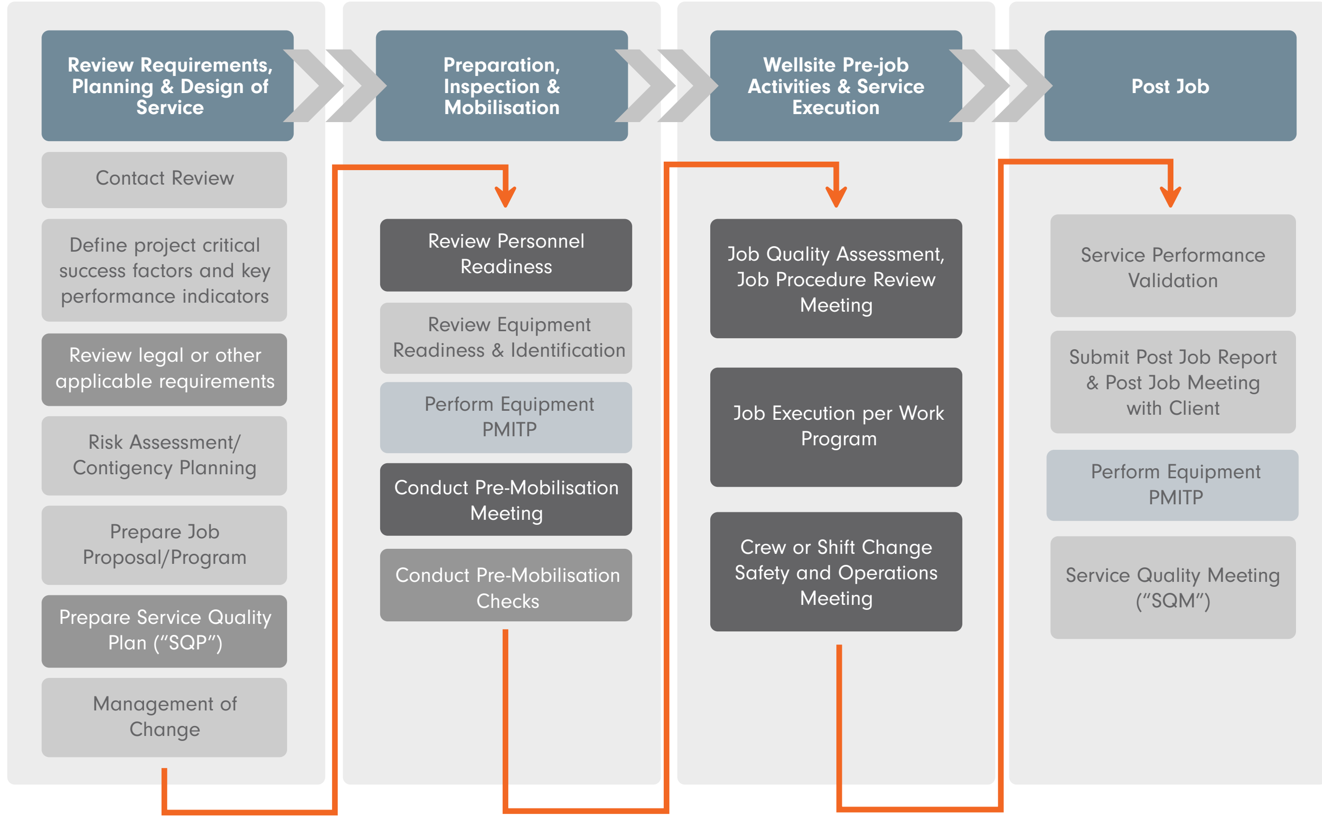


Figure 5: Control of Service Execution Process

Additionally, the control of Service Execution throughout the project cycle is documented in our Service Quality Plan according to our Service Quality Elements as per the table below:

No.	Elements	Descriptions
1	Required Activities & Documentations	- Activities and documentation (proof) of compliance with both customer and legal requirements. - Identification of responsible functions for each activity, including external party. - Identification of the relevant revision for each procedure, specification or other document referenced or used in each activity.
2	Key Essential Personnel	- List all the responsible personnel/functions for the project, include any external parties.
3	Critical Supplier and Sub-Contractor	- Sub-contractor or supplier involvement in providing a service or an equipment that is used for the service.
4	Hold & Witness Point	- Acceptance inspection by both Company and Customer or 3rd Party to ensure that customer receives service and equipment that perform to expectations.
5	Service Equipment & Testing Measurement Detection (TMD) Devices Inventory	- Preventive Maintenance and Inspection Test Plans ("PMITP") for Equipment as well as monitoring device ("TMDE") with serial number so the PMITP records can be both identifiable and traceable to the equipment.
6	Risk Management & HIRADC	- Risks directly associated with the services and equipment as well as controls to manage/ mitigate those risks.
7	Contingency Planning	- Incident and disruption of prevention and mitigation measures to minimise the likelihood or duration of disruption of execution of service.
8	Management of Change	- When things go wrong or something unplanned occurs, proceed with the contingency plan which is still part of the planning. However, when the changes fall outside of the contingency plan, an MOC is required.
9	Service Performance Validation	- Ensure the service evaluation results are received and reviewed to validate the service performance.
10	Customer Complaint, Non-conformance & Malfunction	- Service quality incident or non-conformity or undesired event which results in failure of product/equipment, project delivery, Non-Productive Time ("NPT"), etc.

Table 1: Service Quality Elements

CREATING ENVIRONMENTAL VALUES

As a responsible Energy company, we believe in reducing the impacts of our business operations on the environment. Our initiatives in this area are explained as follows:

Environmental Areas	Mitigation Actions
Energy Management and Efficiency	– Changed from normal fluorescence lighting to energy-efficient LED lighting. Using energy saving LED lights which reduces electricity consumption from 25% up to 80%, and which lasts between three (3) to five (5) times longer than ordinary light bulbs.
Water Management and Efficiency	– All water leakage will be reported via online Hazard Identification Report ("HIR") / Risk Identification Card ("RIC") or by directly contacting the maintenance department. – Having monthly water monitoring and daily trouble shooting.
Paper Management and Consumption	– Online meetings via Microsoft Teams are common among employees. Most of the presentation's materials were done virtually without the need to print handouts, while document reviewing and approval process is obtained via online. – The deployment of online Enterprise Resource Planning ("ERP") system on finance and procurement operation reduces paper usage. – All requests for paper supplies are monitored by each department representative to ensure no paper wastage. The IT Department monitors and controls the printing for each employee so that there will be no unnecessary printings.
Scheduled Waste Management	– All types of scheduled wastes are managed according to the local legal regulations and requirements. – The Scheduled Waste Disposal Process is properly executed by a competent personnel and regularly update on its inventory level.
Employee Awareness	– Provide environmental awareness through QHSE Meetings. – Provide environmental awareness trainings such as Schedule Waste Management, Chemical Management, Environmental Aspect & Impact Assessment as well as Environmental Management System (ISO 14001:2015) awareness. – Continuous sharing on environmental awareness through HSE Bulletins.
Environmental Aspect and Environmental Impact Assessment	– Conduct Environmental Aspect and Environmental Impact Assessment (EAEI) for all activities. – Apply a life cycle perspective through EAEI implementation process – Communicate the Environmental Risk through engagement with stakeholders
Venturing Into Renewable Energy Business	– **Large-Scale Solar 4 ("LSS4") Project** – The Green Energy movement through the Group's wholly-owned subsidiary, Uzma Environergy Sdn. Bhd. ("Enviro"), is developing a facility which produces clean energy with its LSS4 project at Bukit Selambau, Kedah and Bukit Badong, Selangor, respectively contributing 50MW and 30MW. – **Net Energy Metering 3.0 ("NEM 3.0")** – The Green Energy movement through the Group's wholly-owned subsidiary, Enviro, introduced a Home Solar Package under the NEM 3.0 program. This package allows home owners to save up to 90% on monthly electricity bills. – **Geothermal** – Through Uzma Engineering Sdn. Bhd.'s branch in the Philippines, the Group is producing well intervention services in geothermal wells. This is part of Uzma's interest in promoting the renewable energy industry.

CREATING SOCIAL VALUE

As responsible corporate citizens, we believe in creating value for all our stakeholders, including employees and the communities in which we operate.

Health And Safety Performance

Health and safety are one of the core foundations of our operational excellence. As one of the five core pillars of the uzmaWAY, our robust HSE governance and management practices have allowed us to continue our business operations despite the health challenges associated with the COVID-19 pandemic and in line with the regulatory measures and SOPs announced by the Government to stem the spread of the virus.

To further ensure that health and safety values and commitments are shared with and upheld by all staff, all new employees go through an Induction Session and are introduced to the uzmaWAY as soon as they are hired. To complement this, staff are also immediately introduced to uzmaSAFE, which encapsulates all our Corporate Safety Rules.

A. Values

Three essential factors supported our fundamental values, which will drive the organisation toward Generative QHSE Culture: People, Knowledge and System.

a. People

In our company, we believe that QHSE principles are vital to be applied in the working environment. By that principle, we always ensure our workers are practising it at all times.

- Believe in QHSE principles.
- Willing to learn and share ideas.
- HSE ownership and accountability.

b. Knowledge

Uzma is dedicated to providing employees with opportunities to acquire the knowledge, skills and experience necessary for them to perform current work efficiently, accommodate changing circumstances and prepare themselves for their future roles and assignments.

c. System

The establishment of a systematically documenting and controlling system is required for effective operation in accordance with the requirements of the ISO 9001: 2015, ISO 14001:2015, and ISO 45001: 2018 Integrated Management System ("IMS") and more importantly, to cover all provisions of services and business activities within this region.

HEALTH AND SAFETY PERFORMANCE (Cont'd)

B. QHSE Pillars

We feel that a Quality, Health, Safety and Environment ("QHSE") framework is necessary to support and influence our work culture while also reducing risks. To complement the QHSE vision, Uzma established seven QHSE Pillars. The Pillars help to focus on the tasks that must be completed in order to achieve a company-wide change in our approach to QHSE. The Pillars are essential for reducing risk, ensuring excellent service to clients, keeping our people safe, and protecting the environment.

1. ***Integrated Management System ("IMS")***

   The IMS's main objective is to carry out the policy that has been established for all the business activities. Uzma is committed to conducting its operations and activities in a safe and environmentally responsible manner. Uzma's management and line supervision will be responsible for developing and retaining a well-informed and motivated workforce that will effectively contribute to the IMS's overall success.

2. ***Standard and Compliance***

   In FY2021, 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. Uzma's internal auditors also conducted a series of internal audits in line with our FY2021 audit plan to ensure adherence to Uzma's Integrated Management System ("IMS").

3. ***Quality Assurance and Quality Control***

   Customer needs and expectations are determined, converted into requirements, and met to minimise the potential of NPT during the execution of services and enhance customer satisfaction.

4. ***Training and Competency***

   We provide the necessary competency opportunities to personnel performing activities with appropriate training, skills and experience to meet service and service-related product requirements.

5. ***Operation***

   Emphasizes Risk and Opportunity Assessment within the organisation activities, products and services that may cause harm to employees and others.

6. ***Occupational Health***

   In Uzma, it is critical to maintain physical, social and emotional health and safety in the workplace. An effective and efficient occupational health system for the workforce can help to reduce and prevent workplace accidents, injuries, hazards, medical illness and fatalities.

7. ***Environment***

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

   - Pursuing Environmental Management System (ISO 14001:2015) certification for Uzma Engineering Sdn. Bhd. ("UESB").
   - Performing environmental aspect and impact assessment for all services.
   - Provide environmental awareness through training and HSE bulletin.
   - Complying towards applicable environmental legal requirements.

Health and Safety Performance

The QHSE performance indicators are collected and analysed, as appropriate, and reported for continuous improvement. It is also used to assess the level of threat that can have a significant impact on human life, the environment, asset integrity, and reputation.

Overall QHSE performance for FY2021 is as follows:

- Total Manhours: **2,261,146**
- No. of Fatality: **0**
- No. of Lost Time Injury ("LTI"): **0**
- No. of Restricted Work Cases ("RWC"): **1**
- No. of Medical Treatment Case ("MTC"): **1**
- No. of First Aid Case ("FAC"): **2**
- No. of Near Mis ("NM"): **7**
- No. of Occupational Illness ("OI"): **1**
- No. of Major Fire / Explosion: **0**
- No. of Minor Fire: **2**
- No. of Property Damage ("PD") / Property Lost ("PL"): **2**
- No. of Motor Vehicle Accident ("MVA"): **0**
- No. of Major / Minor Spill ("LPOC"): **2**
- Fatal Accident Rate ("FAR"): **0.00**
- Severity Rate: **0.00**
- Total Recordable Case Frequency ("TRCF"): **0.88**
- Total Recordable Occupational Illness Frequency ("TROIF"): **0.00**

QHSE KPI (Objectives & Targets)

Uzma's FY2021 Corporate QHSE KPI was developed based on significant internal and external issues within the organisation. To ensure that the targets are properly established, the KPI was established using the Specific, Measurable, Achievable, Realistic and Timely ("SMART") approach. The KPI was tracked in the QHSE Dashboard and reviewed by the Management Committee ("MC") on a monthly basis.

Objective	Key Results (Metric)	FY2021 Target	Overall Status
Ensure Quality Delivery to Customer	Compliance on SQP/PEP acceptance by client prior to job execution	100% Compliance	57% Compliance
	Uzma's Customer Delivery Survey ("CDS") rating	100% Min. 80% CDS Score	80% CDS Score
	STAR Rating (additional for PETRONAS)	100% >=3 STAR rating	91%
	NPT as a percentage to total operational hours	<=2%	1.68%
	Job Execution within approved budget range	100% within approved PFS	100% approved PFS
Provide Safe and Secure Environment	Group Integrated Management System (IMS) document mitigation	75% Completion	86% Completion
	Legal compliance	100% Compliance	99% Compliance
	QHSE compulsory training for operational crew	100% Compliance	82% Compliance
	Establish and execute QHSE Objective & Targets	100% Completion	76% Completion
	Establish QHSE Plans	100% Completion	76% Completion

QHSE Programmes Conducted in FY2021

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

Date	Program
Monthly in FY2021	Continuous Communication & Engagement at SVP's KL HQ & QHSE Engagement Meeting
Monthly & Bimonthly in FY2021	SVP's Quality, Health, Safety & Environmental Sharing Awareness Sessions
10 August 2020	Virtual Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS") Safety Day
10 August 2020 – 31 March 2021	SVP's Crazy Feet Challenge
27 August 2020	Pre-Mobilisation Urine Drug and Alcohol Test ("UDAT")
11 September 2020	Health Screening
17 September 2020	Uzma's Drops Awareness & SVP's Dropped Objects Awareness Training at Kemaman
1 October 2020	Monsoon Ziza Campaign
15 October 2020	MECAS COVID-19 Stand Down
14 December 2020	SVP's Noise Monitoring Session at FT Labuan
21 December 2020	MECAS Q2 Virtual Management Engagement
5 January 2021	Working at Height
28 January 2021	PTTEP Devin-245 Hygiene Inspection Report
25 February 2021	MECAS Self Contain Breathing Awareness ("SCBA") Awareness Training
March 2021	SVP's Chemical Health Risk Assessment ("CHRA") Session at Kemaman, Terengganu
4 March 2021	SVP's Behaviour Based Safety ("BBS") Training to Heads of Departments ("HODs")
8 – 11 March 2021	SVP's ISO Certification Audit for Stage 1
10 March 2021	MECAS Q3 Virtual Management Engagement
24 March 2021	MMSVS Group Holding Co. Ltd. ("MMSVS") Devin-345 Hygiene Inspection Report
25 March 2021	SVP's Health Monitoring session at KL HQ
29 March 2021	SVP's Health Monitoring session at Kemaman , Terengganu
5 – 7 April 2021	Group QHSE Away Day 2021
8 – 9, 12 – 13, 26 - 27 April 2021	SVP's ISO Certification Audit for Stage 2
14 April 2021	MECAS Safety Stand Down Day

QHSE Programs FY2021 (Cont'd)

Date	Program
15 April 2021	PTTEP Electrical Safety Operation Inspection Campaign at MMSVS 345
21 May 2021	MMSVS Jenny 343 Drop Object Survey
27 May 2021	SVP Drops Campaign 2021 - Continuous
30 May 2021	2021 05 30 Jenny-343 Drop Object Survey BB-13HST1 at MMSVS
5 June 2021	Road Transportation Campaign PTTEP Rig Move Audit at MMSVS 345
10 June 2021	SVP's Health Monitoring sessions at Labuan, Miri & Kota Kinabalu
21 June 2021	SVP's CHRA session at Labuan
22 June 2021	MECAS Q4 Virtual Management Engagement
22 – 24 June 2021	Virtual SVP New Hire Induction & BBS Training
Randomised Dates Throughout FY2021	SVP's Drug & Alcohol Testing Sessions at Kemaman, Terengganu & FT Labuan

OUR PEOPLE

Our people are one of the most important assets. Without them, the organisation would come to a standstill. We always ensure the welfare and wellbeing of all our people 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

To gauge the effectiveness of the Group's employee engagement initiatives over the last two years, the Employee Engagement Survey ("EES") FY2021 was carried out. The second survey was held in March 2021 with 96% participation from employees. It was conducted by an external renowned human capital and management consulting agency known as Kincentric (formerly known as AON Hewwit).

The company scored 58% on the overall engagement benchmark, a 4% increase from the 2018 survey. The score is 5% below APAC Energy and 3% below the Global Energy company's benchmark. Based on the overall employee perception dimensions, the company scored an average of 62%, which is a 6% increase from the 2018 survey. The score is 4% below APAC Energy and 1% higher than Global Energy company's benchmark.

The following are other engagement activities conducted in FY2021:

- Quarterly virtual town halls
- Uzma's 21st Anniversary and 2021 Raya Virtual Celebrations
- Webinar on Employee Health and Well-being throughout the pandemic and MCO period
- Extension of employee benefits from the company to subsidise the purchase of health supplements in light of the pandemic
- Employee Long Service Award: 20 years, 15 years, 10 years and 5 years
- Uzma Recreational Club hosted the Uzma Virtual Run. A total of 84 participants joined it. The event went on from 15 March to 20 June 2021.

Employee Recognition

In FY2021, 75 employees received long service awards from 4 categories – 20 years, 15 years, 10 years, and 5 years. Moreover, 27 individuals and 12 teams throughout the Group were awarded the uzmaGRIT in the same year based on the demonstrated commitment, passion, and perseverance towards their job.

uzmaGRIT is a corporate-wide recognition and reward programme that has been developed together by the members of the Employee Recognition Working Group, as nominated, and represented by various divisions. The programme name was inspired by the word "Grit", which is defined as a personality trait possessed by individuals who demonstrate commitment, passion, and perseverance towards success. It is also, conveniently, an acronym for 'Group Recognition for Individuals and Teams'. As the programme encourages the repetition of positive behaviours and further embeds the uzmaWAY culture, the uzmaGRIT award emphasis 6 core behaviours that are instrumental for Uzma to propel forward.

These are summarised in the following table:

Core Behaviour Tagline	Description
Go Beyond	I stretch my limits to deliver extraordinary results.
Own It	I hold myself accountable to achieve the results and don't blame others.
Out of the Box	I am innovative in providing solutions that add value to Uzma and its customers.
Win Together	I collaborate with others for the greater good of Uzma.
Better Everyday	I continuously improve myself and my team (include learning from my mistakes).
Care for All	I care about the well-being of myself and my team members. I am committed to ensure that we work in a safe, secure, and healthy environment.

Employee Diversity

We believe in having a diverse workforce, which makes up the human capital backbone of our organisation. Their different perspectives and insights contribute towards better outcomes and power the development of new and innovative products and services for our customers.

Gender (Full Time Employees Only)	Total
Male	691
Female	189
Group Total	**880**

Age Group (Full Time Employees Only)	Total
20 - 30	259
31 - 40	378
41 - 50	180
51 - 60	61
61 - 70	6
Group Total	**880**

Ethnicity (Full Time Employees Only)	Total
Malay	550
Chinese	14
Indian	2
Bumiputera Sabah & Sarawak	120
Others (Non-Malaysians)	194
Group Total	**880**

Nationality (Full Time Employees Only)	Total
Malaysia	687
Indonesia	25
Thailand	155
Others	13
Group Total	**880**

Employee Category	Total
Permanent	589
Contract	291
Group Full Time Employees	**880**
Freelance (Consultants)	245
Group Total	**1125**

Employee Performance

Our talents have always been our most important assets, who must be motivated and developed. We are inspired to establish a highly performance-driven work environment where people with a passion for excellence can thrive. With that in mind, the company's Performance Management System or better known as the Personal Performance Appraisal ("PPA") System is designed to focus on the following:

- To drive ownership and accountability throughout the organisation in delivering results.
- Measure individual performance objectively based on the agreed goals and Key Performance Indicators ("KPIs") per the company objectives.
- The need for our line managers to step-up in the area of people engagement and execution.
- Identify, reward and retain top performers while at the same time objectively managing the underperforming employees.
- Better clarify and simplified processes for every level of employees.

The employee performance is measured based on their identified goals in the Key Result Areas and Work Objectives from the PPA process. Throughout the PPA process, the engagement between the line managers and subordinates are also enhanced when there are many opportunities for performance discussions, open feedback, and coaching. With this process in place, we can begin to manage and build our talent more strategically by developing them and enabling our leaders to identify the high performers and the potential successors to take future leadership in the organisation.

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

Board Diversity

Uzma's Board comprises high calibre individuals with varied skills and experiences who provide valuable guidance and advice. The following illustrates our board composition:

Categories		
Gender	Male	6
	Female	1
Age	41 - 50	2
	51 - 60	1
	61 - 70	4
Nationality	Malaysian	7
	Non-Malaysian	NIL
Ethnicity	Malay	7
	Others	NIL

	Legal	Accounting / Auditing / Taxation	Architecture / Project Management / Oil & Gas / Engineering	General Management / Business	Human Resource	Banking / Financial Services	Information Technology	Marketing / Sales	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
Datuk Abdullah Bin Karim		✓	✓	✓	✓		✓	✓	✓
Dato' Kamarul Redzuan Bin Muhamed	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dato' Che Nazahatuhisamudin Bin Che Haron			✓	✓	✓			✓	
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim		✓	✓	✓	✓	✓	✓		✓
Encik Yahya Bin Razali	✓	✓		✓		✓			✓
Datuk Seri Zurainah Binti Musa				✓	✓			✓	
Encik Ikhlas Bin Abdul Rahman		✓	✓	✓				✓	

Training

In 2021, a total of 2,114 trainings were conducted across the Group mainly for O&G business in which the majority involved technical trainings for operations personnel. With the time spent on the training, the Group average training man-days for FY2021 was at 4.48 days. About RM2.55 million was utilised for training across the entire Group encompassing our local and overseas employees.

Categories	Technical Training	Non-Technical Training	Group Total Trainings	Total Training Expenditure	Total Training Days	Average Headcount	Training Man Days
Non-O&G	16	49	65	RM39,000.00	83	104	0.80
O&G	1,968	81	2049	RM2,510,000.00	3,228	581	5.56
Group Total	**1,984**	**130**	**2,114**	**RM2,549,000.00**	**3,311**	**685**	**4.84**

In light of the COVID-19 pandemic and the restrictions during the Movement Control Order period, the Group People Division embarked on the Online Learning Series to encourage continuous learning among the employees when most non-technical training programmes were put on hold.

A safe of webinars were also organised to address the employees' mental health and wellbeing during the pandemic and the Movement Control Order period. Below are some of the topics in the series:

- Stress Management
- Combating Burnout
- Thriving Emotions at Work
- The Art of Emotional Connection and Relationships
- Boosting Productivity with Flexibility of Working From Home
- Your Home Wellness to Success
- Making Virtual Meetings Effective and Engaging
- Ergonomics – Right Posture, Right Movement, Right Setup
- Post-Pandemic Back to Office – Peak Performance Mindset

Internships

In FY2021, a total of 25 internship positions were offered to students from various universities in Malaysia. They were placed in various departments, i.e. as Operations, Support Office, SCM, QA/QC, Finance and QHSE.

Employee Benefits And Compensation

Acknowledging that our employees are our greatest asset, we offer fair and competitive benefits and compensation plans.

Group Medical & Insurance Coverage	– Group Outpatient Medical Coverage – Group Hospitalisation and Surgical – Group Personal Accident – Group Term Life
Leave	– Annual Leave up to 20 days per annum – Medical Leave up to 60 days per annum – Prolonged Illness Leave up to 9 months – Marriage Leave up to 2 days – Maternity Leave up to 60 days – Paternity Leave up to 5 days – Examination Leave up to 3 days – Hajj Leave up to 14 days – Compassionate Leave up to 5 days – Special Leave (representing Company/State/National at any sport or social event)
Fixed Allowances	– Transportation Allowance – Telecommunication Allowance – Project Allowance – Onshore & Offshore Allowance – Hardship Allowance – Skills Allowance – Acting Allowance – Vacation Allowance
Welfare	– Marriage Gift Allowance – Newborn Gift Allowance – Bereavement Fund – Calamity Assistance – Professional Association Membership – Health Supplement Subsidy – Gym Membership Subsidy
Business Travelling Entitlements	– Mileage Claims – Toll & Parking Claims – Subsistence Allowance – Accommodation Allowance – Laundry Expenses Claims – Telecommunication & Internet Access Claims

Employee Health

As a responsible employer and in ensuring a safe and healthy work environment, we worked toward encouraging our employees to get their COVID-19 vaccinations. As of November 2021, 97% of employees in Malaysia have been fully inoculated, which is about 87% for the entire Group.

The following table shows the summary of inoculation rates:

Categories	Total Headcount	Vaccinated with 1st Dose	Vaccinated with 2nd Dose	Total Percentage Vaccinated at least 1 Dose
Malaysia	713	17	691	99%
Indonesia	17	6	11	100%
Thailand	144	56	66	85%
Group Total	**874**	**79**	**768**	**97%**

Ethics And Integrity

Ethics and Integrity play a pivotal role in the building of stakeholders' trust and confidence. Hence, we ensure all our employees, partners, supplies and vendors adhere strictly to the highest standards of corporate governance. At present, we have in place the following policies:

a. Anti-Corruption Policy
b. Code of Conduct & Ethics
c. Board Charter and Terms of Reference
d. Whistleblower Policy
e. QHSE Policy
f. Risk Management Framework and Policy
g. Group Supply Chain Management Policies

OUR VENDORS

For FY20/21, a total of 194 new vendors have been registered under the Approved Vendor List (AVL).

The following is Uzma's Approved Vendor List:

Uzma's Approved Vendor	Total
Local	1,340
Overseas	316
Total Approved Vendors	**1,656**

Vendor Development Program (with MOF and MITI)

Currently, Uzma has a Vendor Development Programme under the Ministry of Entrepreneur Development and Cooperatives ('MEDAC"). This programme is specifically for Vendors (Services) to enforce SOPs in accordance with the Client's and the Ministry of Health's requirements such as the 14-days quarantine, Polymerase Chain Reaction ("PCR")/Rapid Test Kit ("RTK") testing, and personal protective equipment ("PPE"). Pre-mobilisation briefings are also conducted to provide better guidelines in adherence to established SOPs.

For the supply of materials and equipment, enforcement measures are based on established SOPs. All delivery shipments are forecasted to include any additional time required due to MCO constraints.

VDPx with PETRONAS

Currently, vendors under Uzma's Innovative Partners Programme are being registered with PETRONAS' Vendor Development Programme ("VDPx"). The vendors listed are as follows:

- Well Management Solution Sdn. Bhd.
- Tuah Majumas Sdn. Bhd.
- Perf Maestro (M) Sdn. Bhd.

Customer Engagements

We strive to constantly improve our Customer Management processes to meet their changing demands and expectations.

Uzma's Customer-Focused Programmes include the following:

- **Customer Delivery Survey ("CDS")** – upon work completion, an annual survey is sent to the customer to gauge their satisfaction on our services and overall delivery quality.
- **Service Quality Meeting ("SQM")** – regular face-to-face engagement with customers to discuss QHSE and operational performance for proactive actions.
- **Customer Ratings** – programme by customers where they engage us and give us ratings for our performance.

Awards & Recognitions from Customers

Date Received	Awarded By	Awarded To	Description
30/10/2020	PETRONAS Carigali Sdn. Bhd.	Uzma Engineering Sdn. Bhd.	MARSYA Covid-19 Control - D18 team has successfully implement the prevention and control of Covid19 at worksite. The team effort has demonstrated the commitment in Covid19 prevention and maintain health and well-being of workers onboard.
5/3/2021	PETRONAS Carigali Sdn. Bhd.	Setegap Ventures Petroleum Sdn. Bhd.	SVP participated in the PETRONAS Contractor HSE Mentorship program. This is a pioneer program (3-year program) initiated by PCSB to enhance HSE performance and culture to the selected contractors. SVP's QHSE team were able to complete the program successfully, one year ahead of schedule.
28/3/2021	PETRONAS Carigali Sdn. Bhd.	Malaysian Energy Chemical & Services Sdn. Bhd.	MECAS received a Focused Recognition award from PCSB for their chemical supply project. This award demonstrated MECAS' excellent efforts in planning and execution of the job at Angsi platform by protecting and improving water injection quality on site.
31/3/2021	PTTEP Limited	MMSVS Group Holding Co. Ltd.	MMSVS received a Centre of Excellence ("COE") Contractor Award from PTTEP Limited in recognition of achieving the 2020 SSHE Performance Excellence for 3 consecutive years and total manhours of more than 50,000 hours for the provision of hydraulic workover services.

CORPORATE SOCIAL RESPONSIBILITY

In FY2021, Uzma continue to deliver on our Corporate Social Responsibility ("CSR") commitments to communities where we operate in our efforts to contribute to their socioeconomic development.

Our CSR initiatives for the year are as follows:

September 2020

As part of our contribution to the community, we built beach furniture for public use at Pantai Rantau Panjang, Rompin, Pahang.

February 2021

Uzma contributed RM5,000 to Pertubuhan Sahabat Jariah at Kota Damansara for flood relief efforts to assist the flood victims from Raub and Temerloh, Pahang

May 2021

Ramadan contribution of RM1,000 each was extended to the following:

- Pusat Tahfiz At Taqwa, Keramat, Kuala Lumpur
- Maahad Tahfiz Masjid Al Ridhuan, Ampang, Selangor
- Maahad Al-Munir Al-Islami, Shah Alam, Selangor
- Darul Quran Wal Hadith As Sofa Rinching, Ampang, Selangor
- Maahad Tahfiz Al-Quran Lil-Muttaqin, Semenyih, Selangor

The following table highlights the fund distribution for FY2021:

Recipient	Purpose	Date	Amount
Pantai Rantau Panjang, Rompin, Pahang	Building beach furniture for the public community	September 2020	RM2,500.00
Pertubuhan Sahabat Jariah, Kota Damansara, Selangor	Flood relief donation for flood victims at Raub & Temerloh, Pahang	February 2021	RM5,000.00
Maahad Tahfiz Al-Quran Lil-Muttaqin, Semenyih, Selangor	Ramadan donation	May 2021	RM1,000.00
Darul Quran Wal Hadith As Sofa Rinching, Ampang, Selangor	Ramadan donation	May 2021	RM1,000.00
Maahad Al-Munir Al-Islami, Shah Alam, Selangor	Ramadan donation	May 2021	RM1,000.00
Pusat Tahfiz At Taqwa, Keramat, Kuala Lumpur	Ramadan donation	May 2021	RM1,000.00
Maahad Tahfiz Masjid Al Ridhuan, Ampang, Selangor	Ramadan donation	May 2021	RM1,000.00
Grand Total			**RM12,500.00**

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement ("Statement") of Uzma Berhad ("Uzma" or "Company") and its subsidiaries (collectively referred to as "Uzma Group" or "Group") seeks to provide an insight to the Corporate Governance practices of the Group under the stewardship of the Board of Directors ("Board") as outlined by the Malaysian Code on Corporate Governance ("MCCG" or "Code") during the year under review, financial year ended 30 June 2021 ("FY2021").

The Company's corporate governance structure has been developed and enhanced based on the principles and recommendations of best practices prescribed in the Code with reference to the three (3) main principles as set out in the MCCG: -

Board Leadership & Effectiveness	Effective Audit & Risk Management	Integrity in Corporate Reporting & Meaningful Relationship with Stakeholders

This Corporate Governance Overview Statement is prepared in compliance with Paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and supported with a Corporate Governance Report 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, https://www.uzmagroup.com/uzma-investor-relations.html and through 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 steering the directions and operations of the Company. The Board is responsible to the Company's shareholders for long-term success of the Group and its overall strategic direction in 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 as reported by the Management in the quarterly financial results and has full access to all operational information together with the explanation provided by the Management.

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. During the financial year under review, none of the Directors on the Board hold more than five (5) directorships in other listed issuers on Bursa Securities.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary duties and leadership functions. The practices applied and exercises by the Board are set out below: -

1.1 Clear Roles and Responsibilities

The Board has adopted a Board Charter and it was last reviewed on 20 October 2020, as no changes are required for the time being. The Board Charter sets out, among others, the roles and responsibilities of the Chairman, the Group Chief Executive Officer, the Board, Individual Directors, Independent Directors, each Board Committees and the Management. It also sets out the processes and procedures for convening a board meeting and the guidelines for its Directors on the 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, relevant standards of corporate governance.

The Board Charter and the Code of Conduct and Ethics are available on the Company's website at www.uzmagroup.com.

1.2 Corporate Liability

In compliance with the recent amendment of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and guided by the Ministerial Guidelines and Paragraph 15.29 of the MMLR of Bursa Securities in relation to anti-bribery, the Board has taken proactive measures to ensure adequate procedures are in place that are in line with the Guidelines issued by the Prime Minister's Department, and approved on 20 May 2020 its Anti-Bribery Policy, Whistleblowing Policy & Procedure and Policy on Donation and Sponsorship ("ABC Policies").

The ABC Policies 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 Group is committed to ethical business practices and good corporate governance. Thus, the ABC Policies 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.

The Company had also conducted a refresher and groupwide briefing and training on the Group's Anti-Bribery Framework & Policies on 14 and 15 April 2021 followed up by an assessment to ensure full understanding by the employees.

1.3 Separation of Position of the Chairman and Managing Director/Group Chief Executive Officer ("MD/Group CEO")

The Board acknowledges the importance of establishing an effective Board composition to ensure a strong and open working relationship between the Directors.

Therefore, to ensure a balance of power and authority in the Board, there is a clear demarcation of duties and responsibilities between the Chairman and the MD/Group CEO, and does not reside with the same person to ensure organisational check and balance for better governance. The roles of Chairman and MD/Group CEO are held separately by Datuk Abdullah Bin Karim and Dato' Kamarul Redzuan Bin Muhamed respectively, as both roles serve different expectations and different audiences.

The Chairman is responsible to ensure the Board's effectiveness and provides leadership at the Board level, chairs the meetings of the Company and the Board, represents the Board to the members and together with the Board, reviews and approves the strategic objectives and policies of the Group.

Whilst the MD/Group CEO is responsible to manage the Company's business and the Management Committee ("MC"), as well as, responsible to the Board for implementing operational and corporate decisions.

1.4 Company Secretary

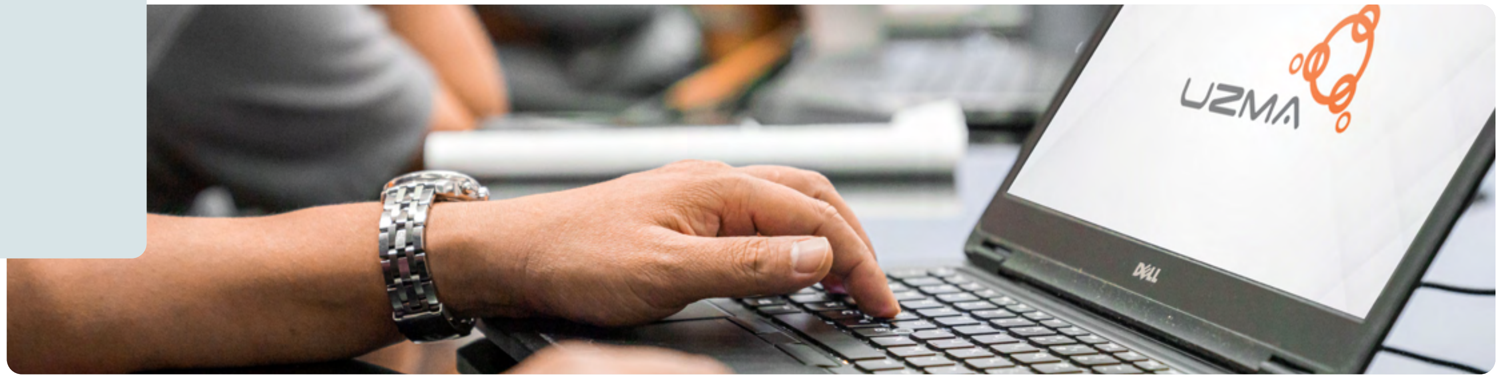
The Board is supported by two (2) suitably qualified and competent Company Securities, which both are qualified to act as the Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). The Company Secretaries play an advisory role, particularly on corporate administrative and governance matters to ensure the company is complied with its Constitution, Board's policies and procedures, and the relevant regulatory requirements, guidelines and legislations.

During the year under review, Ms. Chan Yoke Peng was appointed as the new Company Secretary of the Group in replacement of Ms. Wong Wei Fong with effect from 30 April 2021.

The Company Secretaries attend all Board and Board Committee meetings and are responsible for ensuring the meeting procedures are in place including disseminating complete and accurate meeting materials in a timely manner to allow the Board members to have sufficient time to review the relevant documents prior to the meetings. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and Management.

All Board members have unrestricted access to the advice and services of the Company Secretaries.

The Company Secretaries constantly keep themselves abreast of the evolving regulatory changes and developments in corporate governance through continuous training.



1.5 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 the Board papers are furnished to the Directors and the Board Committee members within a reasonable timeframe prior to the meetings to allow the Directors to have sufficient time to read them for effective discussion and decision making at the meetings. Where applicable, the senior management officers are invited to attend these meetings to explain and clarify matters being tabled. Matters requiring the Board's decision during the intervals between the Board meetings are circulated and approved through written circular resolutions.

The Board has a formal schedule of matters reserved at the Board meetings which includes corporate plans, annual budgets, the Management and Group's performance review, major investments and financial decisions, changes to the Management and control structure within the Group such as key policies and procedures and delegated authority limits. The Board has scheduled meeting dates in advance to facilitate the Directors in planning their meeting schedules for the year. Additional meetings are convened, when necessary, to deal with urgent and important matters that requires attention from the Board.

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 organize and attend all Board meetings to ensure proper records of the proceedings.

The minutes of meetings of the 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 during the financial year under review. The details of the Directors' attendance are set out as follows: -

Directors	Attendance in FY2021						Total	Percentage (%)
	26 Aug 2020	2 Sep 2020	22 Oct 2020	25 Nov 2020	24 Feb 2021	27 May 2021		
Datuk Abdullah Bin Karim *(Independent Non-Executive Chairman)*	√	√	√	√	√	√	6/6	100
Dato' Kamarul Redzuan Bin Muhamed *(Managing Director/Group Chief Executive Officer)*	√	√	√	√	√	√	6/6	100
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *(Independent Non-Executive Director)*	√	√	√	√	√	√	6/6	100
Dato' Che Nazahatuhisamudin Bin Che Haron *(Executive Director)*	√	√	√	√	√	√	6/6	100
Encik Yahya Bin Razali *(Independent Non-Executive Director)*	X	√	√	√	√	√	5/6	83.33
Datuk Seri Zurainah Binti Musa *(Independent Non-Executive Director)*	√	√	√	√	√	√	6/6	100
Encik Ikhlas Bin Abdul Rahman *(Independent Non-Executive Director)*	√	√	√	√	√	√	6/6	100
*Encik Ahmad Yunus Bin Abd Talib ** *(Executive Director)*	√	√	√	√	-	-	4/4	100

Note: (*) Encik Ahmad Yunus Bin Abd Talib has retired as an Executive Director of the Company at the conclusion of the Company's Thirteenth Annual General Meeting ("AGM") held on 16 December 2020.

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 the Board meetings.

1.6 Continuous Training and Development

In discharging its duties and responsibilities, the Directors recognize 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.

Details of trainings attended by the Directors during the year under review are set out as follows: -

1.6 Continuous Training and Development (Cont'd)

Name of Directors	Training Programmes
Datuk Abdullah Bin Karim	1. Half day in-house Directors' Training – The New Normal and Future of Renewables 2. Directors' Training on Environmental, Social and Governance 3. Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies
Dato' Kamarul Redzuan Bin Muhamed	1. Harvard Business School Online – Sustainable Business Strategy 2. MIT Management Sloan School - Artificial Intelligence: Implications for Business Strategy 3. Effective Fund-Raising and Valuations for the New Normal and Post COVID-19 4. Training on Corporate Liability Compliance Policies and Procedures to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 5. Speaker for RESET 2021, Presidential Plenary Session : Thriving in the Lower for Longer Era 6. Speaker for STDI Webinar Series, The Space Industry: Will Newspace Deliver on its Promise? 7. Speaker Islamic World Economic Forum, Space and Digital Economy 8. Speaker for Forum Awam Pandemik Covid-19: Adakah Kita Sudah Menang? 9. Speaker for WIEF-SIDC Power Talk, Post Pandemic Economic Landscape: Building Resilient Industries 10. Mentor for SPE Mentor Program 2021
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	1. Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies
Dato' Che Nazahatuhisamudin Bin Che Haron	1. Briefing, Training and Assessment on the Company's Anti-Bribery Framework & Policies 2. Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies 3. Speaker for SPE Virtual Workshop: Achieving Wells Excellence through Standardisation
Encik Yahya Bin Razali	1. Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies
Datuk Seri Zurainah Binti Musa	1. Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies 2. TRUST Concept and Bribery Risk Assessment 3. Webinar CoronaVac COVID-19 Vaccine Up dates & Highlights 4. Kursus Modal Insan 3 – Hak & Tanggung jawab Anggota Koperasi 5. Common Pitfalls in Transaction & RPT Rules 6. Understanding Board Decision Making Process
Encik Ikhlas Bin Abdul Rahman	1. Value Creative Strategies: An Innovative Take on Creating Impactful, Healthy Companies

1.6 Continuous Training and Development (Cont'd)

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

In addition, the External Auditors play its role in briefing the Board on any latest changes to the Malaysian Financial Reporting Standards ("MFRS") that affects the Group's financial statements during the year, where applicable.

1.7 Access to Information and Advice

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

The Board are given access to any information within the Company and have full access to the advice and services of the Company Secretaries and are free to seek independent professional advice at the Company's expense, if necessary, to ensure effective functioning of the Board in discharging its various duties. In the event that 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.

1.8 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 written Terms of Reference approved by the Board which are periodically reviewed by the Board and the Board appoints the Chairman and members of each Board Committee.

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.

An overview of the functions, responsibilities and meeting attendance of each committee are as follows: -

Nomination and Remuneration Committee	Meeting Attended	Responsibilities
Datuk Abdullah Bin Karim - *Chairman*	1/1	• Recommends new suitable candidates for directorships proposed by the MD/ Group CEO and, within the bounds of practicability, by any other senior executives or any directors or shareholders; and also utilise independent services to identify suitably qualified candidates. • Reviews annually on the required mix of skills and experience core competencies as well as character, experience, integrity, competency and time commitment of the Board. • Assists the board in its annual assessment of the effectiveness of the Board as a whole and the Board Committees. • To assess annually the independence of independent directors and their tenure of service. • To review on an annual basis the remuneration packages of executive directors, non-executive directors and senior management having a salary of RM30,000 per month and above and recommended to the Board for approval.
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim – *Member*	1/1	
Encik Ikhlas Bin Abdul Rahman – *Member*	1/1	

1.8 Board Committees (Cont'd)

Audit Committee	Meetings Attended	Responsibilities
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim - *Chairman*	5/5	• Assisting the Board in fulfilling its statutory and fiduciary responsibilities of monitoring our Group's management of its financial risk processes, accounting and financial reporting practices, ensuring the efficacy of the Group's system of internal control and in maintaining oversight for both internal and external audit functions. • Reviews any related party trasactions and conflict of interest that may arise with the Company and the Group.
Datuk Abdullah Bin Karim - *Member*	5/5	
Encik Yahya Bin Razali - *Member*	4/5	

A2. Board Balance And Composition

As at the date of this statement, the Board currently has a balanced composition of seven (7) Directors consisting of two (2) Executive Directors and five (5) Independent Non-Executive Directors, representing 71% of the Board's composition in line 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 along with the recommendation under 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 members and stakeholders. The presence of the Independent Directors safeguards the interest of stakeholders in ensuring the highest standard of conduct and integrity are maintained to ensure that any decision of the Board is deliberated fully and objectively with regards to the long-term interest of all of the stakeholders. A brief profile of the Directors 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 the Group. The Board believes that a diverse Board that steer on differences in the skills, knowledge, experiences and views of the Directors will ensure effective stewardship and will steer the Company to retain its competitive advantage. As presently constituted, the Board is well balanced and has the stability, continuity and commitment, as well as, the 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 by providing independent views, advice and judgment in consideration of the interests of the members at large in order to effectively check and balance the Board's decision-making process. The Independent Non-Executive Directors of the Company had devoted sufficient time and attention to the Group's affairs.

During the year under review, Encik Ahmad Yunus Bin Abd Talib has retired as a Director of the Company during the AGM held on 16 December 2020, as duly announced to Bursa Securities.

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to re-election by the shareholders at the next AGM, subsequent to their appointment. At least one third (1/3) of the Directors are required to retire from office by rotation annually and subject to re-election at each AGM.

All Directors shall retire from office at least once every three (3) years, but shall be eligible for re-election. At this forthcoming Fourteenth AGM, Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim and Datuk Seri Zurainah Binti Musa shall retire from office and be eligible for re-election pursuant to the Constitution of the Copmany.

The practices applied by the Board with regards 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 the 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.

2.1. Tenure of the Independent Directors (Cont'd)

The Board believes that the continued contribution of the Independent Directors 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, qualifications, experiences 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 efficiently as an Independent Director.

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

During the financial year under review, the Board via the NRC assessed the independence of its Independent Directors and based on the assessment, the Independent Directors were found to have the independence of mindset of which they will continue to be independent and be able to provide an objective judgment during the Board's deliberations and decision-making process. However, one (1) Independent Director of the Company, namely Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim has served for a cumulative term of more than nine (9) years as prescribed by Practice 4.2 of the MCCG. The NRC and our Board after having assessed the independence of the said Independent Director, considered him to be independent and recommended it for the shareholders' approval on the retention of the said Independent Director at the forthcoming AGM of the Company.

2.2. Appointment of Director

The Board does not set specific criteria for the assessment and selection of a director candidate. However, the consideration would be taken on the need to meet the regulatory requirements such as the Act and the MMLR, the achievements in the candidate's personal career, integrity, wisdom, independence of the candidate, the ability to make independent and analytical inquiries, the ability to work as a team to support the Board, possession of the required skills, qualifications and expertise that would add value to the Board, an understanding of the business environment and the willingness to devote an adequate amount of 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 an additional director with the required skills or profession based on the recommendation from the Board in order to close the competency gap in the Board as identified by the NRC. The potential candidate may be proposed by an existing director, senior management staff, members or third-party referrals and/or independent sources.

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

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

2.3. Gender Diversity

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 a woman participation in the Board. Presently, the Company has one (1) female Independent Non-Executive Director in the Board (i.e. 14% women directors). The NRC is responsible in ensuring that the gender diversity objectives are adopted in the board recruitment, board performance evaluation and the succession planning processes.

The Company also ensures diversity in its management level by having a strong female representation at the management level which could potentially be a pipeline for future candidates to be appointed as Directors or Senior Management. Currently, there are three (3) female key Senior Management, Datin Rozita Binti Mat Shah @ Hassan as the Chief People Officer, Puan Zaleha Binti Abdul Hamid as the Group Chief Financial Officer and Puan Hanie Izawatie Binti Ahmad Kamil who was appointed as the Chief Legal Officer on 1 December 2020. 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 would enable better problem solving to gain a competitive advantage in serving an increasingly diverse customer base than the boardroom that is dominated by one gender.

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

2.4. Board Annual Evaluation on Effectiveness

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, the 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's experience, integrity, competency and time commitment of the MD/Group CEO and Group Chief Financial Officer of the Company.

Based on the results of the 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 the individual director's personal attributes and contributions to the Board. The results of the annual assessment have been documented.

The directors who are subject to re-election and/or re-appointment at the forthcoming AGM shall be assessed by the NRC before a recommendation is made to the Board on the re-election and/or re-appointment to be tabled for the shareholders' approval. 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 is responsible for reviewing, considering and recommending to the Board, the remuneration packages of the Directors and Key Senior Management having a salary of RM30,000.00 per month and above, drawing from professional advice, internally or externally, as and when necessary.

During the financial year under review, the NRC had reviewed the remuneration for the Executive Directors, which reflects the level of risks and responsibilities, the individual's key performance indicators ("KPIs") on the job, and the performance of the Company and considered their remuneration packages are well within the comparable companies in a similar industry. 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 interested Directors would abstain from participation in the 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, to motivate the 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.

A3. Remuneration (Cont'd)

The remuneration of the Directors for the financial year under review with categorisation into the appropriate components is as follows: -

Group Level					
Directors	Director's Fee (RM'000)	Salary & Bonus (RM'000)	Emoluments & Benefits * (RM'000)	Meeting Allowance (RM'000)	Total (RM'000)
Dato' Kamarul Redzuan Bin Muhamed	108	1,011	116	-	1,235
Dato' Che Nazahatuhisamudin Bin Che Haron	108	1,026	119	-	1,253
Encik Ahmad Yunus Bin Abd Talib ^	-	216	24	-	240

Company Level					
Directors	Director's Fee (RM'000)	Salary & Bonus (RM'000)	Emoluments & Benefits * (RM'000)	Meeting Allowance (RM'000)	Total (RM'000)
Datuk Abdullah Bin Karim	167	-	-	4	171
Dato' Kamarul Redzuan Bin Muhamed	-	1,011	116	-	1,127
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	67	-	-	4	71
Dato' Che Nazahatuhisamudin Bin Che Haron	-	-	-	-	-
Encik Yahya Bin Razali	67	-	-	3	70
Datuk Seri Zurainah Binti Musa	67	-	-	4	71
Encik Ikhlas Bin Abdul Rahman	67	-	-	4	71
Encik Ahmad Yunus Bin Abd Talib ^	-	216	24	-	240

Notes: (*) – Emoluments & Benefits include Allowances, EPF, SOCSO and EIS contributions.
(^) – Encik Ahmad Yunus Bin Abd Talib has retired as an Executive Director of the Company at the conclusion of the Company's Thirteenth AGM held on 16 December 2020.

The remuneration of the Top Senior Managment for the financial year under review is as follows: -

Salary Range (RM'000)	No. of Top Senior Management
200 – 600	6
601 – 1,000	1
1,001 – 1,250	0

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

B1. Audit Committee

The role of the AC is to support the Board in overseeing the financial reporting processes and audit function, provide assistance to the Board relating to the corporate accounting and practices for the Group, review the financial reports and the internal control of the Company. The AC comprises solely of three (3) Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board and his role is to ensure that the impairment of objectivity of the Board's review of the AC's findings and recommendations remain intact.

The Terms of Reference of AC sets out its rights, duties, responsibilities and criteria on the composition of the AC, which is available at the Company's website at www.uzmagroup.com.

The Board, through the AC, maintains a transparent and professional relationship with the Internal and External Auditors. The AC has been explicitly accorded the authority to communicate directly with both of the Internal and External Auditors.

In terms of continuous development, 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 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.

During the financial year under review, the AC assesses the performance of the External Auditors, including their independence, and recommends to the Board annually for re-appointment of the External Auditors guided by the factors as prescribed under Paragraph 15.21 of the MMLR of Bursa Securities The External Auditors has confirmed their independence 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 every five years to ensure the independence of an audit.

The detailed roles, functions, responsibilities and summary of work done by the AC during FY2021 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 of the Group to maintain a sound system of internal control, while the Executive Directors together with the Senior Management team are primarily responsible for managing the risks in the Group.

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

The Group outsourced its internal audit function to an external professional firm that reports directly to the AC 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 the 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. The Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required timeframe. The action plans are reviewed and followed up by the Internal Auditors on a periodical basis to ensure that the recommendations are affectively implemented.

The Board acknowledges that risk management is an integral part of good governance. Risks are inherent in all business activities. It is, however, not the Group's objective to eliminate risks totally, but to provide structural means to identify, prioritise and manage the risks involved in all of the Group's activities and to balance between the cost and benefits of managing and treating the 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 the members and investors, both individuals and institutional, at the AGM.

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

a. The Annual Reports; and

b. The various disclosures and announcements made to Bursa Securities including the quarterly results and annual results, which will also be posted on the Company's website at www.uzmagroup.com.

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

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

Ms. Hanie Izawatie Binti Ahmad Kamil (Chief Legal Officer)

Telephone Number	:	+603 7611 4000
Fax Number	:	+603 7611 4100
Email	:	communications@uzmagroup.com

Separately, the Company has also reported its Sustainability Statement of this Annual Report covering the aspects of governance, environment and social responsibility for the stakeholders' reference.

C2. Conduct of General Meeting

The AGM represents the principal forum for dialogue and interaction with all of the shareholders of the Company. The Company values the feedback from its shareholders and encourages them to actively participate in the discussions and deliberations. During the annual and other general meetings, the members have direct access to the 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 members for discussion at the meeting before each resolution is proposed.

During the preceding Thirteenth AGM ("13th AGM"), the Company conducted its first virtual AGM through live streaming and online remote participation by using remote participation and electronic voting facilities. The Chairman and also the Chairman of NRC, the MD/Group CEO and the Chairman of AC were present at the broadcast venue. Whilst, other Board members attended the 13th AGM remotely to comply with the Government of Malaysia's official guidance on social distancing.

During the 13th AGM, the questions raised by the shareholders, before and during the AGM via real time submission of typed texts, were succinctly addressed by the Chairman and the Management.

All Directors, Key Senior Management and External Auditors will attend the upcoming AGM and shall provide answers and clarifications to the shareholders. The shareholders will be provided with an opportunity to participate in the question and answer session, in which the shareholders may raise questions pertaining to the business activities of the Company. The Chairman, MD/Group CEO and the External Auditor, if so required, will respond to the questions from the shareholders at the AGM.

The Board has adopted the recommendation of the Code for the notice of the AGM is to be given to the members at least 28 days prior to the meeting to ensure the shareholders have sufficient time to go through the Annual Report and papers supporting the proposed resolutions. The shareholders who are unable to attend the AGM are advised to appoint proxies to attend and vote at the AGM on their behalf.

Notice of the AGM was also published in a nationally circulated newspaper, as well as, an announcement made on the website of Bursa Securities. This allows the shareholders to have an immediate access to the Notice of the AGM and make the necessary preparations for the AGM or to appoint proxy(ies) to vote on their behalf.

All of the Board members will ensure their attendance for the AGM and the Chairman of the respective Board Committees with the Management shall attend to questions raised pertaining to their duties. The external auditors would also be 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 the Paragraph 8.29A(1) of the MMLR of Bursa Securities, all resolutions set out in the Notice of the 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 the key matters discussed during the AGM, if any, would be published on the Company's website as soon as practicable after the conclusion of the AGM upon being reviewed and approved by the Board members.

FOCUS AREAS AND FUTURE PRIORITIES ON CORPORATE GOVERNANCE

The Board, against a challenging business backdrop, focuses its attention on the foundational aspects of its roles as they relate to the creation of long-term value for the stakeholders. The Board will continue to enhance the corporate disclosure requirements in the best interest of the shareholders and stakeholders of the Company in the upcoming years. The areas to be prioritised by the Board will be those principles adopted by the Company as disclosed in the Corporate Governance Report: -

I. Boardroom Diversity

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 than the boardroom that is dominated by one gender.

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

II. Review of the Board and Board Committees' Policies and Procedures

During the financial year under review, the Board undertook a review of its Board Charter, the Terms of Reference of the AC and NRC as those policies were to provide guidance on the governance and conduct of the Board, Board Committees and employees of the Company. The Board was of the view that there would not be any update on the said policies.

The Board will review and update the existing policies and procedures, as and when necessary, to ensure that they are updated in accordance with the prevailing legal and regulatory promulgations as well as best practices.

RESPONSIBILITY STATEMENT BY DIRECTORS

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

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 the applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board 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 2021, and of the results and cash flows of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgments and estimates. The Directors also have general responsibility for taking reasonable steps to safeguard the assets of the Group, as well as, to prevent and detect fraud and other irregularities.

The Statement was made during the Board of Directors' Meeting held on 20 October 2021.

STATEMENT ON RISK MANAGEMENT & 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. Therefore, Uzma views effective risk management as a critical factor that contributes to the long-term sustainability of our businesses.

The Board of Directors ("Board") of Uzma takes into account all risk factors in its decision making processes, which are in line with the Group's endeavors to build resilience for the business. The Board is cognisant of the fundamental importance of a sound risk management framework and internal control system to safeguard our 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 2021 ("FY2021"). The Statement has been prepared in accordance to paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR") 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 are 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 the Group's key risk factors. 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 to the Group's associates and jointly controlled companies, 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 process compliance and controls. External audits are conducted by appointed external auditors in accordance with the Malaysian Financial Reporting Standards ("MFRS") 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 framework helps to identify and manage risks 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 evolve 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

The Management Committee ("MC") was established to assist the MD/Group CEO in the management of the Group and is responsible for providing strategic directions and managing the Group's overall performance. The MC reviews key risk management matters to provide guidance and direction prior to reporting to the Board. In addition the monthly MC meetings, the MC has 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 profiles 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, the Group's risk profiles are monitored and reported to the MC, and then subsequently, reported to the Board.

Business Continuity Management During the Ongoing COVID-19 Pandemic

As the Oil & 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 plan for the safety of our employees and on business sustenance throughout the ongoing pandemic. The COVID-19 Business Continuity Plan ("BCP") team focuses on the employee's safety was headed by the Chief People Officer, with other members comprising of representatives from the People Division, Health, Safety & Environment ("HSE") Division, Administration Department and Group Communications team.

The COVID-19 BCP guidelines was released by the BCP team in March 2020 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 of the Group's employees. Key updates to the BCP guidelines were communicated to all staff through quarterly virtual town hall meetings and other electronic channels.

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

- Alternate working arrangements were implemented to ensure that there were no disruptions to the Group's business and operations. All employees were split into two teams – with team A working from the office premises and team B working from home on an alternate weekly basis. This arrangement was implemented in adherence to the maximum occupancy capacity allowed in the premises as determined by the Ministry of Health's Standard Operating Procedures ("SOPs").
- Employees who travel to work using public transportation and those who are pregnant or has young children were exempted from working from the office premises, and instead are allowed to work from home.
- A single point of entry into the office premises were 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 at the lobbies of office premises and required to be worn at all times in the premises, especially in all common areas.
- Social distancing requirements were also implemented within the office premises. In particular, the number of passengers in lifts were limited to four person per lift in Uzma Tower, and all meetings were to be conducted virtually via Microsoft Teams.
- The IT Department invested in the upgrading of the IT infrastructures in order to improve network facilities for all employees working from home.
- The Group had 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 to ensure Uzma's business sustenance through the ongoing pandemic. These actions plans were deliberated on a weekly basis by a taskforce which consists of selected MC members and chaired by the Group CEO. The taskforce is focused on ensuring that the business continues to operate while smoothly and sustainability.

Business Continuity Management During the Ongoing COVID-19 Pandemic (cont'd)

The key actions comprise of the following:

1. "Business continues to operate"
    a. People and HSE – to ensure our people are safe while on the job.
    b. Business Operations - to ensure the business continues to operate with minimal disruptions by implementing action plans to mitigate high consequence events that are less likely to happen.
    c. Treasury and Financing - to ensure sufficient funds to operate the business.
    d. IT Infrastructure - to ensure data security and system resiliency.
2. "Preserve cash and maintain stakeholders' confidence"
    a. Reduce Spending - to ensure tight control on discretionary expenses such as travelling costs, training activities, consultancy fees and other recurring expenses.
    b. Rationalise Service Lines - to ensure early intervention on non-performing service lines with the reallocation of resources/capital to performing service lines.
    c. Rationalise Manpower - to ensure early intervention to right size manpower needs are aligned with forecasted business demands.
    d. Relations with Investors/Bankers - to provide accurate and timely information to maintain the investors/bankers' confidence.

After going through a full year of pandemic impact, the MC conducted a strategic and tactical review of our O&G Business strategy moving forward while taking into consideration the industry's volatile recovery and the Group's position. Key outcome from this exercise are described below:

- Accelerate programs to increase resiliency to our O&G Business by focusing on costs leadership through operational excellence, and growing the business through regionalisation and product differentiation.
- Both the organisational structure and corporate goals for the O&G Business will be realigned to these two (2) strategic objectives.

Key Internal Controls

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

LIMITS OF AUTHORITY

The Limits of Authority ("LOA") is an instrument of delegation of the 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.

The LOA provides the authority limits to the Board, Procurement Tender Committee, Investment Committee and Management, to ensure the segregation of authority and collaborative as well as collective decision-making process.

CORPORATE PERFORMANCE

As part of the Corporate Performance Management process, the MC had conducted a strategic review session where they reviewed the key assumptions (e.g. global economy, industry trends) that drives the corporate strategies. Key performance indicators were identified and the performance of the Corporate Key Performance Indicators ("KPIs") were reviewed on a monthly basis. Key performance areas that were monitored consists 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.

GROUP SUPPLY CHAIN MANAGEMENT

Uzma's Group Supply Chain Management ("GSCM") Division was established to strengthen the overall governance, improve operational efficiency and increase the profit margins for the Group. Key improvement initiatives were established to focus on Strategic Procurement, Vendor Management and Inventory Management, apart from the existing Operational and Logistics Management.

Moving forward, the GSCM Division will expand its improvement initiatives towards digitalisation within the procurement process, and other critical functionalities, such as Warehouse Management and Vendor Management.

PROCUREMENT TENDER COMMITTEE

The Procurement Tender Committee ("PTC") serves a key function in supporting the Management and is implemented based on the LOA guidelines which describes the minimum requirements to govern all procurement activities duly established for group-wide adoption.

The Group has formed the PTC in 2020 to review, deliberate and endorse all procurement requests with a value as per the limit of authority prior to the approval by the Management. Risks evaluation and mitigation in vendor/supplier selections has been incorporated as part of the process.

The Enterprise Resource Planning ("ERP") system has also been implemented to facilitate the approval within the procurement process.

INVESTMENT COMMITTEE

Investments relating to any capital expenditures and equity acquisitions as per the limit of authority are presented, deliberated and endorsed by the Investment Committee ("IC"), prior to reporting it to the Board. The investment proposal covers market analysis, technical and operational analysis, financial analysis, and key risk analysis.

The IC regularly reviews the proposal's Internal Rate of Return ("IRR"), Net Present Value ("NPV"), financing requirements, future generation of income, as well as, the overall financial value creation against the proposed cost of investments. Proposals that are not within the stipulated budget or that are not aligned with the Group's strategy must further justify the long-term financial benefits to the Group.

QHSE MANAGEMENT SYSTEM

The safety of our employees, customers and business partners associated with the Group's operations hold the highest priority. To support the organisation's excellent quality, health, safety and environment ("QHSE") performance, the Group has subscribed to and has been certified to ISO 9001:2015 and ISO45001:2018 standards. Requirements in those standards will provide a strong base to implement other ISO management system standards.

The Group's QHSE department has been strengthened by integrating the QHSE teams from the Group and Setegap Ventures Petroleum Sdn. Bhd. ("SVP"). The enhanced QHSE department has developed and implemented several improvement initiatives guided by clear objectives, targets and plans. The progress of these initiatives are included in the overall corporate objectives' dashboard which are reviewed monthly by the MC. Ultimately, the Uzma QHSE management system will develop a "Generative QHSE Culture" across the organisation.

ANTI-BRIBERY AND WHISTLEBLOWING POLICY

The Group places a significant importance on good corporate governance by upholding the principles of good conduct, discipline, professionalism and integrity in executing its business activities within the organisation, as well as, activities external to the organisation.

The Anti-Bribery Policy was established in May 2020 to set out the Group's guidelines in dealing with bribery, corruption, improper solicitation, sponsorship, gifting and other corrupt activities that may arise in the course of business for internal and external parties working with, for, and on behalf of the Group.

Together with its Anti-Bribery Policy, the Group also introduced its Whistleblowing Policy in May 2020 to facilitate the Group in achieving its aim to prevent improper conduct and provides a safe avenue for employees and external parties to disclose any improper conduct without fear of adverse or detrimental action for disclosing such conduct, provided that the disclosure is made in good faith.

To enhance better understanding and compliance of the two (2) policies, the Group had conducted a refresher training and assessment for its Board Members, Management and employees on 14th and 15th April 2021.

INTERNAL AUDITS

The internal audit function is conducted by a third-party consultant and supported by internal resources to evaluate and improve the design and the effectiveness of Uzma's governance, risk management and internal control. There are two (2) audit exercises conducted in each financial year covering risks areas identified and agreed 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 implementation status 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 MD/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 requirements from 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 MMLR of Bursa Securities and Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants("MIA"), 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 2021. 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 of the Board dated 20 October 2021.

AUDIT COMMITTEE REPORT

The Audit Committee ("AC") of Uzma Berhad is pleased to present the AC Report which provides insights on how the AC discharge its function and duties for the financial year ended 30 June 2021 ("FY2021") in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), details are as follows: -

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 ("MIA"). During the financial year under review, all of the Independent Non-Executive Directors had satisfied the independence test as prescribed under Paragraphs 15.09 and 15.10 of the MMLR of Bursa Securities, as well as, Practice 8.4 of the Malaysian Code on Corporate Governance 2017 ("MCCG").

The details of the AC members are set out in the Directors' Profile of this Annual Report.

A total of five (5) AC meetings were held during FY2021 on 26 August 2020, 22 October 2020, 25 November 2020, 24 February 2021 and 27 May 2021. The composition and attendance of the AC members during the financial year are as follows: -

Members of the AC	No. of Meetings Attended
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim* - Chairman *(Independent Non-Executive Director)*	5/5
Encik Yahya Bin Razali – Member *(Independent Non-Executive Director)*	4/5
Datuk Abdullah Bin Karim – Member *(Independent Non-Executive Director)*	5/5

** Member of the MIA.*

The Managing Director/Group Chief Executive Officer and representatives from the Management were invited to the AC meetings to provide clarifications on the quarterly reports, audits and operational issues. Minutes of each AC meetings were circulated to the members and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation. The Chairman of the AC also reported to the Board on the activities undertaken and the key recommendations for the Board's consideration and decision.

The AC also made arrangements to meet and discuss with the external and internal auditors on any matters relating to the Group and its audit activities. The AC met once in a separate private meeting with the External Auditors without the presence of the executive members and the Management Committee ("MC") during the financial year under review.

2. AUTHORITY

The AC shall have the authority to investigate any matters within its Terms of Reference ("TOR"). The AC shall have the resources which are required to perform its duties and also full and unrestricted access to any information pertaining to the Company and its subsidiaries ("the Group"). The AC is authorized to obtain independent or external professional or other advice and to secure the attendance of outsiders with the relevant experience and expertise, if it considers necessary.

The AC shall have direct communication channels with the Internal and External Auditors and with the senior management of the Group and shall be able to convene meetings with the External Auditors, Internal Auditors or both, without the presence of the executive members and employees of the Company, whenever deemed necessary.

3. ROLES AND RESPONSIBILITIES OF THE AC

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

In addition, the AC shall: -

a) Oversee and appraise the quality of the audits conducted both by the Group's Internal Auditors and External Auditors;

b) Maintain open lines of communication between the Board, the Internal Auditors and External Auditors for the exchange of views and information through regularly scheduled meetings, as well as, to confirm their respective authority and responsibilities;

c) Enhance the independence of both External and Internal Auditors' functions through active participation in the audit process;

d) Determine the adequacy of the Group's administrative, operating and accounting controls;

e) Strengthen the role of the independent directors by giving them a greater depth of knowledge as to the operations of the Company and the Group through their participation in the Committee; and

f) Act upon the Board's request to investigate and report on any issues or concerns with regards to the management of the Group.

The TOR of the AC is reviewed regularly. Any revisions or amendments shall form a part of the TOR and shall be considered reviewed or amended. The TOR of the AC was last reviewed on 20 October 2020 and no amendment is required. Pursuant to Paragraph 15.11 of the MMLR of Bursa Securities, a copy of the TOR of the AC is made available on the Company's website at **www.uzmagroup.com**.

4. REVIEW OF THE PERFORMANCE OF THE AC

The performance and effectiveness of the AC is annually reviewed and assessed by the Board through its Nomination and Remuneration Committee ("NRC") on the term of office and performance of the AC and effectiveness of the AC in carrying out its duties as set out in the terms of reference. During the financial year under review, the Board is satisfied that the AC has effectively discharged its duties, functions and responsibilities in accordance with the TOR of the AC and their performance throughout FY2021.

5. SUMMARY OF WORK DONE BY THE AC DURING THE FINANCIAL YEAR

During the financial year under review, the following works were carried out by the AC in discharging its duties and responsibilities in accordance with its TOR: -

a. Reviewed the Group's quarterly financial report through discussions with the Management before recommending it to the Board for its consideration and approval, focusing particularly on the financial reporting issues, significant judgment made by the Management and unusual events and compliance with the accounting standards and other legal requirements. The above reviews were conducted together with the Managing Director/Group Chief Executive Officer and Group Chief Financial Officer.

b. Reviewed the following matters in relation to the External Audit: -

   i. The audit planning memorandum, audit strategy and scope of work for the financial year ended 30 June 2021 outlining the risk assessment and audit approach, statutory timeline and audit activities, and matters arising from the audit;

   ii. 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

   iii. The impact of any changes to the accounting standards, the impact and adoption of the new accounting standards on the Company's financial statements, as well as, the audit and financial reporting considerations due to the COVID-19 pandemic.

c. Reviewed the annual audited financial statements of the Company prior to the submission to the Board for consideration and approval. The review focused particularly on changes of the 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.

d. Reviewed the performance of the External Auditors in assessing their independence, technical competency and reasonableness of their audit fees and the provision of non-audit services by the External Auditors, the performance of the External Auditors and evaluated their suitability and independence before making recommendations to the Board on their re-appointment.

5. SUMMARY OF WORK DONE BY THE AC DURING THE FINANCIAL YEAR (Cont'd)

During the financial year under review, the following works were carried out by the AC in discharging its duties and responsibilities in accordance with its TOR: - (cont'd)

e. Reviewed the following matters in relation to the Internal Audit: -

   i. The annual internal audit plan for adequacy of the scope and coverage on the activities of the Group. Audit areas were discussed and annual internal audit plan was approved for adoption; and

   ii. The internal audit reports were presented by the Internal Auditor on its findings and recommendations with respect to the system and control weaknesses and the Management's responses to these recommendations and actions taken to improve the internal control and procedures.

f. Reviewed the related party transactions entered into by the Company and the Group to ensure the transactions are carried out on an arms-length basis at all time and identify any potential 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 of Bursa Securities.

g. Reported to the Board on the matters discussed and addressed at the AC meetings.

h. Reviewed and recommended to the Board the following for the consideration and approval for inclusion in the Annual Report of the Company: -

   i. Corporate Governance Overview Statement;

   ii. Corporate Governance Report;

   iii. Detailed Sustainability Statement;

   iv. Statement on Risk Management and Internal Control; and

   v. Audit Committee Report.

i. Reviewed the status of compliance of the Company with the MCCG, which are within the scope and function of the AC, for the purposes of disclosure in the Corporate Governance Overview Statement pursuant to the requirement of Paragraph 15.25 of the MMLR of Bursa Securities.

j. Conducted a private session with the External Auditors in the absence of the Executive Members and MC during the AC meeting.

6. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The Group's internal audit function 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 Auditor reports directly to the AC and assists the AC to discharge its duties and responsibilities.

The Engagement Director of the Internal Audit, who is a member of both the MIA and the Institute of Internal Auditors Malaysia ("IIAM"), reports functionally to the AC, and the AC reviewed and approved the annual Internal Audit plan and audit activities to be undertaken during the year. The AC also reviewed the adequacy of the scope, functions, competency and resources of the Internal Audit function for the financial year under review.

The Internal Auditor conducts independent reviews of the key activities with the Group's operation to ensure proper internal control systems, risk management and corporate governance are in place. The Internal Auditor attended and reported to the AC at four (4) out of five (5) AC meetings during the financial year and provided the AC with independent views on the adequacy, integrity and effectiveness of the Group's internal control system based on the audit findings and observations.

Prior to the presentation of the report to the AC, the comments from the Management are obtained and incorporated into the internal audit findings and reports. The reviews conducted by the Internal Auditor FY2021 are as follows: -

No.	Observations	Business Unit
1	Procurement Management	Uzma Engineering Sdn. Bhd.
2	Sales & Billing Cycle Procurement Management	PT Uzma Development Services

The costs incurred in maintaining the outsourced the internal audit function for FY2021 was RM52,000.00.

The AC Report was made in accordance with the approval of the Board of Directors on 20 October 2021.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee ("NRC") of Uzma Berhad is pleased to present the NRC report for the financial year ended 30 June 2021 ("FY2021") in compliance with Paragraph 15.08A(3) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

1. COMPOSITION

The Board has delegated to the NRC the responsibility to establish, maintain and review criteria to be used in the recruitment process and annual assessment of the Directors, including the assessment on the effectiveness of the Board as a whole, the performance of each individual Directors and the Board Committees, as well as, the term of office and performance of the Audit Committee and its members on an annual basis. The NRC plays a vital role in enhancing good-governance and to increase the efficiency and accountability of the Board, ensuring that the decision-making processes are not only independent but are seen to be independent.

All assessments and evaluations are carried out by the NRC in the discharge of all its functions are properly documented. The NRC are also responsible for reviewing the remuneration package of the Executive Directors, Managing Director/Group Chief Executive Officer, Non-Executive Directors of the Group to attract, retain and motivate the Directors.

In line with its objective to ensure adequate checks and balances in the decision-making process and in compliance with the requirement of Paragraph 15.08A(1) of the MMLR of Bursa Securities, the NRC comprises exclusively of Independent Non-Executive Directors as follows: -

Chairman	:	Datuk Abdullah Bin Karim *(Independent Non-Executive Director)*
Members	:	Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *(Independent Non-Executive Director)*
	:	Encik Ikhlas Bin Abdul Rahman *(Independent Non-Executive Director)*

2. FUNCTIONS AND RELATED ACTIVITIES IN 2021

The annual principal function of the NRC is to assess and review the performance of the Board of Directors and the Board 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 and the Company, the Board balance and the Board's capacity to discharge its responsibilities effectively.

The summary of the review activities and the criteria and processes carried out by the NRC during the year under review are as follows: -

A. Review of the Performance and Effectiveness of the Board, Board Committees and Individual Directors

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, the effectiveness of the Board and its Committees are assessed in a myriad of areas including the Board's structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skills and competencies, and roles and responsibilities, whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peers, the quality of the input of the Directors and their understanding of their respective roles and its diverse background with the goal to ensure checks and balances and good governance.

During the assessment exercise, the Directors will be given a performance evaluation sheet for for the Individual Directors, Self/Peer Evaluation and Board Evaluation to complete. Wheras those Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees. With regards to the evaluation process of the NRC and the Audit Committee ("AC"), the assessment of the effectiveness and performances of the NRC and the AC are carried out by the Board with the members of the respective committees abstained from deliberation.

B. Annual Independence Assessment

The NRC will review and assess the independence of the Independent Directors on an annual basis. The criteria of assessing independence in line with the definition of "independent directors" as prescribed by the MMLR of Bursa Securities, as well as, the integrity and objectivity of the independent Directors in discharging their duties.

C. Evaluation of the Directors Standing for Re-election at the Forthcoming Annual General Meeting

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

D. Review of the Remuneration Packages of Directors and Key Senior Management

The NRC is responsible for developing the remuneration framework and remuneration packages of the Directors and Key Senior Management having a salary of RM30,000.00 per month and above, and recommending the same to the Board for approval.

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

i. Reviewed and recommended the Directors' fees and benefits are payable to the Directors from 17 December 2021 until the next Annual General Meeting ("AGM") to the Board for its recommendation for the shareholders' approval.

ii. Reviewed and recommended the proposal for the employees' remuneration increment for the FY2021 to match the current market rate and ensuring competitiveness in order to retain and attract the relevant talents for the Company.

iii. Reviewed the trainings attended by the Directors to-date and assessed their further training needs and requirements.

The review of Terms of Reference ("TOR") of the NRC was tabled during the financial year and noted that no amendment is required. The TOR of the NRC is available on the Company's website at www.uzmagroup.com.

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

ADDITIONAL COMPLIANCE INFORMATION

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 2021 amounted to RM403,000 of which RM138,000 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 2021 amounted to RM12,000. The services were for review of Statement on Risk Management and Internal Control. There were no non-audit fees incurred by the subsidiaries.

MATERIAL CONTRACTS

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

FINANCIAL STATEMENTS

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 2021.

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
Profit for the financial year, net of tax	14,598	24,957
Attributable to:		
Owners of the Company	13,443	24,957
Non-controlling interests	1,155	-
	14,598	24,957

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 2021.

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 all known bad debts had been written off 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 the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

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.

DIRECTORS' REPORT (continued)

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

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, the Company had issued the first tranche of Perpetual Sukuk Musharakah of RM42.25 million in nominal value under its RM300 million unrated perpetual Islamic notes programme.

The salient features of the Perpetual Sukuk are disclosed in Note 22 to the financial statements.

Other than the above, no new issue of shares or debentures were made by the Company.

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
Datuk Seri 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* (Retired on 16 December 2020)

* Directors of the Company and certain subsidiaries

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

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:

Ahmad Yunus Bin Abd Talib
Andrew James Holmes
Chiam Cheng Hong
Datin Rozita Binti Mat Shah @ Hassan
Dato' Nasri Bin Nasrun
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee
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
Rizal Bin Mohd Arifin
Samrat Knowles
Tabratas Tharom
Dato' Dr. Ahmad Sabirin Bin Arshad (Appointed on 8 October 2020)
Dr. Ahmad Khalid Bin Md Khairi (Appointed on 19 July 2021)
Puvanesan A/L Subenthiran (Appointed on 8 October 2020)
Peter Angus Knowles (Resigned on 31 May 2021)

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 1.7.2020**	**Bought**	**Sold**	**At 30.6.2021**
Direct interests				
Dato' Che Nazahatuhisamudin Bin Che Haron	3,568,780	500,000	-	4,068,780
Indirect interests				
Dato' Kamarul Redzuan Bin Muhamed*	110,526,674	-	-	110,526,674

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

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' REPORT (continued)

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, no indemnity was given to or insurance effected for, any director or officer of the Company.

SUBSIDIARIES

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

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

AUDITORS

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

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

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

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

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DATO' KAMARUL REDZUAN BIN MUHAMED
Director

....

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON
Director

Date: 27 October 2021

STATEMENTS OF FINANCIAL POSITION — AS AT 30 JUNE 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	519,073	509,679	1,277	1,653
Right-of-use assets	6	18,154	20,419	217	285
Intangible assets	7	207,567	213,879	-	-
Investment in subsidiaries	8	-	-	398,607	319,043
Investment in associates	9	12,113	12,048	4,155	4,392
Investment in joint ventures	10	1	-	-	-
Deferred tax assets	11	5,693	6,284	-	107
Trade and other receivables	12	6,750	6,477	522	3,086
Other investments	13	4,285	4,285	-	-
Total non-current assets		773,636	773,071	404,778	328,566
Current assets					
Inventories	14	35,813	41,142	-	-
Trade and other receivables	12	135,346	212,730	82,845	99,010
Contract assets	15	172,958	138,980	-	-
Other investments	13	1,374	1,398	139	136
Current tax assets		13,258	5,650	-	146
Deposits, cash and bank balances	16	136,834	144,444	12,781	10,354
Total current assets		495,583	544,344	95,765	109,646
TOTAL ASSETS		1,269,219	1,317,415	500,543	438,212

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2021 (continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	290,069	290,069	290,069	290,069
Foreign currency translation reserve	18	30,847	50,642	-	-
Capital reserve	19	375	426	-	-
Merger deficit	20	(29,700)	(29,700)	-	-
Fair value reserve	21	(6,000)	(6,000)	-	-
Retained earnings		164,763	151,637	28,157	3,652
		450,354	457,074	318,226	293,721
Perpetual sukuk	22	40,852	-	40,852	-
Non-controlling interests		31,385	33,014	-	-
TOTAL EQUITY		522,591	490,088	359,078	293,721
Non-current liabilities					
Loans and borrowings	23	305,183	380,183	71,933	91,930
Lease liabilities	24	6,806	9,915	162	230
Deferred tax liabilities	11	18,922	17,985	61	-
Trade and other payables	25	3,910	3,776	-	-
Post employment benefit liabilities	26	2,898	2,932	-	-
Deferred income	27	5,995	7,467	-	-
Total non-current liabilities		343,714	422,258	72,156	92,160
Current liabilities					
Loans and borrowings	23	208,083	195,205	48,897	43,786
Lease liabilities	24	5,988	6,870	67	63
Trade and other payables	25	187,907	201,247	20,241	8,482
Contract liabilities	15	385	1,000	-	-
Current tax liabilities		551	747	104	-
Total current liabilities		402,914	405,069	69,309	52,331
TOTAL LIABILITIES		746,628	827,327	141,465	144,491
TOTAL EQUITY AND LIABILITIES		1,269,219	1,317,415	500,543	438,212

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED — 30 JUNE 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	28	384,167	552,431	48,432	21,280
Cost of sales		(246,329)	(382,427)	-	-
Gross profit		137,838	170,004	48,432	21,280
Other income		32,395	8,806	4,039	2,135
Administrative expenses		(79,096)	(91,093)	(17,337)	(21,529)
Net impairment losses of financial assets		(4,792)	(1,341)	(1,805)	-
Impairment loss on property, plant and equipment		-	(21,749)	-	-
Other operating expenses		(45,287)	(45,162)	(1,339)	(468)
		(129,175)	(159,345)	(20,481)	(21,997)
Profit from operations		41,058	19,465	31,990	1,418
Finance costs		(24,912)	(30,556)	(5,516)	(4,463)
Share of results of associates, net of tax		2,723	1,297	-	-
Share of results of a joint venture, net of tax		(30)	-	-	-
Profit/(Loss) before tax	29	18,839	(9,794)	26,474	(3,045)
Tax expense	30	(4,241)	(5,815)	(1,517)	(544)
Profit/(Loss) for the financial year		14,598	(15,609)	24,957	(3,589)
Other comprehensive (loss)/income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain/(loss) from employee benefits		96	(155)	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences in translation of foreign operations		(20,988)	8,796	-	-
Other comprehensive (loss)/income for the financial year		(20,892)	8,641	-	-
Total comprehensive (loss)/income for the financial year		(6,294)	(6,968)	24,957	(3,589)
Profit/(Loss) attributable to:					
Owners of the Company		13,443	(22,881)	24,957	(3,589)
Non-controlling interests		1,155	7,272	-	-
		14,598	(15,609)	24,957	(3,589)
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(7,456)	(14,521)	24,957	(3,589)
Non-controlling interests		1,162	7,553	-	-
		(6,294)	(6,968)	24,957	(3,589)
Earnings/(Loss) per share (sen):					
- Basic and diluted	31	4.06	(7.15)		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED — 30 JUNE 2021

		Attributable to owners of the Company								
	Note	Share capital RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group										
At 1 July 2019		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)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

	Note	Attributable to owners of the Company								
		Share capital RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group (continued)										
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 2021 (continued)

	Note	Attributable to owners of the Company									
		Share capital RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
Group											
At 1 July 2020		290,069	50,642	426	(29,700)	(6,000)	151,637	457,074	-	33,014	490,088
Total comprehensive loss for the financial year											
Profit for the financial year		-	-	-	-	-	13,443	13,443	-	1,155	14,598
Actuarial gain from employee benefits	26	-	-	-	-	-	84	84	-	12	96
Foreign currency translation reserve		-	(20,983)	-	-	-	-	(20,983)	-	(5)	(20,988)
Total comprehensive loss		-	(20,983)	-	-	-	13,527	(7,456)	-	1,162	(6,294)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

	Note	Share capital RM'000	Foreign currency translation reserve RM'000	Capital reserve RM'000	Merger deficit RM'000	Fair value reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to owners of the Company									
Group (continued)											
Transactions with owners											
Disposal of a subsidiary		-	1,188	(51)	-	-	51	1,188	-	(1,063)	125
Subsidiary of shares by non-controlling interests in subsidiaries		-	-	-	-	-	-	-	-	817	817
Dividend paid by the subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(2,545)	(2,545)
Issuance of perpetual sukuk	22	-	-	-	-	-	-	-	40,852	-	40,852
Distribution to perpetual sukuk holders		-	-	-	-	-	(452)	(452)	-	-	(452)
Total transactions with owners		-	1,188	(51)	-	-	(401)	736	40,852	(2,791)	38,797
At 30 June 2021		290,069	30,847	375	(29,700)	(6,000)	164,763	450,354	40,852	31,385	522,591

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

	Note	Share capital RM'000	Retained earnings RM'000	Total RM'000	Perpetual sukuk RM'000	Total equity RM'000
		Attributable to owners of the Company				
Company						
At 1 July 2019		290,069	7,241	297,310	-	297,310
Total comprehensive loss for the financial year						
Loss for the financial year		-	(3,589)	(3,589)	-	(3,589)
Total comprehensive loss		-	(3,589)	(3,589)	-	(3,589)
At 30 June 2020		290,069	3,652	293,721	-	293,721
Total comprehensive income for the financial year						
Profit for the financial year		-	24,957	24,957	-	24,957
Total comprehensive income		-	24,957	24,957	-	24,957
Transactions with owners						
Issuance of perpetual sukuk	22	-	-	-	40,852	40,852
Distribution to perpetual sukuk holders		-	(452)	(452)	-	(452)
Total transactions with owners		-	(452)	(452)	40,852	40,400
At 30 June 2021		290,069	28,157	318,226	40,852	359,078

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		18,839	(9,794)	26,474	(3,045)
Adjustments for:					
Amortisation of intangible assets	7	4,506	5,439	-	-
Amortisation of government grant	27	(1,472)	(1,281)	-	-
Bad debts written off		32	-	-	-
Bargain purchase arising from acquisition of a subsidiary	8(a)	(2,650)	-	-	-
Depreciation of property, plant and equipment	5	43,070	46,380	425	409
Depreciation of right-of-use assets	6	5,570	3,888	68	57
Dividend income		-	(347)	(29,947)	(4,200)
Fair value (gain)/loss on quoted equity securities		(155)	7	-	-
Fair value gain on contingent consideration		(245)	-	-	-
Gain on disposal of right-of-use assets		-	(224)	-	-
Gain on disposal of a subsidiary	8	(928)	-	-	-
Gain on disposal of an associate		(1,432)	-	-	-
Gain on disposal of property, plant and equipment		(284)	(1,053)	-	-
Gain on lease modification		(2)	-	-	-
Impairment loss on property, plant and equipment	5	-	21,749	-	-
Impairment losses on:					
- trade receivables	12	1,707	302	-	-
- other receivables	12	3,602	1,039	1,805	-
Impairment loss on investment in an associate	9	-	-	237	-
Interest expense		24,912	30,556	5,516	4,463
Inventories written down	14	118	82	-	-
Inventories written back	14	(505)	(288)	-	-
Interest income		(1,649)	(1,299)	(3,913)	(2,135)
Net unrealised loss on foreign exchange		1,547	2,272	-	-
Reversal of impairment losses on trade receivables	12	(517)	-	-	-
Share of results of associates	9	(2,723)	(1,297)	-	-
Share of results of a joint venture	10	30	-	-	-
Prepayments written off		50	-	-	-
Property, plant and equipment written off	5	-	2,010	-	-
Provision for post employment benefits	26	397	1,939	-	-
Operating profit/(loss) before working capital changes, balances carried forward		91,818	100,080	665	(4,451)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating profit/(loss) before working capital changes, balances brought forward		91,818	100,080	665	(4,451)
Contract assets		(33,978)	(46,308)	-	-
Contract liabilities		(615)	180	-	-
Inventories		5,720	(9,180)	-	-
Receivables		68,460	64,546	(1,193)	(1,038)
Payables		(2,089)	66,704	1,439	742
Net cash generated from/(used in) operations		129,316	176,022	911	(4,747)
Interest paid		(231)	(250)	(5,516)	(4,463)
Tax paid		(10,928)	(12,471)	(1,099)	(477)
Net cash from/(used in) operating activities		118,157	163,301	(5,704)	(9,687)
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	8(a)	(472)	-	-	-
Acquisition additional interests in a subsidiary	8(b)	-	(52,800)	-	-
Advances to an associate		(2)	(5)	(1)	(5)
Advances to subsidiaries		-	-	(61,446)	(91,275)
Change in pledged deposits	16	9,810	(18,794)	(891)	(10,330)
Dividend received		980	347	29,947	4,200
Interest received		1,649	1,299	3,913	2,135
Acquisition of an associate		(2,250)	-	-	-
Acquisition of a joint venture		(31)	-	-	-
Placement of fixed deposits	16	(12,277)	(3,072)	-	-
Proceeds from disposal of property, plant and equipment		1,059	3,285	-	-
Disposal of a subsidiary, net of cash disposed	8(c)	(337)	-	-	-
Proceeds from disposal of an associate		8,000	-	-	-
Subscription of shares by non-controlling interests in subsidiaries		735	-	-	-
Proceeds from disposal of right-of-use assets		-	699	3	-
Net decrease/(increase) of other investments		179	(264)	(3)	(4)
Purchase of property, plant and equipment	(a)	(59,179)	(66,497)	(52)	(936)
Net cash used in investing activities		(52,136)	(135,802)	(28,530)	(96,215)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from financing activities	(b)				
Interest paid		(24,681)	(30,436)	-	-
Repayments to an associate		37	(2,652)	-	-
Proceeds from government grant	27	-	8,748	-	-
Proceeds from issuance of perpetual sukuk		40,852	-	40,852	-
Distribution to perpetual sukuk holders		(452)	-	(452)	-
Net payments of lease liabilities		(7,338)	(4,248)	(64)	(49)
Net (repayment)/drawdown of revolving credit		(492)	30,754	(8,493)	30,286
Net drawdown/(repayment) of invoice financing		3,539	(8,814)	-	-
Net (repayment)/drawdown of term loans		(48,174)	18,389	(6,863)	55,930
Net (repayment)/drawdown of medium term notes		(24,585)	414	-	-
(Repayment to)/Advances from a director		(6,499)	6,246	(6,499)	6,246
Advances from shareholder of a subsidiary		292	-	-	-
Advances from subsidiaries		-	-	16,819	-
Dividends paid to non-controlling interests by subsidiaries		(2,545)	(5,452)	-	-
Net cash (used in)/from financing activities		(70,046)	12,949	35,300	92,413
Net (decrease)/increase in cash and cash equivalents		(4,025)	40,448	1,066	(13,489)
Cash and cash equivalents at the beginning of the financial year		69,343	23,160	(13,476)	13
Effect of exchange rate changes on cash and cash equivalents		(14,587)	5,735	-	-
Cash and cash equivalents at the end of the financial year	16	50,731	69,343	(12,410)	(13,476)

(a) Purchase of property, plant and equipment

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash payments on purchase of property, plant and equipment	59,179	66,497	52	936

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

(b) Reconciliations of liabilities arising from financing activities:

			Non-cash			
Group	1.7.2020 RM'000	Cash flows RM'000	Acquisition of new leases RM'000	Foreign exchange movement RM'000	Others RM'000	30.6.2021 RM'000
Term loans	235,486	(48,174)	-	(945)	-	186,367
Lease liabilities	16,785	(7,338)	3,498	-	(151)	12,794
Revolving credit	52,357	(492)	-	-	-	51,865
Invoice financing	5,448	3,539	-	-	-	8,987
Medium term notes	247,822	(24,585)	-	-	-	223,237
Amount owing to a director	6,552	(6,499)	-	-	-	53
Amount owing to an associate	1,000	37	-	-	-	1,037
Amount owing to shareholder of a subsidiary	-	292	-	-	-	292
	565,450	(83,220)	3,498	(945)	(151)	484,632

Company	1.7.2020 RM'000	Cash flows RM'000	30.6.2021 RM'000
Term loans	91,930	(6,863)	85,067
Lease liabilities	293	(64)	229
Revolving credit	30,286	(8,493)	21,793
Amount owing to a director	6,552	(6,499)	53
Amounts owing to subsidiaries	-	16,819	16,819
	129,061	(5,100)	123,961

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 (continued)

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

Group	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	18,389	-	7,518	235,486
Lease liabilities	16,549	(4,248)	4,484	-	16,785
Revolving credit	21,603	30,754	-	-	52,357
Invoice financing	14,262	(8,814)	-	-	5,448
Medium term notes	247,408	414	-	-	247,822
Amount owing to a director	306	6,246	-	-	6,552
Amount owing to an associate	3.652	(2,652)	-	-	1,000
	513,359	40,089	4,484	7,518	565,450

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

(c) Total cash outflows for leases as a lessee:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	29	21,280	27,999	1,663	1,820
Payment relating to leases of low-value assets	29	86	49	-	-
Interest paid in relation to lease liabilities	29	763	523	55	17
Included in net cash from financing activities:					
Payment of lease liabilities		7,338	4,248	64	49
Total cash outflows of leases		29,467	32,819	1,782	1,886

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2021

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 Darul Ehsan, 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, Malaysia.

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 27 October 2021.

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 amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 Leases issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020 or/and 6 April 2021.

The adoption of the above amendments/improvements to MFRSs 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

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

(a) 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 MFRSs		
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 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ Annual Improvements to MFRS Standards 2018-2020
 # Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. BASIS OF PREPARATION (continued)

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

(b) 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 update MFRS 3 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 Malaysian Accounting Standards Board 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.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The Amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The Amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

(c) The Group and the Company are currently assessing the impact of initial application of the above applicable amendments/ improvements to MFRSs. Nevertheless, the Group and the Company expect that the initial application is unlikely to have material financial impacts to the current period and prior period financial statements of the Group and of the Company.

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 dis-closed in Note 3.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 translations 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.

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 *Revenue from Contracts with Customers*.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

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.

(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.

Debt instruments

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(a) Subsequent measurements (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

Equity instruments

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.

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Financial instruments (continued)

(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.

3.5 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Property, plant and equipment (continued)

(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%
Solar plant	5%

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.

3.6 Leases

(a) Definition of lease

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.

(b) Lessee accounting

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Leases (continued)

(b) Leases accounting (continued)

Right-of-use asset (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 18 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 these months or less, that are readily convertible to known amount of cash 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 and contract 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

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, contract assets 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

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/(liabilities)

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).

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers.

3.12 Share capital

(a) Ordinary shares

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.

(b) Sukuk Musharakah ("Perpetual Sukuk")

Perpetual sukuk is classified as equity instruments as there is no contractual obligation to redeem the instrument. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds.

Perpetual sukuk holders' entitlement is accounted for as a distribution recognised in the statement of changes in equity in the period in which it is 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Employee benefits (continued)

(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.

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 considera-tion 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 over 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 over 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.

3.17 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 disclosure 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 that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) 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 directors use their 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 gross profit margins. 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 that 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(b) 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).

(c) 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 the 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.

(d) 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.

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	Solar plant RM'000	Capital work-in-progress RM'000	Total RM'000
2021												
Cost												
At 1 July 2020		20,966	24,000	716	606,594	963	14,106	9,122	19,618	-	17,443	713,528
Additions		-	-	-	9,396	-	81	-	851	-	48,851	59,179
Disposals		-	-	-	(835)	-	-	(165)	(65)	-	-	(1,065)
Written off		-	-	-	(38)	-	-	-	(36)	-	-	(74)
Reclassifications		-	-	-	44,311	-	721	15	182	-	(45,229)	-
Acquisition of a subsidiary	8(a)	-	-	-	-	-	-	-	-	2,740	-	2,740
Transfer from right-of-use assets		-	-	-	-	-	-	646	-	-	-	646
Transfer to inventories		-	-	-	(87)	-	-	-	-	-	-	(87)
Disposal of a subsidiary		(6,111)	-	-	-	-	(1,986)	-	(99)	-	-	(8,196)
Exchange differences		(303)	-	(48)	(7,554)	-	(160)	(456)	(115)	-	-	(8,636)
At 30 June 2021		14,552	24,000	668	651,787	963	12,762	9,162	20,336	2,740	21,065	758,035

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	Solar plant RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation												
At 1 July 2020		1,633	2,697	353	142,514	601	11,563	8,148	14,363	-	-	181,872
Depreciation charge for the financial year	29	394	480	38	39,518	96	587	166	1,780	11	-	43,070
Disposals		-	-	-	(63)	-	-	(165)	(62)	-	-	(290)
Written off		-	-	-	(38)	-	-	-	(36)	-	-	(74)
Acquisition of a subsidiary	8(a)	-	-	-	-	-	-	-	-	331	-	331
Transfer from right-of-use assets		-	-	-	-	-	-	646	-	-	-	646
Transfer to inventories		-	-	-	(83)	-	-	-	-	-	-	(83)
Disposal of a subsidiary		(1,059)	-	-	-	-	(1,270)	-	(53)	-	-	(2,382)
Exchange differences		(46)	-	(24)	(4,700)	-	(115)	(444)	(102)	-	-	(5,431)
At 30 June 2021		922	3,177	367	177,148	697	10,765	8,351	15,890	342	-	217,659

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	Solar plant RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated impairment												
At 1 July 2020		772	-	-	21,205	-	-	-	-	-	-	21,977
Exchange differences		-	-	-	(674)	-	-	-	-	-	-	(674)
At 30 June 2021		772	-	-	20,531	-	-	-	-	-	-	21,303
Carrying amount												
At 30 June 2021		12,858	20,823	301	454,108	266	1,997	811	4,446	2,398	21,065	519,073

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2020	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
Cost											
At 1 July 2019		17,901	24,000	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		20,966	24,000	716	606,594	963	14,106	9,122	19,618	17,443	713,528
Accumulated depreciation											
At 1 July 2019		763	2,217	294	109,232	502	9,788	7,610	13,195	-	143,601
Depreciation charge for the financial year	29	414	480	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		1,633	2,697	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 depreciation											
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		18,561	21,303	363	442,875	362	2,543	974	5,255	17,443	509,679

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Note	Office equipment RM'000	Equipment RM'000	Total RM'000
Company				
Cost				
At 1 July 2019		1,157	-	1,157
Additions		915	21	936
At 30 June 2020		2,072	21	2,093
Additions		52	-	52
Disposal		(5)	-	(5)
At 30 June 2021		2,119	21	2,140
Accumulated depreciation				
At 1 July 2019		31	-	31
Depreciation charge for the financial year	29	405	4	409
At 30 June 2020		436	4	440
Depreciation charge for the financial year	29	421	4	425
Disposal		(2)	-	(2)
At 30 June 2021		855	8	863
Carrying amount				
At 30 June 2020		1,636	17	1,653
At 30 June 2021		1,264	13	1,277

(a) 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 2021 RM'000	Group 2020 RM'000
Freehold properties	11,856	16,978
Leasehold properties	20,823	21,303
Operating equipment	271,583	285,214
	304,262	323,495

(b) During the previous 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 had a 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 warehouses 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 1 July 2020		5,973	10,262	4,027	342	3,326	3,790	27,720
Additions		-	-	283	-	2,228	987	3,498
Derecognition		-	-	-	-	(187)	-	(187)
Transfer to property, plant and equipment		-	-	(646)	-	-	-	(646)
Adjustments		-	-	-	-	(107)	-	(107)
Exchange differences		-	-	(8)	-	-	(99)	(107)
At 30 June 2021		5,973	10,262	3,656	342	5,260	4,678	30,171
Accumulated depreciation								
At 1 July 2020		442	2,267	2,465	57	1,217	853	7,301
Depreciation for the financial year	29	120	945	669	68	1,689	2,079	5,570
Derecognition		-	-	-	-	(148)	-	(148)
Transfer to property, plant and equipment		-	-	(646)	-	-	-	(646)
Adjustments		-	-	-	-	3	-	3
Exchange differences		-	-	(8)	-	-	(55)	(63)
At 30 June 2021		562	3,212	2,480	125	2,761	2,877	12,017
Carrying amount								
At 30 June 2021		5,411	7,050	1,176	217	2,499	1,801	18,154

6. RIGHT-OF-USE ASSETS (continued)

Information about leases for which the Group or the Company is lessee is presented below: (continued)

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 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 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)

	Note	Office equipment RM'000
Company		
Cost		
At 1 July 2019		-
Additions		342
At 30 June 2020/30 June 2021		342
Accumulated depreciation		
At 1 July 2019		-
Depreciation for the financial year	29	57
At 30 June 2020		57
Depreciation for the financial year	29	68
At 30 June 2021		125
Carrying amount		
At 30 June 2020		285
At 30 June 2021		217

(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 9 years (2020: 2 to 12 years).

(b) The Group and the Company also lease motor vehicles, operating equipment and office equipment with lease terms of 2 to 9 years (2020: 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 45 years (2020: 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	
	2021 RM'000	2020 RM'000
Leasehold land	5,411	5,531

7. INTANGIBLE ASSETS

	Goodwill RM'000	Other intangible assets RM'000	Total RM'000
Company			
Cost			
At 1 July 2019	177,471	48,100	225,571
Exchange differences	2,403	(350)	2,053
At 30 June 2020	179,874	47,750	227,624
Additions	-	864	864
Exchange differences	(2,105)	(780)	(2,885)
At 30 June 2021	177,769	47,834	225,603
Accumulated amortisation			
At 1 July 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
Amortisation charge for the financial year	-	4,506	4,506
Exchange differences	-	(215)	(215)
At 30 June 2021	-	18,036	18,036
Carrying amount			
At 30 June 2020	179,874	34,005	213,879
At 30 June 2021	177,769	29,798	207,567

(a) Goodwill

The carrying amounts of goodwill allocated to the CGUs are as follows:

	Group	
	2021 RM'000	2020 RM'000
Services - CGU 1	167,496	169,601
Trading - CGU 2	10,273	10,273
	177,769	179,874

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.

7. INTANGIBLE ASSETS (continued)

(a) Goodwill (continued)

For each of the CGUs with significant amount of goodwill, the value-in-use calculation is most sensitive to the following key assumptions:

	Group	
	2021	2020
CGU 1		
Average profit margin	35%	37%
Average revenue growth rate	14%	9%
Pre-tax discount rate	9.7%	10.0%
CGU 2		
Average profit margin	24%	19%
Average revenue growth rate	13%	13%
Pre-tax discount rate	10.1%	10.6%

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. During the financial year, there are customer contracts of RM864,117 arising from the acquisition of Mahendran Surya Innovations Sdn. Bhd. ("MSI") based on internal valuation.

An amortisation amounting to RM4,506,000 (2020: RM5,439,000) relating to the customer base, technical know-how, customer contracts and RPS are included in other operating expenses.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
At cost		
Unquoted shares	231,329	231,329
Less: Disposal	(837)	-
	230,492	231,329
Loans that are part of net investment	168,115	87,714
	398,607	319,043

Loans that are part of net investment represents amounts owing by subsidiaries which are nontrade 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.

8. INVESTMENT IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2021	Proportion equity interest 2020	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%	Provision of subsurface software and consultancy for oil and gas industry
Uzma Engineering Pty. Ltd. >	Australia	100%	100%	Dormant
Geospatial AI Sdn. Bhd. (formerly known as Uzma Teras Sdn. Bhd.)	Malaysia	100%	100%	Provision of product and services for satellite imagery
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%	Investment holding
Premier Enterprise Corporation (M) Sdn. Bhd.	Malaysia	100%	100%	Trading of hardware and equipment for oil refinery
Uzma (Labuan) Ltd.	Labuan	100%	100%	Dormant
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%	Investment holding
Uzma Environergy Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy services
Uzma Integrasi Padu Berhad	Malaysia	100%	100%	Special purpose vehicle
Subsidiary of Geospatial AI Sdn. Bhd.				
Mapri Sdn. Bhd.	Malaysia	70%	-	Provision of satellite services in oil and gas market, participating in aerospace business and manufacturing satellites.
Subsidiary of Uzma Environergy Sdn. Bhd.				
Mahendran Surya Innovations Sdn. Bhd. * ^	Malaysia	100%	-	Provision of renewable energy services

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 2021	Proportion equity interest 2020	Principal 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
Subsidiary of SVJ Holding Limited and Uzma Well Services (Thailand) Co., Ltd.				
MMSVS Group Holding Co., Ltd.*	Thailand	100%	100%	Provision of repair and maintenance petroleum exploration and production wells
Subsidiaries of Tenggara Analisis Sdn. Bhd.				
Setegap Ventures Petroleum Sdn. Bhd.	Malaysia	86%	86%	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%	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.

> Struck - off in current financial year.

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Acquisition of subsidiaries

2021

(i) On 27 October 2020, the Company's wholly-owned subsidiary, Geospatial AI Sdn. Bhd. (formerly known as Uzma Teras Sdn. Bhd.) ("Geospatial AI") had entered in a Subscription and Shareholders Agreement ("SSA") with Privasat Sdn. Bhd. ("PSB") and Tan Keng Ooi ("TKO") (the "SSA") for the subscription of 192,500 ordinary shares in the share capital of Mapri Sdn Bhd. ("MSB"), representing 70% of the total issued shares capital of MSB, for a total consideration of RM192,500. Consequently, MSB became a 70% owned indirect subsidiary of the Company.

(ii) On 1 March 2021, the Company's wholly owned subsidiary, Uzma Environergy Sdn. Bhd. ("Enviro") had entered into a conditional share sale agreement ("SSA") with Mr. Mohd Syahrul Nizar Bin Abdul Ghani ("Mr. Syahrul" or "Vendor") for the acquisition of 100% equity interest in Mahendran Surya Innovations Sdn. Bhd. ("MSI"), representing 500,000 ordinary shares and 2,400,000 preference shares in MSI for a cash consideration of RM500,000. Consequently, MSI became an indirect wholly-owned subsidiary of the Company. The acquisition was completed on 21 May 2021 in accordance with the terms and conditions of the SSA.

(a) The fair value of the identifiable assets and liabilities of MSI as at the date of acquisition were as follows:

	MSI RM'000
Assets	
Property, plant and equipment (Note 5)	2,409
Intangible assets	864
Trade and other receivables	57
Cash and cash equivalents	28
	3,358
Liabilities	
Trade and other payables	(1)
Deferred tax liabilities (Note 11)	(207)
Total identifiable net assets acquired	3,150
Bargain purchase arising from acquisition	(2,650)
Fair value of consideration transferred	500

(b) The effect of the acquisition of the subsidiary's on cash flows of the Group was as follows:

	MSI RM'000
Fair value of consideration transferred	500
Less: Cash and cash equivalent of the subsidiary acquired	(28)
Net cash outflows on acquisition	472

(c) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:

	MSI RM'000
Revenue	22
Loss for the financial period	(15)

If the acquisition had occurred on 1 July 2020, the consolidated results for the financial year ended 30 June 2021 would have been as follows:

	MSI RM'000
Revenue	298
Loss for the financial year	(104)

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 an indirect 51% owned subsidiary of the Company.

8. INVESTMENT IN SUBSIDIARIES (continued)

(b) Subscription for additional interests in a subsidiary

2020

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 in the previous financial year was 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

(c) Disposal of a subsidiary

On 31 May 2021, the Company disposed its 49% equity investment in Uzma Consulting Co., Ltd. ("UCL") for a total consideration of RM837,043.

(i) Summary of the effects of disposal of UCL:

	RM'000
Recognised:	
Fair value of consideration received	837
Reclassification adjustment of exchange translation reserve	(332)
	505
Derecognised:	
Fair value of identifiable net liabilities at disposal date	640
Non-controlling interests	(1,063)
Net liabilities disposed	(423)
Gain on disposal of UCL	928

(ii) Effects of disposal of cash flows:

	RM'000
Fair value of consideration received	837
Less: Receivable	(837)
Consideration received in cash	-
Less: Cash and cash equivalents of the subsidiary disposed	(337)
Net cash outflows on disposal	(337)

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) 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	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000	Others RM'000	Total RM'000
2021						
NCI percentage of ownership interest and voting interest	30%	40%	10%	14%		
Carrying amount of NCI	15,756	1,407	1,335	17,907	(5,020)	31,385
Profit/(Loss) allocated to NCI	920	423	(61)	1,501	(1,628)	1,155
Total comprehensive income/(loss) allocated to NCI	920	423	(72)	1,501	(1,610)	1,162

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) Non-controlling interests in subsidiaries (continued)

The financial information of the Group's subsidiaries that have material non-controlling interests are as follows: (continued)

	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

8. INVESTMENT IN SUBSIDIARIES (continued)

(d) Non-controlling interests in subsidiaries (continued)

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	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000
2021				
Summarised statements of financial position				
Non-current assets	4,803	209	11,586	121,696
Current assets	54,287	4,870	15,304	122,668
Non-current liabilities	(1,239)	(269)	(12,833)	(44,611)
Current liabilities	(5,331)	(1,294)	(17,406)	(90,248)
Net assets/(liabilities)	52,520	3,516	(3,349)	109,505
Summarised statements of comprehensive income				
Revenue	42,400	4,935	12,354	124,071
Profit for the financial year	3,067	1,056	1,253	11,205
Total comprehensive income	3,067	1,056	1,529	11,205
Summaried cash flows information				
Cash flows from operating activities	7,626	2,033	411	6,463
Cash flows used in investing activities	(612)	(31)	(28)	(31,794)
Cash flows (used in)/from financing activities	(5,730)	(1,891)	(332)	13,056
Net increase/(decrease) in cash and cash equivalents	1,284	111	51	(12,275)
Dividends paid to non-controlling interests	1,200	400	-	945

8. INVESTMENT IN SUBSIDIARIES (continued)

(e) Summarised financial information of material non-controlling interests (continued)

The summarised financial information (before intra-group elimination) of the Group's subsidiaries that have material non-controlling interests are as follows: (continued)

	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)	6,461
Dividends paid to non-controlling interests	1,800	900	-	-	2,752

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost				
At beginning of the financial year	8,791	8,791	4,392	4,392
Addition	4,890	-	-	-
Disposal of an associate	(4,400)	-	-	-
At end of the financial year	9,281	8,791	4,392	4,392
Share of post-acquisition results				
At beginning of the financial year	3,257	1,960	-	-
Share of profits	2,723	1,297	-	-
Dividend received	(980)	-	-	-
Disposal	(2,168)	-	-	-
	2,832	3,257	-	-
Less: Impairment loss	-	-	(237)	-
At end of the financial year	12,113	12,048	4,155	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 2021	Proportion equity interest 2020	Principal activities
Sazma Aviation Sdn. Bhd.	Malaysia	-	40%	Provision of professional aviation services and ground handling services, trading, general merchant agency, carrier and air transportation
Rockwash Geodata Ltd @	United Kingdom	30%	30%	Rock sample preparation, storage and support for oil and gas industry
Aerosun Uzma Malaysia Sdn. Bhd. ^	Malaysia	48%	48%	Dormant
Suria Infiniti Sdn. Bhd. *	Malaysia	49%	-	Provision of renewable energy services

* 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.

(a) On 31 December 2020, the Company's wholly-owned subsidiary, Geospatial AI Sdn. Bhd. (formerly known as Uzma Teras Sdn. Bhd.) ("Geospatial AI") had completed the disposal of the entire 40% equity interest in Sazma Aviation Sdn. Bhd. for a total cash consideration of RM8,000,000.

(b) On 1 March 2021, the Company's wholly owned subsidiary, Uzma Environergy Sdn. Bhd. ("Enviro") had entered into a conditional share sale agreement ("SSA") with Mr. Mohd Syahrul Nizar Bin Abdul Ghani ("Mr. Syahrul" or "Vendor") for the acquisition of 49% equity interest in Suria Infiniti Sdn. Bhd. ("SI"), representing 490,000 ordinary shares for a cash consideration of RM4,890,000. The acquisition was completed on 21 May 2021 in accordance with the terms and conditions of the SSA. Consequently, SI became an associate company of the Group.

9. INVESTMENT IN ASSOCIATES (continued)

(c) 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	Rockwash Geodata Ltd RM'000	Aerosun Uzma Malaysia Sdn. Bhd RM'000	Suria Infiniti Sdn. Bhd. RM'000	Total RM'000
Assets and liabilities:				
Non-current assets	5,337	466	1,611	7,414
Current assets	7,610	16,488	2,960	27,058
Non-current liabilities	(1)	-	-	(1)
Current liabilities	(435)	(20,153)	(2,903)	(23,491)
Net assets/(liabilities)	12,511	(3,199)	1,668	10,980
Results:				
Revenue	25,941	-	81	26,022
Profit/(Loss) for the financial year	7,097	-	(191)	6,906
Total comprehensive income/(loss)	7,097	-	(191)	6,906
Reconciliation of net assets/(liabilities) to carrying amount:				
Share of net assets/(liabilities) at the acquisition date	1,560	(1,536)	744	768
Goodwill on acquisition	3,571	-	4,146	7,717
Cost of investment	5,131	(1,536)	4,890	8,485
Share of post-acquisition profits/(loss)	2,186	-	(94)	2,092
Share of unrecognised losses	-	1,536	-	1,536
Carrying amount in the statements of financial position	7,317	-	4,796	12,113
Group's share of results				
Group's share of profit/(loss), representing Group's share of total comprehensive income/(loss)	2,132	-	(94)	2,038

9. INVESTMENT IN ASSOCIATES (continued)

(c) 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 2020	Sazma Aviation Sd. Bhd. RM'000	Rockwash Geodata Ltd 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 profit/(loss), representing Group's share of total comprehensive income/(loss)	1,579	(282)	-	1,297

9. INVESTMENT IN ASSOCIATES (continued)

(d) In the previous financial year, the Group had 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 had exceeded its interest in these associates and the Group had no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM139,000 and RM1,536,000 respectively.

(e) 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 2020 have been used and appropriate adjustments have been made to account for significant transactions from Sazma Aviation Sdn. Bhd.'s financial period from 1 July 2020 to 31 December 2020 (date of disposal).

10. INVESTMENT IN JOINT VENTURES

	Group	
	2021 RM'000	2020 RM'000
Unquoted share, at cost	31	-
Share of post-acquisition reserves	(30)	-
	1	-

Details of joint ventures are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2021	Proportion equity interest 2020	Principal activities
Khausar Energy Sdn. Bhd. ^	Malaysia	50%	50%	Dormant
Rizqma Energy Sdn. Bhd. ^	Brunei	40%	-	Provision of well intervention, production enhancement, artificial lift and production solution

^ Disclosed using unaudited management financial statements, auditors' report is not available.

(a) On 13 August 2020, the Company's wholly owned subsidiary, Uzma Engineering Sdn. Bhd. ("UESB") had entered into a subscription and shareholder agreement ("SSA") with Rizq Jaya Sdn. Bhd. ("RIZQ JAYA") for the joint venture of 40% equity interest in Rizqma Energy Sdn. Bhd. ("Rizqma Energy"), representing 4,000 ordinary shares for a cash consideration of RM30,794.

(b) 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 RM349,728 (2020: RM349,599).

10. INVESTMENT IN JOINT VENTURES (continued)

(c) The following table illustrates the summarised financial information of the Group's joint venture, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interests in the joint venture:

	Rizqma Energy Sdn. Bhd. 2021 RM'000
Assets and liabilities	
Current assets	35
Current liabilities	(85)
Net liabilities	(50)
Results:	
Revenue	-
Loss for the financial period, representing total comprehensive loss	(74)
Reconciliation of net liabilities to carrying amount:	
Cost of investment	31
Share of post-acquisition losses	(30)
Carrying amount in the statements of financial position	1
Group's share of results	
Group's share of loss, representing Group's share of total comprehensive loss	(30)

11. DEFERRED TAX (LIABILITIES)/ASSETS

	Group		Company	
Deferred tax (liabilities)/assets	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of the financial year	(11,701)	(16,554)	107	156
Acquisition of a subsidiary (Note 8(a))	(207)	-	-	-
Recognised in profit or loss (Note 30)	(1,117)	4,447	(168)	(49)
Exchange differences	(204)	406	-	-
At end of the financial year	(13,229)	(11,701)	(61)	107

(a) Presented after appropriate off-setting as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deferred tax assets	5,693	6,284	-	107
Deferred tax liabilities	(18,922)	(17,985)	(61)	-
	(13,229)	(11,701)	(61)	107

11. DEFERRED TAX (LIABILITIES)/ASSETS (continued)

(b) The components of deferred tax (liabilities)/assets prior to offsetting are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deferred tax assets				
Unutilised tax losses	5,421	5,853	-	107
Provisions	272	431	-	-
	5,693	6,284	-	107
Deferred tax liabilities				
Differences between the carrying amounts of property, plant and equipment and their tax bases	(11,771)	(9,872)	(61)	-
Deferred tax liabilities arising from acquisition of subsidiaries	(7,151)	(8,113)	-	-
	(18,922)	(17,985)	(61)	-

(c) The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deductible temporary differences	172	89	-	-
Unabsorbed capital allowances	35	34	-	-
Unutilised tax losses	38,806	51,197	-	-
	39,013	51,320	-	-

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 unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group 2021 RM'000
2025	20,663
2026	14,844
2027	3,300

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:					
Other receivables					
- Amounts owing by subsidiaries	(d)	-	-	522	3,086
- Third parties		6,781	8,803	-	-
- Deposits		115	134	-	-
		6,896	8,937	522	3,086
Less: Impairment losses for non-current other receivables					
- Third parties	(b)	(146)	(2,460)	-	-
		6,750	6,477	522	3,086
Current:					
Trade receivables					
- Third parties		100,772	92,889	-	-
- Related parties		1,310	1,609	-	-
		102,082	94,498	-	-
Less: Impairment losses for trade receivables					
- Third parties	(a)	(17,989)	(16,800)	-	-
Total trade receivables, net	(a)	84,093	77,698	-	-
Other receivables					
- Third parties	(c)(h)	14,419	99,311	3,171	1,806
- Amounts owing by subsidiaries	(d)	-	-	79,999	95,553
- Amount owing by a related party	(e)	923	1,556	-	-
- Amount owing by an associate	(f)	7	5	6	5
- Amounts owing by shareholders of a subsidiary	(g)	83	-	-	-
- Amount owing by a joint venture		178	-	-	-
		15,610	100,872	83,176	97,364
Less: Impairment losses for other receivables					
- Third parties	(b)	(3,958)	(22,670)	(1,805)	-
Total other receivables, net		11,652	78,202	81,371	97,364
Deposits		7,684	5,141	915	913
Advances to sub-contractors		15,735	17,997	-	-
GST refundable		1,041	1,807	79	79
Prepayments	(i)	15,141	31,885	480	654
		51,253	135,032	82,845	99,010
Total trade and other receivables (current)		135,346	212,730	82,845	99,010
Total trade and other receivables (non-current and current)		142,096	219,207	83,367	102,096

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 (2020: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement in the impairment of trade receivables is as follows:

	Group	
	2021 RM'000	2020 RM'000
Trade receivables		
At beginning of the financial year	16,800	17,023
Acquisition of a subsidiary (Note 8(a))	-	(413)
Charge for the financial year (Note 29)		
- individually assessed	1,675	-
- collectively assessed	32	302
Reversal of impairment losses (Note 29)	(517)	-
Exchange differences	(1)	(112)
At end of the financial year	17,989	16,800

(b) Other receivables

The Group and the Company's other receivables that are impaired at the reporting date and the movement in the impairment of other receivables is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Other receivables				
At beginning of the financial year	25,130	24,423	-	-
Charge for the financial year (Note 29)				
- individually assessed	3,602	1,039	1,805	-
Written off	(24,526)	(445)	-	-
Exchange differences	(102)	113	-	-
At end of the financial year	4,104	25,130	1,805	-

(c) In the previous financial year, included in other receivables of the Group were amounts owing by Petroliam Nasional Berhad ("Petronas") in relation to the Tanjong Baram Small Field Risk Service Contract ("TB SFRSC") as follows:

	Group	
	2021 RM'000	2020 RM'000
Current:		
Capital expenditure	-	64,551
Operating expenditure	-	4,445
Remuneration fee	-	15,446
	-	84,442
Less: Allowance for impairment loss	-	(21,725)
	-	62,717

(d) Amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash except for amounts of RM65,978,000 (2020: RM90,462,000) which bear interest at rate of 5.5% (2020: 5.5%) per annum. Included in non-current other receivables are amounts owing by subsidiaries of RM522,000 (2020: RM3,086,000) which are not expected to be settled within the next twelve months.

(e) Amount owing by a related party is non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

12. TRADE AND OTHER RECEIVABLES (continued)

(f) Amount owing by an associate is non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(g) Amounts owing by shareholders of a subsidiary are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(h) Included in other receivables of the Group is an amount of approximately RM4,682,000 (2020: RM5,059,000) which represents materials purchased in advance for customers. The installation services had yet to be performed at the end of the reporting period.

(i) Included in prepayments of the Group is a down payment of RM8,884,000 (2020: RM22,920,000) for the purchase of equipment.

(j) The information about the credit exposures are disclosed in Note 33(a).

13. OTHER INVESTMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 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	1,374	1,398	139	136
Total other investments (non-current and current)	5,659	5,683	139	136

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	
	2021 RM'000	2020 RM'000
At cost:		
Raw materials	3,241	3,528
Work-in-progress	1,999	1,600
Finished goods	10,599	19,492
Consumable goods	19,974	16,522
	35,813	41,142

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year is RM243,329,000 (2020: RM366,437,000). In addition, the expenses recognised in the profit or loss include the following:

	Group	
	2021 RM'000	2020 RM'000
Inventories written down	118	82
Inventories written back	(505)	(288)
	(387)	(206)

15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM'000	2020 RM'000
Contract assets relating to service contracts	172,958	138,980
Contract liabilities relating to service contracts	(385)	(1,000)

Significant changes in contract balances

	2021		2020	
	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000	Contract assets increase/ (decrease) RM'000	Contract liabilities (increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	828	-	360
Increase due to consideration received from customers, but revenue not recognised	-	(213)	-	(540)
Increase due to revenue recognised for unbilled goods or services transferred to customers	172,970	-	138,852	-
Transfers from contract assets recognised at the beginning of the period to receivables	(138,683)	-	(92,021)	-
Translation difference	(309)	-	178	-

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	84,646	57,508	1,560	24
Cash deposits placed with licensed banks	52,188	86,936	11,221	10,330
Cash and cash equivalents as reported in the statements of financial position	136,834	144,444	12,781	10,354
Less: Fixed deposits with tenure more than 3 months	(20,474)	(8,197)	-	-
Less: Pledged deposits	(22,819)	(32,629)	(11,221)	(10,330)
Less: Bank overdrafts (Note 23)	(42,810)	(34,275)	(13,970)	(13,500)
Cash and cash equivalents as reported in the statements of cash flows	50,731	69,343	(12,410)	(13,476)

16. DEPOSITS, CASH AND BANK BALANCES (continued)

(a) Cash deposits placed with licensed banks of the Group and of the Company bear interest at rates ranging from 0.60% to 3.35% (2020: 0.45% to 3.61%) per annum.

(b) Fixed deposits with tenure more than 3 months bear interest at rates ranging from 1.80% to 3.35% (2020: 3.00% to 3.60%) per annum and mature within one year.

(c) Cash deposits placed with licensed banks amounting of RM22,819,000 (2020: RM32,629,000) and RM11,221,000 (2020: RM10,330,000) 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	
	2021 Unit'000	2020 Unit'000	2021 RM'000	2020 RM'000
Issued and fully paid up:				
At beginning/end of the financial year	320,029	320,029	290,069	290,069

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorise share capital and par value of share capital.

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. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation 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.

19. CAPITAL RESERVE

	Group	
	2021 RM'000	2020 RM'000
Statutory reserve	25	76
Other capital reserve	350	350
	375	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.

20. 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.

21. 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.

22. PERPETUAL SUKUK

	Group and Company	
	2021 RM'000	2020 RM'000
Issuance nominal value	42,250	-
Less: Transaction costs, net of tax	(1,398)	-
	40,852	-

On 30 April 2021, the Company had issued the first tranche of Perpetual Sukuk Musharakah of RM42.25 million in nominal value under its Perpetual Sukuk Musharakah Programme of up to RM300 million. These issued perpetual sukuk are part of the first tranche of the programme.

The proceeds from the issuance of the perpetual sukuk are for the refinancing of existing financing/ borrowings, capital expenditure, working capital, general corporate purposes, defraying fees, costs and expenses in relation to the issuance of the Perpetual Sukuk Musharakah and the Perpetual Sukuk Musharakah Programme and/or prefunding of the reserve account for the applicable tranche which amount in aggregate shall be equivalent to an expected periodic distribution amount.

The perpetual sukuk is accounted for as an equity instrument as the payment of any distribution or dissolution of the Proposed Sukuk Musharakah is at the option of the Company and the enforcement events, other than the Company's liquidation, is regarded as within the control of the Company. As at 30 June 2021, a periodic distribution for Perpetual Sukuk payable was RM452,133.

The salient features of the perpetual sukuk are as follows:

(i) The perpetual sukuk is issued under the Shariah principle of Musharakah and unrated.

(ii) The perpetual sukuk is structured with a perpetual tenure and may only be redeemed by the Company upon the occurrence of a Redemption Event.

(iii) The Perpetual Sukuk Musharakah shall at all times constitute direct, secured or unsecured (as the case may be), unconditional and subordinated obligations of the Company under the laws of Malaysia and shall at all times rank pari passu among themselves and as follows:

(a) in respect of such issuance of the Secured Perpetual Sukuk Musharakah, rank pari passu, without discrimination, preference or priority among themselves but each issuance of Perpetual Sukuk Musharakah will be secured by their respective security and shall rank at least pari passu with all other present and future unsecured, unconditional and subordinated obligations of the Company and with any Parity Obligations; and

(b) in respect of such issuance of the Perpetual Sukuk Musharakah under the Perpetual Sukuk Musharakah Programme which are unsecured ("Unsecured Perpetual Sukuk Musharakah"), rank pari passu without discrimination, preference or priority amongst themselves, and at least pari passu with all other present and future unconditional, subordinated and unsecured obligations of the Company (including Parity Obligations).

(iv) The Company may, at its sole discretion, opt to defer payment of the Expected Periodic Distribution Amount (in whole or in part) which is otherwise scheduled to be paid on a Periodic Distribution Date by giving an irrevocable Optional Deferral Notice not less than fifteen (15) days and not more than thirty (30) days prior to the relevant Periodic Distribution Date, provided that no Compulsory Periodic Distribution Payment Event (as defined below) has occurred. A "Compulsory Periodic Distribution Payment Event" shall have occurred if, during the six (6)-month period ending on the day before the relevant scheduled Periodic Distribution Date, either or both of the following have occurred:

A "Compulsory Periodic Distribution Payment Event" shall have occurred if, during the six (6)-month period ending on the day before the relevant scheduled Periodic Distribution Date, either or both of the following have occurred:

(a) the Company has declared or paid any dividends, distributions or made other payments in respect of any of its Junior Obligations or Parity Obligations (except on a pro-rata basis with the Perpetual Sukuk Musharakah); or

(b) the Company has redeemed, reduced, cancelled, bought back or purchased any of its Junior Obligations or Parity Obligations (except on a pro-rata basis with the Perpetual Sukuk Musharakah).

22. PERPETUAL SUKUK (continued)

The salient features of the perpetual sukuk are as follows: (continued)

(v) All matters or resolutions which require the Sukukholders' consent/approval under the Perpetual Sukuk Musharakah Programme shall be carried out on a per tranche basis.

(vi) The Company has the option to redeem the perpetual sukuk under the following circumstances:

(a) Optional Redemption – the Company may redeem the perpetual sukuk at par at the relevant exercise price on any Call Date;

(b) Accounting Event Redemption - if the perpetual sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;

(c) Tax Event Redemption - if the Company is or will become obliged to pay additional amount due to changes in tax laws or regulations;

(d) Sinking Fund Event Redemption – if the Company breaches the then applicable Required Build-Up applicable to the relevant SFA of a particular tranche of Perpetual Sukuk Musharakah ("Affected Perpetual Sukuk Musharakah");

(e) Privatisation Event Redemption- if the Company fails to maintain its status as a public listed company on Bursa Malaysia Securities Berhad and is delisted;

(f) Leverage Event Redemption - if the Net DE Ratio of the Company (on a consolidated basis) exceeds 1.25 times;

(g) Shareholder/Shareholding Event Redemption – if the shareholding of CRE changed; and

(h) Change in Control Event Redemption- if Dato' Kamarul Redzuan Bin Muhamed ceases to hold (directly or indirectly) more than twenty five per cent (25%) of the issued share capital or voting rights in the Company.

(vii) The perpetual sukuk issued during the year carried an initial fixed periodic distribution rate of 6.3% per annum payable on semi-annual basis in arrears. The periodic distribution rate of any tranche of perpetual sukuk will be reset at the aggregate of the initial period distribution rate plus step-up margin provided that such rate is capped at maximum rate.

(viii) Each tranche of Perpetual Sukuk Musharakah issued under the Perpetual Sukuk Musharakah Programme may or may not be secured. The security for each tranche of the Secured Perpetual Sukuk Musharakah issued under the Perpetual Sukuk Musharakah Programme may include (but is not limited to) the following:

(a) first legal charge and assignment over the Designated Accounts opened by the Company;

(b) first legal charge and assignment by the Contract Party over the Revenue Account;

(c) first legal assignment of the rights, title, benefits and interests of the Company and/or any entity within the Group ("Contract Party") in respect of all monies payable to the Contract Party ("Contract Proceeds") under the contracts to be identified in the pricing supplement (if applicable) ("Contracts") to the extent permissible to be assigned and charge over Contract Proceeds ("Assignment and Charge over Contract Proceeds"); and

(d) such other security as may be required by the Lead Arranger or Lead Manager(s), and/or as may be advised by the Solicitor and acceptable to the Shariah Adviser.

23. LOANS AND BORROWINGS

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current:					
Term loans	(a)	131,946	157,361	71,933	91,930
Medium term notes	(e)	173,237	222,822	-	-
		305,183	380,183	71,933	91,930
Current:					
Term loans	(a)	54,421	78,125	13,134	-
Revolving credit	(b)	51,865	52,357	21,793	30,286
Invoice financing	(c)	8,987	5,448	-	-
Bank overdrafts (Note 16)	(d)	42,810	34,275	13,970	13,500
Medium term notes	(e)	50,000	25,000	-	-
		208,083	195,205	48,897	43,786
		513,266	575,388	120,830	135,716
Current:					
Term loans	(a)	186,367	235,486	85,067	91,930
Revolving credit	(b)	51,865	52,357	21,793	30,286
Invoice financing	(c)	8,987	5,448	-	-
Bank overdrafts (Note 16)	(d)	42,810	34,275	13,970	13,500
Medium term notes	(e)	223,237	247,822	-	-
		513,266	575,388	120,830	135,716

23. LOANS AND BORROWINGS (continued)

(a) Term loans

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Term loan 1	13,233	14,536	-	-
Term loan 2	27,493	32,853	-	-
Term loan 3	-	650	-	-
Term loan 4	-	354	-	-
Term loan 5	-	38,245	-	-
Term loan 6	2,214	5,322	-	-
Term loan 7	9,859	13,063	-	-
Term loan 8	-	4,629	-	-
Term loan 9	-	7,940	-	-
Term loan 10	32,718	35,358	32,718	35,358
Term loan 11	52,349	56,572	52,349	56,572
Term loan 12	8,030	12,098	-	-
Term loan 11	52,349	56,572	-	-
Term loan 12	8,030	12,098	-	-
Term loan 13	20,891	13,711	-	-
Term loan 14	-	155	-	-
Term loan 15	11,994	-	-	-
Term loan 16	3,114	-	-	-
Term loan 17	4,472	-	-	-
	186,367	235,486	85,067	91,930

The term loans are repayable as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current liabilities:				
- due more than 1 year but not later than 5 years	105,349	102,207	52,536	52,536
- due after 5 years	26,597	55,154	19,397	39,394
	131,946	157,361	71,933	91,930
Non-current liabilities:				
- due within 1 year	54,421	78,125	13,134	-
	186,367	235,486	85,067	91,930

The term loans bear interest at rates ranging from 3.27% to 7.20% (2020: 2.00% 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.

23. LOANS AND BORROWINGS (continued)

(b) 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 3.88% to 6.72% (2020: 4.41% to 7.31%) per annum.

(c) 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 rates ranging from 3.93% to 6.95% (2020: 3.90%) per annum.

(d) 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 7.20% (2020: 5.45% to 7.45%) per annum.

(e) 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% (2020: 4.33% to 4.43%) 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		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current:				
Lease liabilities	6,806	9,915	162	230
Current:				
Lease liabilities	5,988	6,870	67	63
	12,794	16,785	229	293

The incremental borrowing rates applied to the lease liabilities ranging from 2.50% to 7.32% (2020: 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	
	2021 RM'000	2020 RM'000
Future minimum lease payments	14,126	18,549
Less: Future finance charges	(1,332)	(1,764)
Present value of minimum lease payments	12,794	16,785
Payable within one year		
Future minimum lease payments	6,499	7,556
Less: Future finance charges	(511)	(686)
Present value of minimum lease payments	5,988	6,870
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	5,320	8,140
Less: Future finance charges	(676)	(844)
Present value of minimum lease payments	4,644	7,296
Payable more than 5 years		
Future minimum lease payments	2,307	2,853
Less: Future finance charges	(145)	(234)
Present value of minimum lease payments	2,162	2,619
Total present value of minimum lease payments	12,794	16,785

	Company	
	2021 RM'000	2020 RM'000
Future minimum lease payments	254	335
Less: Future finance charges	(25)	(42)
Present value of minimum lease payments	229	293
Payable within one year		
Future minimum lease payments	80	80
Less: Future finance charges	(13)	(17)
Present value of minimum lease payments	67	63
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	174	255
Less: Future finance charges	(12)	(25)
Present value of minimum lease payments	162	230
Total present value of minimum lease payments	229	293

25. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current:					
Trade payables					
- Third party		3,910	3,776	-	-
Current:					
Trade payables					
Third parties		114,786	95,336	-	-
Related parties		1,697	2,699	-	-
Accruals		31,732	58,141	-	-
	(a)	148,215	156,176	-	-
Other payables					
Other payables		19,064	18,366	1,019	785
Contingent consideration		2,395	-	-	-
Accruals		16,851	19,153	2,350	1,145
Amounts owing to subsidiaries	(b)	-	-	16,819	-
Amount owing to an associate	(c)	1,037	1,000	-	-
Amount owing to a director	(d)	53	6,552	53	6,552
Amount owing to shareholder of a subsidiary	(e)	292	-	-	-
		39,692	45,071	20,241	8,482
Total trade and other payables (current)		187,907	201,247	20,241	8,482
Total trade and other payables (non-current and current)		191,817	205,023	20,241	8,482

(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 (2020: 7 to 120 days).

(b) Amounts owing to subsidiaries of the Company are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(c) Amount owing to an associate of the Group is 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) Amount owing to a shareholder of a subsidiary is non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

(f) 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 2021 RM'000	Group 2020 RM'000
At beginning of the financial year	2,932	748
Recognised in profit or loss (Note 29)	397	1,939
Paid during the financial year	(22)	(91)
Actuarial (gain)/loss recognised in other comprehensive income	(96)	155
Translation differences	(313)	181
At end of the financial year	2,898	2,932

(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 2021 RM'000	Group 2020 RM'000
Discount rate	7.71%	7.92%
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	Effect on defined benefit obligation Decrease RM'000
Group			
2021			
Discount rate	1.0%	(49)	57
Future salary growth	1.0%	58	(51)
2020			
Discount rate	1.0%	(48)	55
Future salary growth	1.0%	56	(49)

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	
	2021 RM'000	2020 RM'000
Non-current:		
Government grants:		
At beginning of the financial year	7,467	-
Received during the financial year	-	8,748
Released to profit or loss (Note 29)	(1,472)	(1,281)
At end of the financial year	5,995	7,467

Government grants relates 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contract customers:				
At a point in time				
Sales of goods	80,408	97,416	-	-
Dividend income	-	347	29,947	4,200
	80,408	97,763	29,947	4,200
Over time				
Services rendered	148,439	266,535	-	-
Management fee	-	-	18,485	17,080
	148,439	266,535	18,485	17,080
	228,847	364,298	48,432	21,280
Revenue from other source:				
Rental income	155,320	188,133	-	-
	384,167	552,431	48,432	21,280

29. PROFIT/(LOSS) BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration:				
- statutory audit				
- current year	403	380	138	125
- over provision in prior years	-	(5)	-	(5)
- non-statutory audit				
- current year	12	12	12	12
Amortisation of government grant	(1,472)	(1,281)	-	-
Amortisation of intangible assets	4,506	5,439	-	-
Bad debts written off	32	-	-	-
Bargain purchase arising from acquisition of a subsidiary	(2,650)	-	-	-
Depreciation of property, plant and equipment	43,070	46,380	425	409
Depreciation of right-of-use assets	5,570	3,888	68	57
Directors' remuneration (Note (a))	6,407	7,756	3,138	3,781
Employee benefits expenses (Note (b))	80,115	75,701	7,274	6,634
Fair value (gain)/loss on quoted equity securities	(155)	7	-	-
Fair value gain on contingent consideration	(245)	-	-	-
Gain on disposal of an associate	(1,432)	-	-	-
Gain on disposal of a subsidiary	(928)	-	-	-
Gain on disposal of property, plant and equipment	(284)	(1,053)	-	-
Gain on disposal of right-of-use assets	-	(244)	-	-
Gain on lease modification	(2)	-	-	-
Impairment loss on investment in an associate	-	-	237	-
Impairment losses on property, plant and equipment	-	21,749	-	-
Impairment losses on:				
- trade receivables	1,707	302	-	-
- other receivables	3,602	1,039	1,805	-
Reversal of impairment losses on trade receivables	(517)	-	-	-
Interest expense:				
- bank overdrafts	2,092	1,586	617	235
- bank guarantee	757	758	-	-
- invoice financing	130	902	-	-
- lease liabilities	763	523	55	17
- revolving credit	3,729	881	1,691	1,160
- term loans	17,210	25,656	3,153	3,051
- others	97	120	-	-
- unwinding of discount on payables	134	130	-	-

29. PROFIT/(LOSS) BEFORE TAX (continued)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit/(loss) before tax: (continued)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest income:				
- deposits	(1,649)	(1,299)	-	-
- inter-company loans	-	-	(3,601)	(2,101)
- others	-	-	(312)	(34)
Inventories written down	118	82	-	-
Inventories written back	(505)	(288)	-	-
Net (gain)/loss on foreign exchange:				
- realised	(6,588)	1,359	607	2
- unrealised	1,547	2,272	-	-
Prepayments written off	50	-	-	-
Property, plant and equipment written off	-	2,010	-	-
Provision for post employment benefits	397	1,939	-	-
Expenses relating to short-term leases:				
- office equipment	58	339	46	48
- premises	719	472	-	20
- office	10	265	1,490	1,368
- warehouses	5,768	2,900	31	171
- forklift, cranes and others	14,013	23,643	-	80
- car park	96	126	96	126
- motor vehicles	616	254	-	7
Expenses relating to low-value assets:				
- office equipment	86	49	-	-
Share of results in associates, net of tax	(2,723)	(1,297)	-	-
Share of results in a joint venture, net of tax	30	-	-	-

29. PROFIT/(LOSS) 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 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Directors of the Company				
Executive Directors:				
- fees	216	236	-	-
- salaries, bonus and other benefits	2,253	2,798	1,227	1,490
- defined contribution plans	259	315	140	165
	2,728	3,349	1,367	1,655
Non-executive Directors:				
- fees	432	463	432	463
- salaries, bonus and other benefits	22	31	22	31
	454	494	454	494
Directors of the subsidiaries				
Executive Directors:				
- fees	120	130	-	-
- salaries, bonus and other benefits	2,825	3,424	1,185	1,461
- defined contribution plans	280	359	132	171
	3,225	3,913	1,317	1,632
Total directors' remuneration	6,407	7,756	3,138	3,781

(b) Employee benefits expenses are:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Salaries, wages, bonuses, allowances and other benefits	73,705	69,198	6,441	5,966
Defined contribution plans	6,410	6,503	833	668
	80,115	75,701	7,274	6,634

30. TAX EXPENSE

The major components of income tax expense for the financial years ended 30 June 2021 and 30 June 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	4,696	10,474	1,347	495
- Adjustment in respect of prior years	(1,572)	(212)	2	-
	3,124	10,262	1,349	495
Deferred tax (Note 11)**:**				
- Origination/(Reversal) of temporary differences	2,513	(2,075)	(101)	(100)
- Adjustment in respect of prior years	(1,396)	(2,372)	269	149
	1,117	(4,447)	168	49
	4,241	5,815	1,517	544

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2020: 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 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit/(Loss) before tax	18,839	(9,794)	26,474	(3,045)
Tax at Malaysian statutory income tax rate of 24%	4,521	(2,351)	6,354	(731)
Tax effects arising from:				
- non-deductible expenses	16,524	24,228	2,080	2,135
- non-taxable income	(11,244)	(6,535)	(7,188)	(1,009)
Effect of different tax rates in foreign jurisdictions	362	(295)	-	-
Deferred tax assets not recognised during the financial year	561	2,671	-	-
Utilisation of deferred tax assets not recognised in the previous financial years	(3,515)	(9,319)	-	-
Adjustments in respect of prior years:				
- income tax	(1,572)	(212)	2	-
- deferred tax	(1,396)	(2,372)	269	149
Tax expense	4,241	5,815	1,517	544

31. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per ordinary share

Basic earnings/(loss) per share are based on the profit/(loss) 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	
	2021 RM'000	2020 RM'000
Profit/(Loss) attributable to owners of the Company	13,443	(22,881)
Distribution to holders of perpetual sukuk	(452)	-
	12,991	(22,881)
Weighted average number of ordinary shares for basic earnings per share	320,029	320,029
Basic earnings/(loss) per ordinary share (sen)	4.06	(7.15)

Diluted earnings/(loss) per ordinary share

The diluted earnings/(loss) per ordinary share of the Group for the financial year ended 30 June 2021 and financial year ended 30 June 2020 are same as the basic earnings/(loss) 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)

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2021				
Financial assets				
Group				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	110,179	110,179	-	-
Other investments	5,659	-	1,374	4,285
Deposits, cash and bank balances	136,834	136,834	-	-
	252,672	247,013	1,374	4,285
Company				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	82,808	82,808	-	-
Other investments	139	-	139	-
Deposits, cash and bank balances	12,781	12,781	-	-
	95,728	95,589	139	-
Financial liabilities				
Group				
Loans and borrowings	513,266	513,266	-	-
Lease liabilities	12,794	12,794	-	-
Trade and other payables	191,817	191,817	-	-
	717,877	717,877	-	-
Company				
Loans and borrowings	120,830	120,830	-	-
Lease liabilities	229	229	-	-
Trade and other payables	20,241	20,241	-	-
	141,300	141,300	-	-

32. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2021				
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	205,023	205,023	-	-
	797,196	797,196	-	-
Company				
Loans and borrowings	135,716	135,716	-	-
Lease liabilities	293	293	-	-
Trade and other payables	8,482	8,482	-	-
	144,491	144,491	-	-

(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 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 (2020: no transfer in either directions).

32. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments

The following table provides 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									
2021									
Financial assets									
Other investments	5,659	1,374	-	4,285	5,659	-	-	-	-
2020									
Financial assets									
Other investments	5,683	1,398	-	4,285	5,683	-	-	-	-

	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
Company									
2021									
Financial assets									
Other investments	139	139	-	-	139	-	-	-	-
Amounts owing by subsidiaries	522	-	-	-	-	-	-	522	522
2020									
Financial assets									
Other investments	136	136	-	-	136	-	-	-	-
Amounts owing by subsidiaries	3,086	-	-	-	-	-	-	3,086	3,086

32. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

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.

Fair value of financial instruments not carried at fair value

The fair value of amounts owing by subsidiaries are determined 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.

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.

Credit risk concentration profile

At the end of the reporting period, approximately 41% (2020: 63%) of the Group trade receivables was due from two (2020: three) 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.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

Trade receivables and contract assets (continued)

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
2021			
Contract assets	0%	172,958	-
Trade receivables			
Current	0%	55,495	57
1 to 30 days past due	0%	19,094	2
31 to 60 days past due	0%	2,217	1
61 to 90 days past due	1%	987	11
More than 91 days past due	0%	6,383	12
		84,176	83
Impaired - individually		17,906	17,906
		102,082	17,989
		275,040	17,989
2020			
Contract assets	0%	138,980	-
Trade receivables			
Current	0%	50,929	154
1 to 30 days past due	0%	17,641	4
31 to 60 days past due	0%	2,891	11
61 to 90 days past due	1%	523	4
More than 91 days past due	7%	6,314	427
		78,298	600
Impaired - individually		16,200	16,200
		94,498	16,800
		233,478	16,800

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.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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 toliquidity 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.

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:

	Carrying amount RM'000	Contractual undiscounted cash flows On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2021					
Group					
Financial liabilities					
Trade and other payables	191,817	187,907	4,133	-	192,040
Term loans	186,367	58,070	132,579	38,477	229,126
Lease liabilities	12,794	6,499	5,320	2,307	14,126
Revolving credit	51,865	51,865	-	-	51,865
Invoice financing	8,987	8,987	-	-	8,987
Bank overdrafts	42,810	42,810	-	-	42,810
Medium term notes	223,237	50,000	175,000	-	225,000
	717,877	406,138	317,032	40,784	763,954
Company					
Financial liabilities					
Trade and other payables	20,241	20,241	-	-	20,241
Term loans	85,067	16,160	59,596	20,221	95,977
Lease liabilities	229	80	174	-	254
Revolving credit	21,793	21,793	-	-	21,793
Bank overdrafts	13,970	13,970	-	-	13,970
Financial guarantee contracts	-	513,266	-	-	513,266
	141,300	585,510	59,770	20,221	665,501
2020					
Group					
Financial liabilities					
Trade and other payables	205,023	201,247	4,133	-	205,380
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
	797,196	417,328	365,567	66,012	848,907
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

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
2021	
Trade and other receivables	64,361
Cash and cash equivalents	3,051
Loans and borrowings	(27,493)
Trade and other payables	(65,728)
	(25,809)
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)

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 profit/(loss) for the financial year.

	Group Effect on profit/(loss) for the financial year 2021 RM'000	2020 RM'000
USD/RM - strengthen by 10% (2020: 10%)	(1,961)	(2,424)
- weaken by 10% (2020: 10%)	1,961	2,424

(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 and the Company manage 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 profit/(loss) net of tax would have been RM3,901,000 (2020: RM4,373,000) and RM918,000 (2020: RM1,031,000) higher/lower 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	
	2021 RM'000	2020 RM'000
Property, plant and equipment		
- approved and contracted for	8,389	21,391

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
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

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Subsidiaries				
Dividend income received/ receivable	-	-	(29,947)	(4,200)
Management fees received/ receivable	-	-	(18,485)	(17,080)
Interest income received/ receivable	-	-	(3,601)	(2,101)
Rental expenses paid/ payable	-	-	1,485	1,308
Entities in which Directors have substantial interests				
Service fee received/receivable	(6,485)	(6,279)	-	-
Purchases paid/payable	18,014	35,832	-	-

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors of the Company				
Executive Directors:				
- fees	216	236	-	-
- salaries, bonus and other benefits	2,253	2,798	1,227	1,490
- defined contribution plans	259	315	140	165
	2,728	3,349	1,367	1,655
Non-executive Directors:				
- fees	432	463	432	463
- salaries, bonus and other benefits	22	31	22	31
	454	494	454	494
Directors of the subsidiaries				
Executive Directors:				
- fees	120	130	-	-
- salaries, bonus and other benefits	2,825	3,424	1,185	1,461
- defined contribution plans	280	359	132	171
	3,225	3,913	1,317	1,632
Total directors' remuneration	6,407	7,756	3,138	3,781
Other key management personnel				
Short-term employee benefits	2,357	1,751	1,084	989
Defined contribution plans	297	236	119	112
	2,654	1,987	1,203	1,101
	9,061	9,743	4,341	4,882

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 2021	Note	Services RM'000	Trading RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:						
Revenue from external customers		337,147	47,020	-	-	384,167
Inter-segment revenue	(a)	43,399	1,607	54,236	(99,242)	-
		380,546	48,627	54,236	(99,242)	384,167
Results:						
Included in the measure of segment profit/ (loss) are:						
Interest income	(a)	3,517	309	13,231	(15,408)	1,649
Finance costs	(a)	(21,894)	(49)	(18,197)	15,228	24,912
Depreciation and amortisation		(46,389)	(1,526)	(494)	(4,737)	(53,146)
Amortisation of government grant		1,472	-	-	-	1,472
Other non-cash (expense)/income	(b)	(4,310)	330	1,557	1,688	(735)
Not included in the measure of segment profit/(loss) but provided to Group's CEO are:						
Share of results of associates, net of tax		-	-	-	2,723	2,723
Share of results of a joint venture, net of tax		-	-	-	(30)	(30)
Segment profit/(loss) after tax	(c)	17,229	2,001	32,313	(36,945)	14,598
Assets:						
Investment in associates		-	-	-	12,113	12,113
Additions to non-current assets	(d)	60,154	2,472	51	-	62,677
Segment assets	(e)	1,180,760	70,568	879,451	(861,560)	1,269,219
Liabilities:						
Segment liabilities	(f)	824,308	11,233	371,068	(459,981)	746,628

36. SEGMENT INFORMATION (continued)

Group 2020	Note	Services RM'000	Trading RM'000	Investment holding RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Revenue:						
Revenue from external customers		481,023	71,061	347	-	552,431
Inter-segment revenue	(a)	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 profit/ (loss) 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 profit/(loss) but provided to Group's CEO are:						
Share of results of associates, net of tax		-	-	-	1,297	1,297
Segment profit/(loss) 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)	1,317,415
Liabilities:						
Segment liabilities	(f)	909,274	17,180	452,418	(551,545)	827,327

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:

	2021 RM'000	2020 RM'000
Bad debts written off	32	-
Bargain purchase arising from acquisition of a subsidiary	(2,650)	-
Impairment loss on property, plant and equipment	-	21,749
Impairment losses on trade and other receivables	5,309	1,341
Inventories written down	118	82
Inventories written back	(505)	(288)
Fair value (gain)/loss on quoted equity securities	(155)	7
Fair value gain on contingent consideration	(245)	-
Gain on disposal of an associate	(1,432)	-
Gain on disposal of property, plant and equipment	(284)	(1,053)
Gain on disposal of subsidiary	(928)	-
Gain on disposal of right-of-use assets	-	(224)
Gain on lease modification	(2)	-
Net unrealised loss on foreign exchange	1,547	2,272
Prepayments written off	50	-
Property, plant and equipment written off	-	2,010
Provision for post employment benefits	397	1,939
Reversal of impairment losses on trade receivables	(517)	-
	735	27,835

(c) Inter-segment transactions eliminated on consolidation.

(d) Additions to non-current assets (excluding financial instruments, intangible assets and deferred tax assets) consist of:

	2021 RM'000	2020 RM'000
Property, plant and equipment	59,179	66,497
Right-of-use assets	3,498	4,484
	62,677	70,981

(e) The following items are deducted from segment assets to arrive at total assets reported in the statements of financial position:

	2021 RM'000	2020 RM'000
Investment in associates	12,113	12,048
Inter-segment assets	(873,673)	(879,051)
	(861,560)	(867,003)

36. SEGMENT INFORMATION (continued)

(f) The following items are deducted from segment liabilities to arrive at total liabilities reported in the statements of financial position:

	2021 RM'000	2020 RM'000
Deferred tax liabilities	8,718	9,679
Inter-segment liabilities	(468,699)	(561,224)
	(459,981)	(551,545)

(g) Geographical information

Revenue information based on the geographical location of subsidiaries is as follows:

	Revenue	
	2021 RM'000	2020 RM'000
Malaysia	312,282	497,889
Outside Malaysia	71,885	54,542
	384,167	552,431

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	
	2021 RM'000	2020 RM'000
Malaysia	625,164	630,066
Outside Malaysia	131,744	125,959
	756,908	756,025

(h) Major customers

Revenue from two (2020: one) customers in services segment represents approximately RM171,570,000 (2020: RM305,277,000) or 45% (2020: 55%) 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Loans and borrowings	513,266	575,388	120,830	135,716
Lease liabilities	12,794	16,785	229	293
Less: Deposits, cash and bank balances	(136,834)	(144,444)	(12,781)	(10,354)
Net debt	389,226	447,729	108,278	125,655
Total equity	522,591	490,088	359,078	293,721
Gearing ratio	74%	91%	30%	43%

The Group is not subject to any externally imposed capital requirements.

38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 13 August 2020, the Company's wholly owned subsidiary, Uzma Engineering Sdn. Bhd. ("UESB") had entered into a subscription and shareholder agreement ("SSA") with Rizq Jaya Sdn. Bhd ("RIZQ JAYA") for the joint venture of 40% equity interest in Rizqma Energy Sdn. Bhd. ("RIZQMA ENERGY"), representing 4,000 ordinary shares for a cash consideration of RM30,794.

(b) On 27 October 2020, the Company's wholly-owned subsidiary, Uzma Teras Sdn. Bhd. ("UTSB") had entered in a Subscription and Shareholders Agreement with Privasat Sdn. Bhd. ("PSB") and Tan Keng Ooi ("TKO") (the "SSA") for the subscription of 192,500 ordinary shares in the share capital of Mapri Sdn. Bhd. ("MSB"), representing 70% of the total issued shares capital of MSB, for a total consideration of RM192,500 (the "Proposed Subscription). Consequently, MSB became a 70% owned indirect subsidiary of the Company.

(c) On 31 December 2020, the Company's wholly-owned subsidiary, Uzma Teras Sdn. Bhd. had completed the disposal of the entire 40% equity interest in Sazma Aviation Sdn. Bhd. for a total cash consideration of RM8,000,000.

(d) On 1 March 2021, the Company's wholly-owned subsidiary, Uzma Environergy Sdn. Bhd. ("Enviro") had entered into a conditional share sale agreement ("SSA") with Mr. Mohd Syahrul Nizar Bin Abdul Ghani ("Mr. Syahrul" or "Vendor") for the acquisition of 49% equity interest in Suria Infiniti Sdn. Bhd. ("SI"), representing 490,000 ordinary shares in SI and 100% equity interest in Mahendran Surya Innovations Sdn. Bhd. ("MSI"), representing 500,000 ordinary shares and 2,400,000 preference shares in MSI for a cash consideration of RM500,000 and RM4,890,000 respectively.

The acquisition was completed on 21 May 2021 in accordance with the terms and conditions of the SSA. Consequently, SI became an associate company of the Company whilst MSI became an indirect wholly-owned subsidiary of the Company due to the Company's indirect shareholdings in SI and MSI through Enviro.

(e) On 16 March 2021, the Company's wholly-owned subsidiary, Uzma Engineering Sdn. Bhd. ("UESB") had filed a fresh Writ and Statement of Claim against Khan Co., Ltd ("Khan") and Kong Offshore Malaysia Sdn. Bhd. ("Kong") in Kuala Lumpur High Court ("the Court"). UESB, Khan and Kong were involved in a construction project known as the KNPG-B Topside Ph II, Kinabalu Non-Associated Gas (NAG) Development Project ("Project") and disputes have arisen therein. UESB has filed afresh the said legal action against Khan and Kong for a total sum of RM63,135,051.46 and any other amount upon the determination the final sum of such over payment during trial of this action and interest.

(f) On 30 April 2021, the Company had issued the first tranche of Perpetual Sukuk Musharakah of RM42.25 million in nominal value under its Perpetual Sukuk Musharakah Programme ("First Tranche").

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

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

38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR (continued)

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

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

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

(l) On 29 July 2021, the Company had incorporated a wholly-owned subsidiary, namely Uzma Production Enhancement Sdn. Bhd. ("Uzma Production") with an issued and paid-up capital of 2 ordinary shares of RM1 each. The intended principal activity of Uzma Production was provision of artificial and pumping solutions services, including field operations and optimisation, maintenance and dismantle, inspection and failure analysis.

(m) On 29 July 2021, the Company had incorporated a wholly-owned subsidiary, namely Uzma Well Services Sdn. Bhd. ("UWS") with an issued and paid-up capital of 2 ordinary shares of RM1 each. The intended principal activity of UWS was provision of repair and maintenance petroleum exploration and production wells and all kind of related services.

(n) On 9 September 2021, the Company had proposed to undertake a private placement of up to 32,002,000 new ordinary shares in the Company ("Uzma Shares" or "Shares"), representing 10% of the existing total number of issued Shares (excluding treasury shares) ("Proposed Private Placement"). The Board had on 11 October 2021 ("Price-fixing Date") fixed the issue price for the placement of 16,000,000 Placement Shares, being the first tranche of the Private Placement, at RM0.5599 per Placement Share ("Issued Price").

(o) On 18 October 2021, the Company increased it's issued and paid - up ordinary share capital from RM 290,069,106 to RM298,069,106 by way of issuance of 16,000,000 ordinary shares of RM 0.50 each through private placement.

(p) On 20 October 2021, the Company had proposed to seek shareholders' approval for the proposed renewal of authority for the Company to purchase its own ordinary shares of up to ten per centum (10%) of its total number of issued shares ("Proposed Renewal of Share Buy Back") at the forthcoming Fourteenth Annual General Meeting ("14th AGM") of the Company.

(q) **COVID-19 pandemic**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 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 Group and the Company have considered possible impacts, if any, of COVID-19 pandemic in their application of significant judgements and estimates for the financial year ended 30 June 2021 in determining the amounts recognised in the financial statements for the financial year ended 30 June 2021 as disclosed in Note 4 to the financial statements.

As the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the impacts of the pandemic and its full range of possible effects on the Group's financial and liquidity positions. Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 30 June 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

39. COMPARATIVE FIGURES

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			
2020			
Statements of Financial Position			
Current liabilities			
Contract liabilities	-	(1,000)	(1,000)
Trade and other payables	(202,247)	1,000	(201,247)
Statements of Cash Flows			
Net cash from operating activities	160,649	2,652	163,301
Net cash from financing activities	15,601	(2,652)	12,949

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 118 to 211 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 2021 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: 27 October 2021

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 118 to 211 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 27 October 2021.

Before me,

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD

(Incorporated in Malaysia)

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 2021 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 **118** to **211**.

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 2021, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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.

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)

(Incorporated in Malaysia)

Key Audit Matters (continued)

Group (continued)

Goodwill (Note 4(a) 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 the COVID-19, forecast growth rates and profit margins. The economic uncertainties from the 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 that 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

Trade receivables (Note 4(b) 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 of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (continued)
(Incorporated in Malaysia)

Key Audit Matters (continued)

Company

Investment in subsidiaries (Note 4(c) 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 the 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 the 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.

Amounts owing by subsidiaries (Note 4(d) 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;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (continued)
(Incorporated in Malaysia)

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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (continued)
(Incorporated in Malaysia)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.

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.

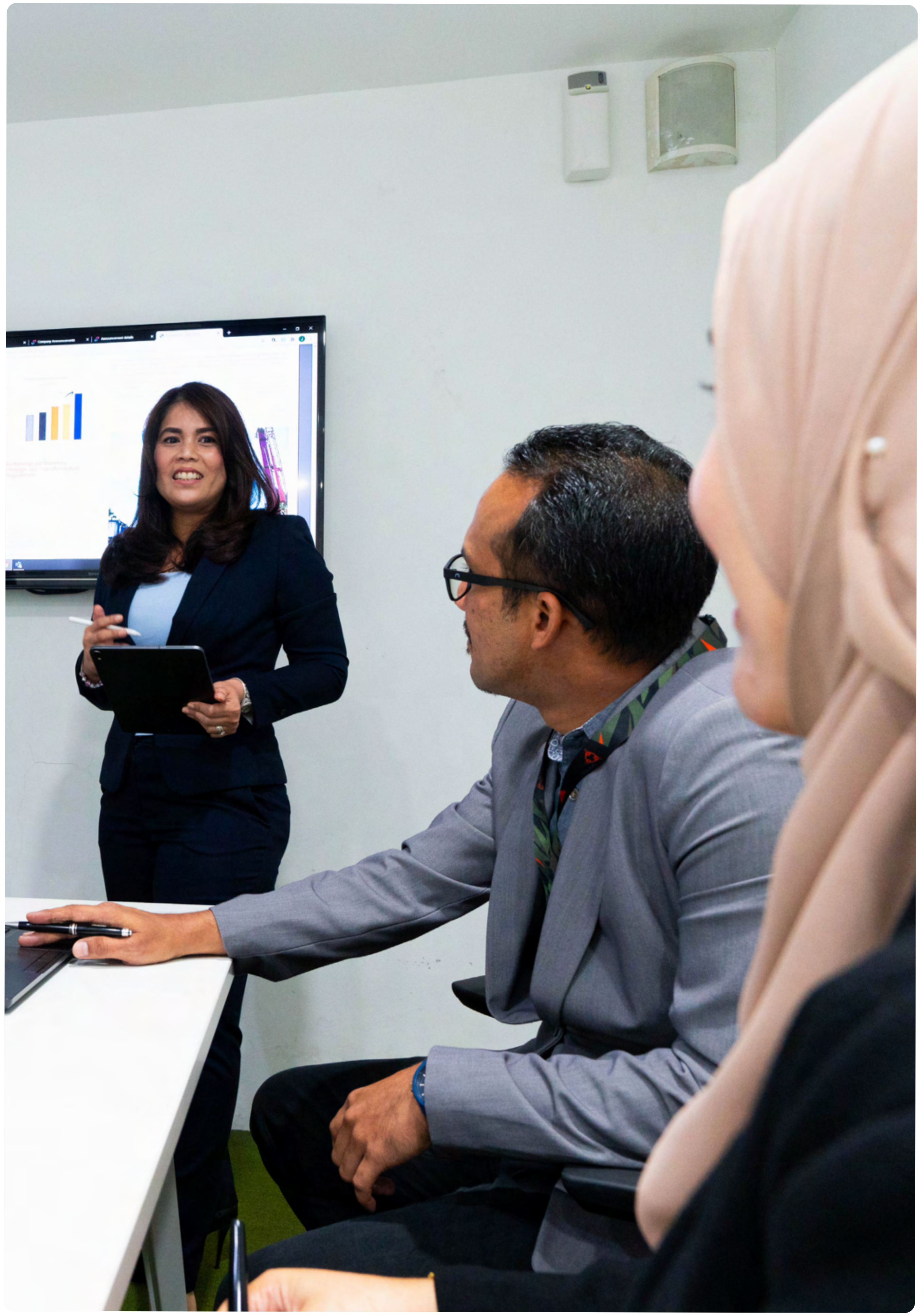
Other Matters

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

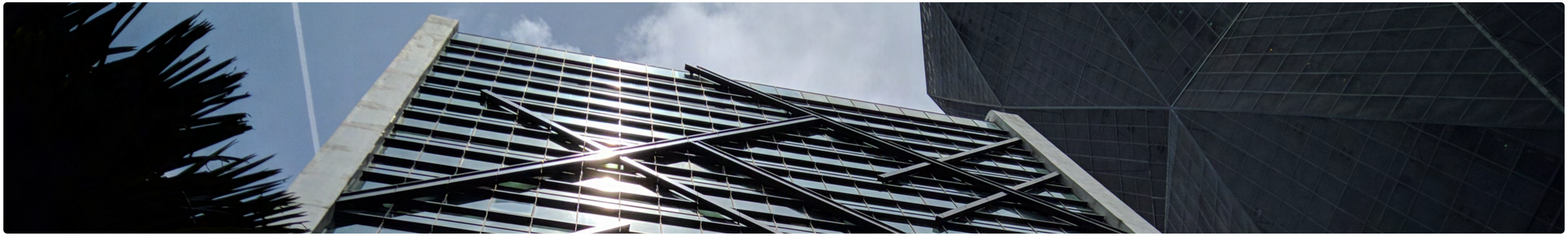
Kenny Yeoh Khi Khen
No. 03229/09/2022 J
Chartered Accountant

Kuala Lumpur
Date: 27 October 2021



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 30.06.2021 (RM'000)	Original Cost (RM'000)
H.S. (D) 102228 P.T. No. 16042 Damansara, Selangor Darul Ehsan No. 29, Jalan Kartunis U1/47, Temasya Industrial Park, Section U1, Shah Alam, Selangor Darul Ehsan	Semi-detached industrial premises/ Geological laboratory	Uzma Engineering Sdn. Bhd.	13/10/2008	24 years	9,601.49 sq.ft	Freehold	3,152	3,626
H.S. (D) 256295, P.T. No. 47371 in the Mukim of Sungai Buloh, District of Petaling, State of Selangor 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	12-Storey commercial building / Office	Uzma Engineering Sdn. Bhd.	22/11/2013	8 years	38,901 sq.ft	Leasehold (expiring on 13/05/2108)	20,823	24,000
H.S. (D) 110395 / 110396 P.T. No. 549 & 550 Seksyen 92, Bandar Kuala Lumpur No. 68 & 70, Fraser Business Park, Jalan Metro Pudu 2, Off Jalan Yew, 55100 Kuala Lumpur	Two adjacent multi-storey building / Office	Setegap Ventures Petroleum Sdn. Bhd.	14/01/2018	16 years	751.12 sq.m	Freehold	8,704	9,310

Title/Location	Description / Existing Use	Registered Owner	Date of Acquisition	Remaining Lease (Year)	Land Area	Tenure	Net Book Value as at 30.06.2021 (RM'000)	Original Cost (RM'000)
Lot No. 12909 (Formerly PT. 1237) and 1727 Title No. GM2838 (Formerly HSM 670 and GM 671) Padang Enggang, Kota Bharu, Kelantan Darul Naim	Commercial land	Uzma Engineering Sdn. Bhd.	1/10/2019	-	6,114 sq.m 6,318 sq.m	Freehold	560 440	1,772
Teluk Kalung Industrial Land, Teluk Kalung, Kemaman, Terengganu Darul Iman	Industrial land	Uzma Engineering Sdn. Bhd.	30/06/2016	45 years	20,000 sq.m	Leasehold	5,411	5,973

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2021

Total Number of Issued Shares	:	320,028,500
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of Shareholders	:	7,521

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100	44	0.59	747	0.00
100 to 1,000	1,205	16.02	601,201	0.19
1,001 to 10,000	3,869	51.44	21,971,850	6.86
10,001 to 100,000	2,141	28.47	67,814,265	21.19
100,001 to 16,001,424 (*)	259	3.44	119,113,763	37.22
16,001,425 and above (**)	3	0.04	110,526,674	34.54
Total	**7,521**	**100.00**	**320,028,500**	**100.00**

Notes: * Less than 5% of issued shares
** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER PURSUANT TO THE COMPANIES ACT 2016 AS AT 1 OCTOBER 2021

	No. of Shares			
	Direct		Indirect	
Name	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Datuk Abdullah Bin Karim	-	-	-	-
Dato' Kamarul Redzuan Bin Muhamed	-	-	110,526,674^	34.54
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	-	-	-	-
Dato' Che Nazahatuhisamudin Bin Che Haron	4,068,780	1.27	-	-
Datuk Seri Zurainah Binti Musa	-	-	-	-
Encik Yahya Bin Razali	-	-	-	-
Encik Ikhlas Bin Abdul Rahman	-	-	-	-

Notes:
^ The total indirect shares of 110,526,674 are held as follows:-
(i) 75,074 ordinary shares are registered in the name Tenggiri Tuah Sdn. Bhd.;
(ii) 10,000 ordinary shares are registered in the name CGS-CIMB Nominees (Tempatan) Sdn Bhd - pledged securities account for Tenggiri Tuah Sdn. Bhd.; and
(iii) 110,441,600 ordinary shares are registered in the name of Kenanga Nominees (Tempatan) Sdn Bhd - pledged securities account for Tenggiri Tuah Sdn. Bhd.

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 1 OCTOBER 2021

	Direct		Indirect	
Name	No. of Shares Held	% of Issued Capital	No. of Shares Held	% of Issued Capital
Tenggiri Tuah Sdn. Bhd.	110,526,674	34.54	-	-

THIRTY (30) LARGEST SHAREHOLDERS AS AT 1 OCTOBER 2021

No.	Name of Shareholders	No. of Shares Held	% of Issued Capital
1	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tenggiri Tuah Sdn Bhd	110,441,600	34.51
2	Citigroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for Principal Islamic Small Cap Opportunities Fund	5,715,900	1.79
3	Maybank Securities Nominees (Asing) Sdn Bhd Pledged Securities Account for Chia Kuan Wee (Xie Gengwei)	4,500,000	1.41
4	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	4,222,500	1.32
5	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Che Nazahatuhisamudin Bin Che Haron	4,068,780	1.27
6	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Prem Equity)	3,436,000	1.07
7	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Balance)	3,268,200	1.02
8	Tan Yu Wei	3,180,000	0.99
9	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Principal Small Cap Opportunities Fund	2,880,500	0.90
10	Tengku Ab Malek Bin Tengku Mohamed	2,484,800	0.78
11	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (B)	2,400,000	0.75
12	Mohd Zulhaizan Bin Mohd Noor	2,130,400	0.67
13	Citigroup Nominees (Asing) Sdn Bhd Exempt an for Citibank New York (Norges Bank 1)	1,740,700	0.54
14	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Hock Soon (MY1055)	1,550,000	0.48
15	HSBC Nominees (Asing) Sdn Bhd Exempt an for Credit Suisse (SG BR-TST-Asing)	1,460,000	0.46
16	Citigroup Nominees (Asing) Sdn Bhd Merrill Lynch International	1,374,600	0.43
17	CIMB Group Nominees (Tempatan) Sdn Bhd Pembangunan Sumber Manusia Berhad	1,284,100	0.40
18	Maybank Nominees (Tempatan) Sdn Bhd Etiqa Family Takaful Berhad (Dana Ekuiti)	1,260,000	0.39
19	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (MYBK AM SC E)	1,200,000	0.37
20	Citigroup Nominees (Tempatan) Sdn Bhd UBS AG Singapore for Tan Yu Yeh	1,168,600	0.37
21	Lee Kok Hin	1,152,900	0.36
22	Citigroup Nominees (Asing) Sdn Bhd UBS AG	1,140,991	0.36
23	Asia New Venture Capital Holdings Sdn Bhd	1,100,000	0.34
24	Er Chin Joo	1,000,000	0.31
25	HSBC Nominees (Asing) Sdn Bhd Exempt an for Bank Julius Baer & Co. Ltd.	1,000,000	0.31
26	Lim Hock Chan	1,000,000	0.31
27	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chung Kai Sun (E-TJJ)	1,000,000	0.31
28	Syed Alwi Bin Syed Abbas Al-Habshee	1,000,000	0.31
29	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Cheu Leong	930,000	0.29
30	Maybank Nominees (Tempatan) Sdn Bhd Etiqa General Takaful Bhd (General 2)	930,000	0.29

NOTICE OF THE FOURTEENTH (14TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting ("**14th AGM**") of UZMA BERHAD will be held and conducted on a **virtual** basis through live streaming for the purpose of considering and if thought fit, passing the resolutions setting out in this notice:-

Meeting Date	:	**Thursday, 16 December 2021**
Time	:	**10:00 a.m.**
Meeting Platform	:	**https://agm.omesti.com/**

Mode of Communication

(i) Submit questions to the Board prior to the 14th AGM by emailing to **communications@uzmagroup.com** not later than 5:00 p.m., Tuesday, 14 December 2021.

(ii) Pose questions to the Board via real time submission of typed text at **https://agm.omesti.com** during live streaming of the 14th AGM.

Broadcast Venue : **Boardroom, Level 12**
Uzma Tower, No. 2 Jalan PJU 8/8A
Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan
Malaysia

AGENDA

As Ordinary Business

1.	To receive the Audited Financial Statements of the Company for the financial year ended 30 June 2021 together with the Directors' and Auditors' Reports thereon.	**(Note 11)**
2.	To approve the Directors' fees and benefits payable to the Directors up to an aggregate amount of RM692,000.00 for the period from 17 December 2021 until the next Annual General Meeting of the Company and the payment thereof.	**Ordinary Resolution 1**
3.	To re-elect Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim who is retiring pursuant to Clause 98 of the Constitution of the Company.	**Ordinary Resolution 2**
4.	To re-elect Datuk Seri Zurainah Binti Musa who is retiring pursuant to Clause 98 of the Constitution of the Company.	**Ordinary Resolution 3**
5.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.	**Ordinary Resolution 4**

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

6. Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares — **Ordinary Resolution 5**

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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) for the time being, subject always to the approval of all relevant regulatory authorities (if any) being obtained for such allotment and issue."

7. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("**Proposed Renewal of Share Buy-Back Mandate**") — **Ordinary Resolution 6**

"**THAT** subject to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and the approvals of all other relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to make purchases of the Company's ordinary shares ("**Proposed Share Buy-Back**") 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 deemed fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held as treasury shares pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT an amount not exceeding the retained profits account be allocated by the Company for the Proposed Share Buy-Back;

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:-

(i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company (being the Fifteenth AGM of the Company), at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions;

As Special Business (continued)

7. Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Mandate") (Continued) **Ordinary Resolution 6**

THAT the authority conferred by this resolution will be effective immediately upon the passing of this resolution and will expire at:- (Continued)

(ii) the expiration of the period within which the Fifteenth AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in a 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 in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either cancel and/or retain the shares so purchased as treasury shares to deal with such treasury shares in the manner as set out in Section 127(7) of the Act.

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Share Buy-Back as may be agreed or allowed by any relevant governmental and/or regulatory authority."

8. Authority for Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim to continue in office as Independent Director of the Company **Ordinary Resolution 7**

"**THAT**, contingent upon the passing of Ordinary Resolution 2, authority be and is hereby given for Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company until the conclusion of the next Annual General Meeting, in accordance with the Malaysian Code on Corporate Governance."

BY ORDER OF THE BOARD

TAI YIT CHAN
Membership No.: MAICSA 7009143
SSM Practicing Certificate No.: 202008001023

CHAN YOKE PENG
Membership No.: MAICSA 7053966
SSM Practicing Certificate No.: 202008001791
Company Secretaries

Selangor Darul Ehsan

Date: 29 October 2021

NOTES

1. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be held and conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely.

2. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a virtual general meeting are required to participate in the meeting online. The main venue of the 14th AGM is located in Malaysia for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the broadcast venue, and also host virtually via online meeting platform at https://agm.omesti.com/. Members are to participate remotely at the 14th AGM through live streaming and online remote voting using the RPEV facilities at https://agm.omesti.com/.

3. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991) of the Company who is entitled to participate and vote at the meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead at the same meeting. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. There shall be no restriction as to the qualification of the proxy.

4. Where a member of the Company appoints two (2) proxies, the member shall specify the proportions of his/her shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof, as follows:-

   (i) In hard copy form

   The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (ii) By electronic means

   The Proxy Form can also be lodged electronically via online portal at https://agm.omesti.com. Please follow the procedures provided in the Administrative Guide for the 14th AGM in order to deposit the Proxy Form electronically.

8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

10. For the purpose of determining who shall be entitled to participate this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at 8 December 2021 and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting and entitled to appoint proxy or proxies.

11. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this Agenda is not put forward for voting by shareholders of the Company.

EXPLANATORY NOTES ON THE SPECIAL BUSINESS (continued)

12. Ordinary Resolution 5 - Authority under Sections 75 and 76 of the Act for the Directors to allot and issue shares

The Company had, during its Thirteenth AGM held on 16 December 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Sections 75 and 76 of the Act which would lapse at the conclusion of the 14th AGM. The Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 5 proposed under item 6 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 mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total 10% of the total number of issued shares (excluding treasury shares, if any) of the Company for such 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.

13. Ordinary Resolution 6 – Proposed Renewal of Share Buy-Back Mandate

Ordinary Resolution 6 proposed under item 7 of the Agenda, 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 14th AGM is required by law to be held.

Please refer to the Statement to Shareholders dated 29 October 2021 for further information.

14. Ordinary Resolution 7 – Authority for Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim to continue in office as Independent Director of the Company

Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim ("**Dato' Dr. Wahab**") was appointed as an Independent Non-Executive Director of the Company on 26 May 2011 and has reached the nine (9) years term limit prescribed by the Malaysian Code on Corporate Governance 2021 ("**MCCG**"). In accordance with the MCCG, the Nomination and Remuneration Committee and Board of Directors of the Company, after having assessed the independence of Dato' Dr. Wahab, consider him to be independent based on amongst others, the following justifications and recommend that Dato' Dr. Wahab be retained as an Independent Director of the Company:-

(i) He has confirmed and declared that he is an Independent Director as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;

(iii) He actively participates in Board's and Board Committees' deliberations and decision making in an objective manner, exercises due care in all undertakings of the Group and carried out his fiduciary duties in the interest of the Company; and

(iv) The Board of Directors of the Company is of the opinion that Dato' Dr. Wahab is an important Independent Director in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Director.

Pursuant to the latest revised MCCG effective on 28 April 2021, the Company would adopt a two-tier voting process in seeking the annual shareholders' approval to retain an Independent Director beyond nine (9) years for best practice of corporate governance.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate 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./Registration No.* ______________ of ______________ (full address) being a member of UZMA BERHAD, hereby appoint ______________________ (name of proxy as per NRIC, in capital letters) NRIC No./Passport No. __________ of ______________________ (full address) and telephone/mobile no. __________ email address ______________ or failing him/her* ______________ (name of proxy as per NRIC, in capital letters) NRIC No./Passport No. ______________ of ______________________ (full address) and telephone/mobile no. ______________ email 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 Fourteenth Annual General Meeting ("**14th AGM**") of Uzma Berhad ("**the Company**") to be held and conducted on a virtual basis through live streaming from Broadcast Venue at Boardroom, Level 12, Uzma Tower, No. 2 Jalan PJU 8/8A Damansara Perdana, 47820, Petaling Jaya, Selangor Darul Ehsan, Malaysia and remote voting using the remote participation and electronic voting facilities via an online meeting platform at **https://agm.omesti.com/** on Thursday, 16 December 2021 at 10:00 a.m. and at each and any adjournment thereof, on the following resolutions referred to in the Notice of the 14th AGM.

** Please delete the words "THE CHAIRMAN OF THE MEETING" if you wish to appoint some other person to be your proxy.*

My/Our proxy is to vote as indicated below :-

NO.	RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1	To approve the Directors' fees and benefits payable to the Directors up to an aggregate amount of RM692,000.00 for the period from 17 December 2021 until the next Annual General Meeting.		
Ordinary Resolution 2	To re-elect Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim who is retiring pursuant to Clause 98 of the Constitution of the Company.		
Ordinary Resolution 3	To re-elect Datuk Seri Zurainah Binti Musa who is retiring pursuant to Clause 98 of the Constitution of the Company.		
Ordinary 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.		
Ordinary Resolution 5	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares.		
Ordinary Resolution 6	Proposed Renewal of Authority for the Company to purchase its own Ordinary Shares.		
Ordinary Resolution 7	Authority for Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim to continue in office as Independent Director of the Company.		

**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.]

Signed this ______________ day of ______________ 2021

____
Signature/Common Seal of Member/(s)

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. As part of the initiatives to curb the spread of COVID-19 and Government of Malaysia's official guidance on social distancing, the AGM of the Company will be held and conducted on a virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting ("**RPEV**") facilities. Please follow the procedures provided in the Administrative Guide for the AGM in order to register, participate and vote remotely.

2. According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Comission Malaysia on 16 July 2021, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a virtual general meeting are required to participate in the meeting online. The main venue of the 14th AGM is located in Malaysia for the purpose of complying with Section 327(2) of the Companies Act 2016, which requires the Chairman of the meeting to be present at the broadcast venue, and also host virtually via online meeting platform at **https://agm.omesti.com/**. Members are to particiapte remotely at the 14th AGM through live streaming and online remote voting using the RPEV facilities at **https://agm.omesti.com/**.

3. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991) of the Company who is entitled to participate and vote at the meeting is entitled to appoint not more than two (2) proxies to participate and vote in his stead at the same meeting. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. There shall be no restriction as to the qualification of the proxy.

4. Where a member of the Company appoints two (2) proxies, the member shall specify the proportions of his/her shareholdings to be represented by each proxy, failing which the appointments shall be invalid.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (**"omnibus account"**), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("**SICDA**") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing and in the case of corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

7. The appointment of proxy may be made in a hard copy form or by electronic means, not less than forty-eight (48) hours before the time for holding the AGM or at any adjournment thereof, as follows:-

   (i) In hard copy form

   The original instrument appointing a proxy ("**Proxy Form**") must be deposited at the Company's Share Registrar's Office at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   (ii) By electronic means

   The Proxy Form can also be lodged electronically via online portal at **https://agm.omesti.com/**. Please follow the procedures provided in the Administrative Guide for the 14th AGM in order to deposit the Proxy Form electronically.

8. If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to **bsr.helpdesk@boardroomlimited.com** to revoke the earlier appointed proxy forty-eight (48) hours before this meeting.

9. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of AGM will be put to vote by way of poll.

10. For the purpose of determining who shall be entitled to participate this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at ***8 December 2021*** and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting and entitled to appoint proxy or proxies.

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 pursuant to Personal Data Protection Act, 2010.

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

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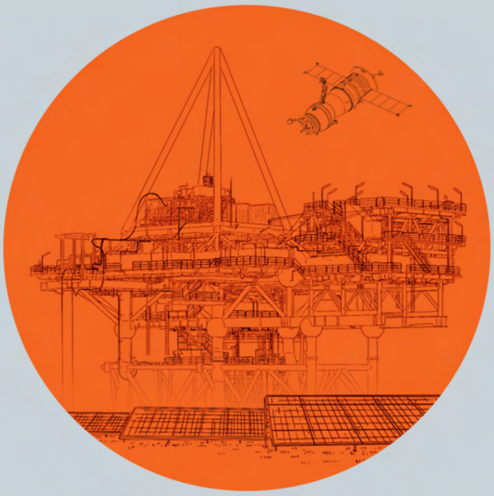

UZMA BERHAD

200701011861(769866 - V)

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