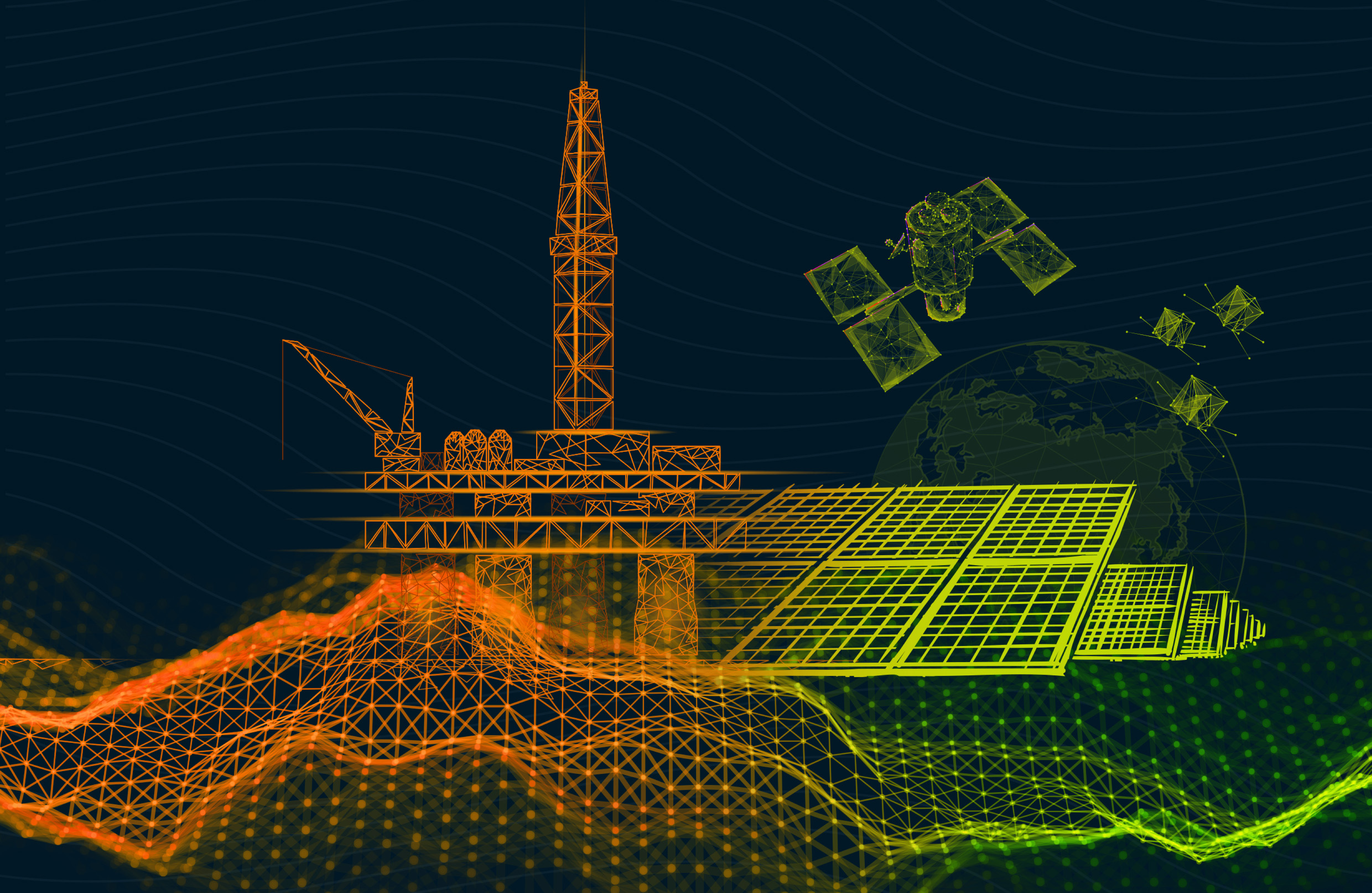


TRANSITIONING TO A
SUSTAINABLE FUTURE

ANNUAL REPORT 2022

ABOUT THIS REPORT

Welcome to Uzma Berhad's Annual Report 2022. As you read through the following pages, you will find a comprehensive review of our performance for the financial year ended 30 June 2022. This Report presents our commitment to transparent and quality disclosures on our business performance and our ability to create sustainable value for 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 2021 until 30 June 2022 ("FY2022"). 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 businesses of Uzma. 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 not 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 2021 ("MCCG")
- Malaysian Financial Reporting Standards ("MFRS")
- International Financial Reporting Standards ("IFRS")
- Companies Act 2016 ("CA")

ASSURANCE

This Report covers financial data audited by Baker Tilly Monteiro Heng PLT. Adhering to their reporting standards and process, the financial data depicts a true and fair view of the Group's financial standing. The Report was prepared in accordance with the MFRS, IFRS and the requirements of the CA in Malaysia. The Group has not undertaken third-party assurance for non-financial and Sustainability related data.

BOARD APPROVAL

Uzma's Board of Directors ("Board") acknowledges its responsibility to ensure the integrity of this Report, which in its opinion addresses all the issues that are material to the Group's ability to create value and fairly present Uzma's performance in FY2022. The Board has applied its collective mind to the preparation and presentation of this Report and believes that it has prepared in accordance with the reporting frameworks and addresses all material issues. The Board confirms that it has approved the released of this Report.

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 2022 unless otherwise stated.

COVER THEME RATIONALE

TRANSITIONING TO A SUSTAINABLE FUTURE

As a responsible corporate citizen with over 20 years of being in the Oil & Gas industry, Uzma is conscious of the role that we play towards building a better world for our future generations and still deliver value to our stakeholders.

Despite the onslaught of challenges brought upon by the pandemic and the fundamental shifts in the Oil & Gas industry, we shall continue to adapt our strategies to position ourselves for long-term success. Our people and capabilities remains to be the most valuable ingredient to our growth.

As Uzma continues to grow from strength to strength, it is our aspiration to fully unlock the potentials available in the Energy industry. 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 & Gas industry.

The cover design and the theme of 'Transitioning to a Sustainable Future' symbolizes our commitment in embracing sustainability while remaining determined, committed and strong to face any uncertainty in our value creation journey. We are accelerating our environmental, social and governance ("ESG") journey so that we can foster the development of a sustainable future and contribute to reducing the nation's carbon footprint. Guided by our uzmaWAY and commitment to sustainability, we are energized, and we shall keep on striving to elevate our standards in all that we do so that we can propel ourselves forward to greater heights to emerge stronger together as a unit.

We shall remain on course and dedicated to ensure progress and success while we endure all challenges to guide us towards a more sustainable future for Uzma and our stakeholders.

The digital copy of Uzma Berhad's Annual Report 2022 is available on our website **www.uzmagroup.com.**

WHAT'S INSIDE

01 OVERVIEW OF UZMA

02 OUR STRATEGY & PERFORMANCE REVIEW

03 OUR LEADERS

04 OUR SUSTAINABILITY

05 CORPORATE GOVERNANCE

06 FINANCIAL STATEMENTS

07 ADDITIONAL INFORMATION

15TH ANNUAL GENERAL MEETING

Day & Date :
Wednesday, 14th December 2022

Time:
10:00 am

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

Event:
Virtual Meeting Platform

READ UZMA'S ANNUAL REPORT 2022 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 as a humble manpower consultancy supply company, Uzma Berhad ("Uzma" or "the Group") is one of the leading energy and technology companies in Malaysia. Uzma has since cemented its presence in the region with operational offices in Thailand, Indonesia and the Philippines. As a forerunner in the energy and technology industry, Uzma focuses on technological innovation, unparalleled customer service and providing high quality solutions to enhance value for our stakeholders.

Since its incorporation, the Group has gone through rapid growth driven by its vision to be a leading energy and technology company in South East Asia. The Group's growth was fueled by adding new innovative service offerings 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 Oil & Gas 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 solutions for our clients. Our innovative solutions take on the challenges of an ever shifting energy industry which 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 South East Asia.

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

Our Vision

We aspire to be a leading energy and technology company in Malaysia while providing sustainable growth and enhancing value for all our stakeholders.

Our Mission

We are an integrated regional energy and technology company with a diverse portfolio that is committed to delivering excellence and sustained value creation for our stakeholders through our niche and innovative solutions.

OUR uzmaWAY

Uzma Group is an integrated group of companies that provide cost effective solutions to the energy industry at every step of the 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 organization. Our stakeholders and 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 expectations 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' expectations 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 organization. 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 be assured that we constantly do our very best to leave minimal environmental footprints in every activity that we do on this precious planet.

These core values are embraced, practiced, and demonstrated by everybody in the organization.

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

WHAT WE DO

Oil And Gas Division

PRODUCE — CONNECT — 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

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

Hydrocarbon Optimally
Production Solutions

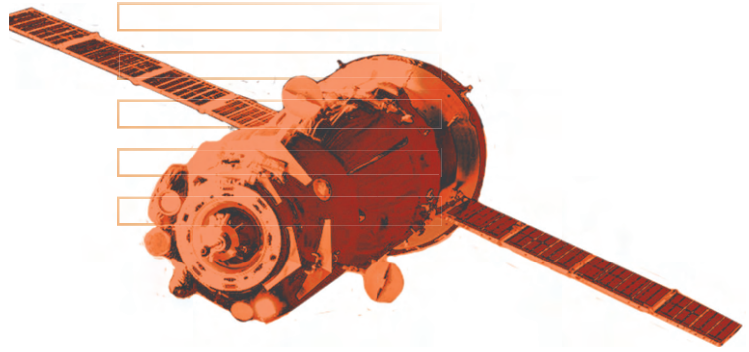
- Advanced Production Enhancement System
- Water Injection Facilities
- Portable Water Injection Module
- Gas Handling System
- Well Testing Equipment Rental and Services
- Early Production Facilities
- Filtration Services
- Artificial Lift
- Production Chemicals
- Pump Manufacturing
- Supply and Installation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

Non-Oil And Gas Division

NEW ENERGY

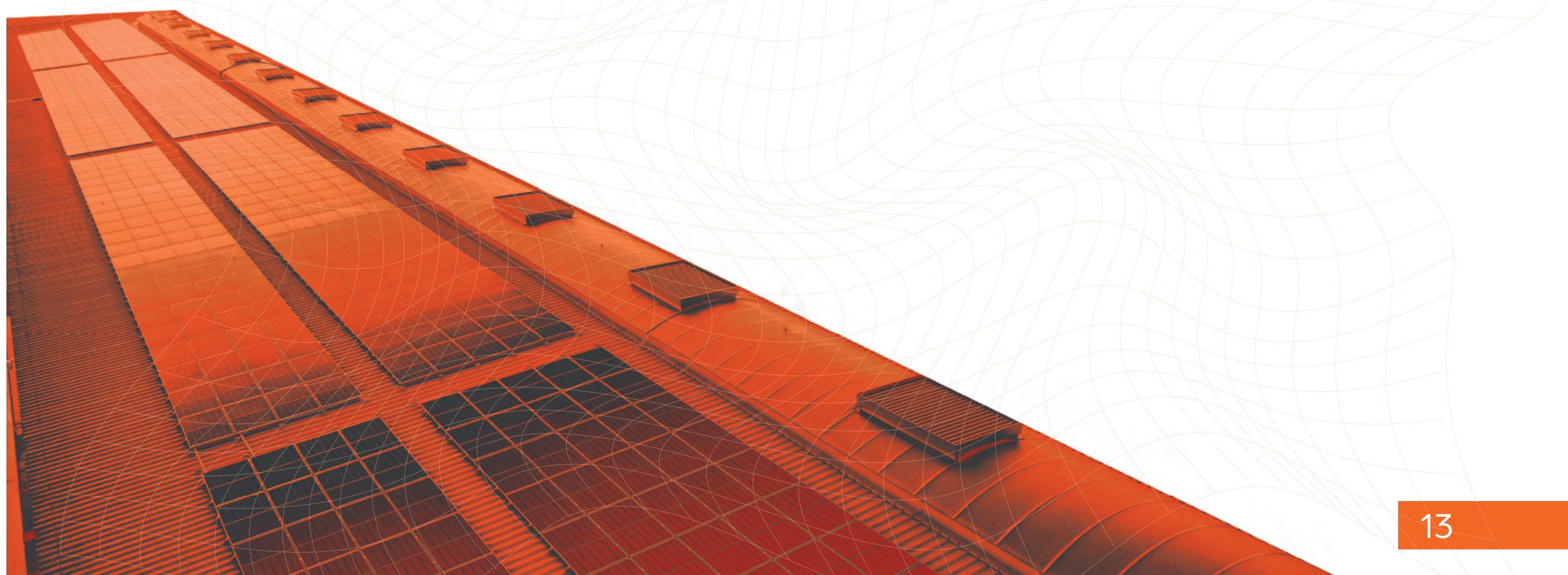
Develop and operate innovative ways to garner energy from non-fossil fuel and renewable energy.

- Developer and operator of renewable and clean energy
- Engineering, Procurement and Construction ("EPC") contractor for solar photovoltaic
- Geothermal services



OTHER SERVICES

- Software Development and Digital Solutions
- Supply of Equipment and Consumables
- Aerospace Services
- Liquefied Natural Gas ("LNG") & Petrochemical Trading



OUR ASSETS

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.

WATER INJECTION FACILITIES (uzmaWIF)

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

PORTABLE WATER INJECTION MODULE (uzmaWIM)

DESCRIPTION OF SERVICE / ASSET

Our Portable Water Injection Module ("PWIM" or "uzmaWIM") is a portable, fit-for-purpose, water injection system. The services include the supply of equipment, personnel, filters, other consumables and the chemicals used to treat the seawater 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™)

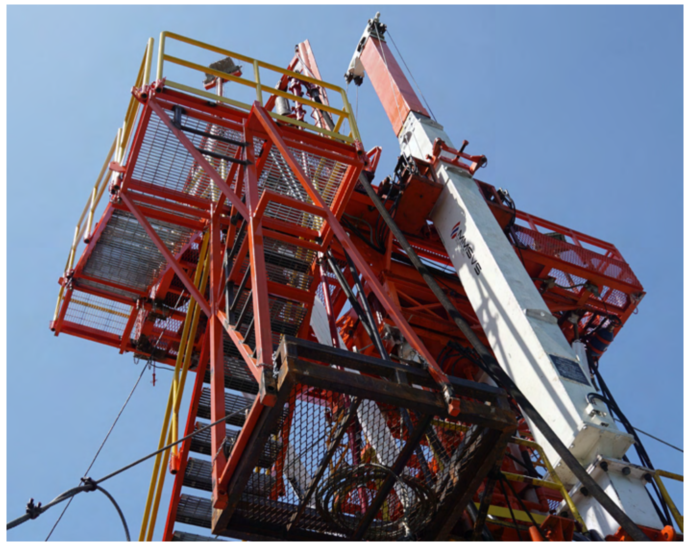
DESCRIPTION OF SERVICE / ASSET

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

KEY SPECIFICATIONS / ADVANTAGES

- Over 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)

HYDRAULIC WORKOVER UNIT



DESCRIPTION OF SERVICE / ASSET

Hydraulic workover functions are performed with the help of hydraulic workover units (HWUs). These units can quickly perform various well abandonment & 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. HWUs are very cost-effective and efficient machines considering the cost involved in the exploration and production activities. These units are designed to work in both offshore and onshore sites.

Uzma HWUs 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

LIGHTWEIGHT 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

Proving full range of Cased Hole activities in all hydrocarbons well life cycles, deploying high technology tools with strong operation management and highly experienced personnel.

Leading and assisting the clients in locating, characterizing, and optimizing their hydrocarbon reservoirs.

Delivering high standard services with cost effectiveness without compromising the quality and safety.

KEY SPECIFICATIONS / ADVANTAGES

- Well Integrity Services – Providing the complete solution for casing/tubing wear and metal loss.
- Production Logging Services – Providing the complete solution for accurate production profiling.
- Perforation Services – Providing the wide range of the perforation services, in various well profile including the highly deviated wells.
- Pipe Recovery Services – Providing the safe, efficient, and cost-effective operation, explosives and mechanical system for the casing/tubing cutting system.
- Well Intervention Services – Providing the variety range of mechanical intervention tools on wireline conveyance.
- Interpretation Services – Interpreting the geological and petrophysical data and analysis on the data set to identify the potential hydrocarbon and to optimize the production.

DIRECTIONAL DRILLING (DD) UNIT

DESCRIPTION OF SERVICE / ASSET

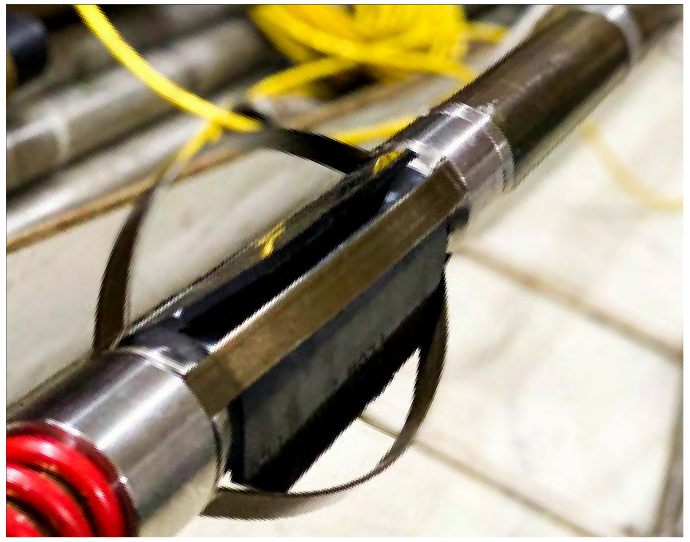
The Directional Drilling ("DD") unit includes mud motors, drilling jars and various stabilizers and drilling subs. They perform the drilling operations with an addition of other BHA components (bits, HWDP and DP). These assets can run together within the Uzma DD unit or combined with other units/tools provided by other parties. These units are designed to work in both onshore and offshore units. 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 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 simultaneously. Our unit can be fished and retrieved in the case of stuck event, which would be very beneficial for operators. It can at offshore or onshore sites.

The Uzma MWD units was specifically designed to handle both mature fields and hostile drilling environments, 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"

CATENARY COILED TUBING UNIT

DESCRIPTION OF SERVICE / ASSET

Via catenary coiled tubing unit, well intervention work can be accomplished from work barges. Complete catenary systems have the dedicated catenary coiled tubing power pack, cabin, feeder/power reel located on the barge, with necessary supply hydraulic lines are installed between the barge and the vessel.

The power pack on the barge supports the feeder/power reel to remain in total control during shearing of coil tubing in the event of barge pulling out away from the platform.

KEY SPECIFICATIONS / ADVANTAGES

- Small footprint, light weight catenary CTU package to accommodate limited deck space on small platforms.
- Shearing of coiled tubing in rapid seconds on emergency pull out during unfavorable weather condition.
- Less heavy lifts also saved time, associated costs, and increased safety during the preparation phase.
- The CT catenary operations have proven to bring significant efficiency improvements, safety enhancements, and faster operations, leading to cost-saving when carrying out well interventions.

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

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

NITROGEN CONVERTOR UNIT

DESCRIPTION OF SERVICE / ASSET

The 180K LN2 nitrogen pumping skid is a self-contained unit capable of pumping and vaporizing 180,000 SCFH at 70°F and pressures up to 10,000psi when supplied with LN2 from a suitable tank. The primary components are a diesel engine which drives four Denison hydraulic pumps via a Funk 4 pad splitter/gearbox, 2 x hydraulic driven triplex pumps, LN2 engine coolant vaporizer/heat exchanger and a certified steel lifting frame/skid which houses these components.

KEY SPECIFICATIONS / ADVANTAGES

- Approved by recognized certifying authority.
- Approved for use in Zone II area.
- Inlet flame trap and Exhaust flame trap.
- Engine water over temperature shutdown.
- High exhaust temperature and low oil pressure shutdowns.
- Engine over speed shutdown and GN2 overpressure shutdown.
- Emergency kill.
- Gas Detection.

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

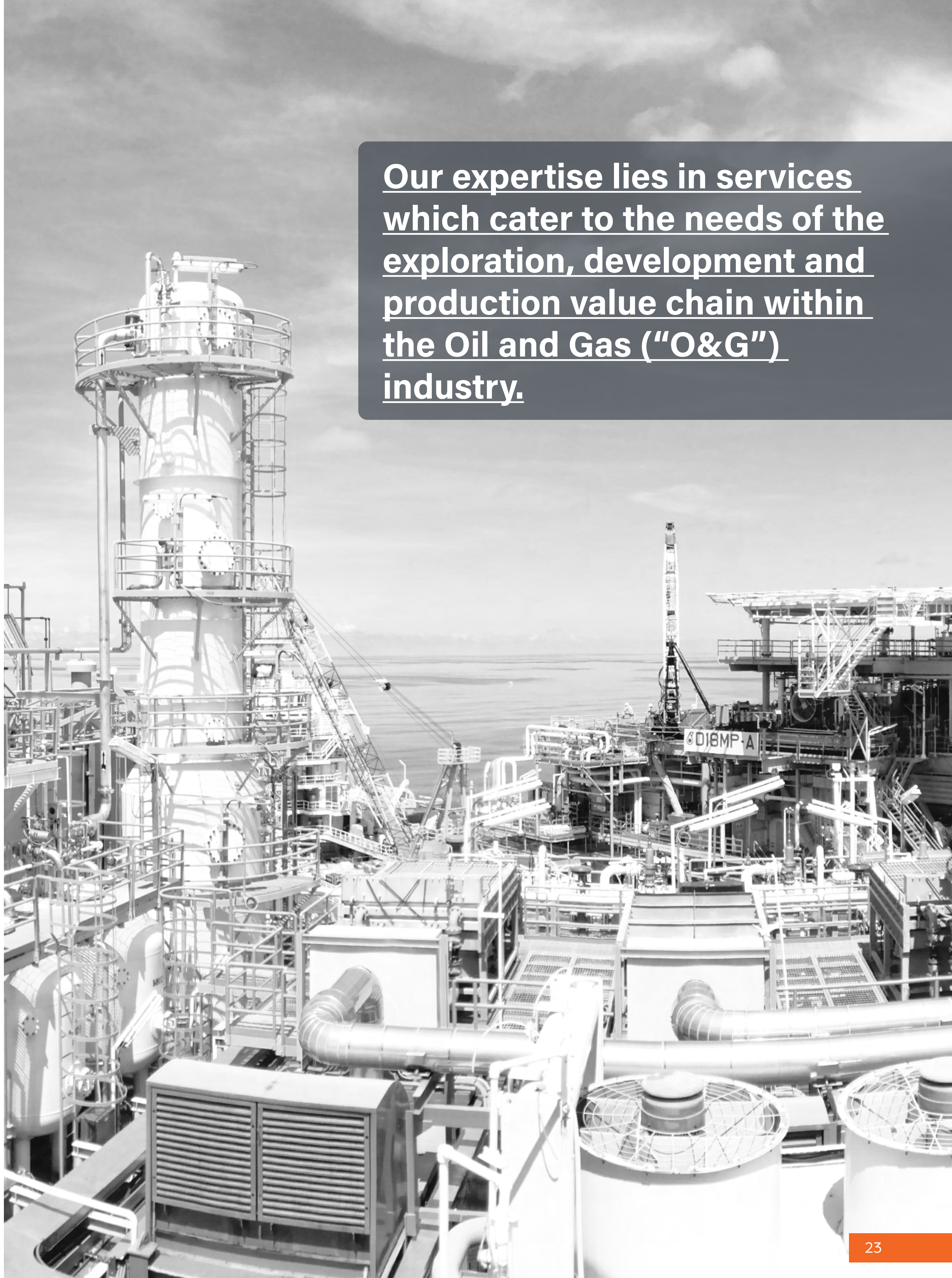
CEMENTING

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 provide 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



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.

UZMA'S YEAR IN A BRIEF

Contracts Awarded

09 August 2021

Uzma Engineering Sdn. Bhd. ("UESB") has secured a RM29 million work order from PETRONAS Carigali Sdn. Bhd. ("PCSB") for the provision of a risk transfer incentive contract ("RTIC") for idle well reactivation and production enhancement services. The three-year contract took effect on July 2021 and will end on July 2024. The incentive period is for 2 years, commencing after the well intervention is completed and the well starts production. The scope of work comprises of well intervention services required for offshore idle well reactivation activities at Sabah waters, which includes coiled tubing, pumping, desander, and well testing and services.

19 August 2021

Uzma Kuala Muda Sdn. Bhd. ("UKM") has signed a Power Purchase Agreement ("PPA") with Tenaga Nasional Berhad ("TNB") for the Large-Scale Solar Programme ("LSS4"). UKM will design, construct, own, operate and maintain a solar photovoltaic energy generating facility with a capacity of 50MWac proposed to be located at Kuala Muda, Kedah to generate and deliver solar photovoltaic energy to TNB. UKM will sell to TNB and TNB will purchase from UKM, the Net Electrical Output which is generated by the facility. Following the extension granted by Energy Commission in August 2022, the work will be delivered to TNB for a period of 25 years from the commercial operation date in accordance with the agreement.

27 January 2022

UESB was awarded a RM30 million contract from EnQuest Petroleum Production Malaysia Ltd. ("EnQuest"). The contract was for the provision of a hydraulic workover unit ("HWU") for EnQuest's 2022 workover programme from December 2021. The contract requires UESB to perform integrated HWU services for up to 3 platforms and up to 12 wells operated by EnQuest under its workover recompletion and well abandonment campaign offshore peninsular Malaysia. The work is expected to begin in March 2022 and to be completed in October 2022.

14 February 2022

UESB had received a contract from ExxonMobil Exploration and Production Malaysia Inc. ("EMEPMI"). The scope of work of the contract – which is for a period of two years commencing on January 2022 until January 2024 – comprises of non-rig assisted electric wireline logging equipment and services at West Malaysia waters.

28 March 2022

UESB has signed a commercialization agreement with PETRONAS Technology Ventures Sdn. Bhd. ("PTVSB") for the installation of non-metallic pipeline ("NMP") technology – a solution that shifts pipelines from metal-based to non-metallic materials to minimise corrosion. PTVSB has granted UESB a license for the purpose of commercializing the installation of NMP, which will allow the company to market and use the installation method developed by PETRONAS and its affiliates to install the pipes and use data and information in relation to qualified NMP as supplied by PTVSB and its affiliates. The commercialization agreement will be in force for a period of 3 years from the commencement date with the option to renew for another 2 years.

20 June 2022

MMSVS Group Holding Co. Ltd. ("MMSVS") has bagged a contract worth US$10 million to provide HWU services in Thailand from the PTTEP Group. The duration of the contract is for a period of 3 years on a callout basis, where the services shall be provided upon PTTEP's written callout notice.

09 May 2022

Uzma Nexus Sdn. Bhd. ("UNSB") has bagged an engineering, procurement, construction and commissioning ("EPCC") provision contract worth RM101.8 million for the development of a 29.99MWac large scale solar ("LSS") photovoltaic plant project at Bestari Jaya, Selangor. UNSB secured the contract from Nextenaga Sdn. Bhd., a wholly-owned subsidiary of Nexuscorpgroup Sdn. Bhd. UNSB has appointed Suria Infiniti Sdn. Bhd. to undertake the project's works. The job involves the EPCC of 29.99 MWac and all associated works, including site preparation with civil and structural, architectural, direct current solar system, solar mounting structures, security system, control building and securing all authorities' requirements and compliance. Following the extension granted by the Energy Commission("EC") in August 2022, UNSB shall complete and hand over the work for commercial operation by December 2023 for a total period of 25 years.

Project Awards & Recognitions

25 November 2021

PCSB awarded Uzma's Water Injection team with a 3-in-1 Focused Recognition for our three concurrent operations of water injection systems. Uzma's D18 Water Injection Facility ("WIF") Marsya achieved 1 million manhours without Loss Time Injury ("LTI") since 2016, while our two Portable Water Injection Modules ("PWIM") for Temana and Sepat fields achieved zero LTI since installation.

30 November 2021

PCSB awarded Uzma a Focused Recognition for the successful execution of Lightweight Well Testing ("LWWT") campaign at Angsi field, integrating different packages. A total of 21 wells were tested within 2 months with Zero HSE issues. As a result, PCSB obtained crucial well test data for further analysis, planning and prudent reservoir management.

November 2021

Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS") was awarded by PCSB with a Focused Recognition for their excellent effort in planning and execution related to Angsi Water Injection Module ("WIM") project. The team positively impacted to our customer key results in protecting and improving the quality of water injection at Angsi site.

20 February 2022

Jadestone Energy presented MECAS an award in recognition of the team's outstanding effort and achievement in making the Kemaman Supply Base a safer place to work. This award was presented during the group visit to MECAS' yard in Kemaman as part of the 2022 Contractor HSE Visit.

21 April 2022

UESB has received a PSS HSE Appreciation 2022 award from PETRONAS for contributing towards the achievement of 1,000,000 safe man-hours. This is a testament for our employees who are involved with PETRONAS' Peninsular Malaysia operations for executing the work in a safe manner.

28 June 2022

PETRONAS Malaysia Petroleum Management ("MPM") awarded UESB with two Focused Recognition certificates for the success of the EnQuest 2022 Hydraulic Workover ("HWO") Campaign. Uzma's HWU Patty-341 completed the work more than 2 weeks ahead of schedule, with commendable HSE performance, contributing to cost savings for the overall campaign. Uzma had also demonstrated its capability in managing the wells P&A work activities with competent resources, good schedule management and excellent HSE culture.

FINANCIAL CALENDAR

24 November 2021

Announcement on the quarterly report on consolidated results for the financial period ended 30 September 2021.

16 December 2021

14th Annual General Meeting

25 February 2022

Announcement on the quarterly report on consolidated results for the financial period ended 31 December 2021.

31 May 2022

Announcement on the quarterly report on consolidated results for the financial period ended 31 March 2022.

30 August 2022

Announcement on the quarterly report on consolidated results for the financial period ended 30 June 2022.

Project Highlights

Uzma gearing up for PWIM upgrade and rejuvenation to continue 10th year of operation, offshore Sarawak

– Serving a client's platform at offshore Sarawak since 2013, Uzma's PWIM is re-engineered and rejuvenated for enhancements as we continue our 10th year of operation. uzmaWIM will continue serving the platform for up to another 10 years, which includes the supply of equipment, services and chemicals used to treat seawater to meet the required water quality for injection. The PWIM be enhanced with various upgrading works, targeting key areas which historically affects its uptime. Among others, we have been navigating challenging operations due to the platform's location being close to a river mouth – where the seawater intake quality is naturally low.

Uzma's PWIM enters the second year of operation, offshore Terengganu

– Since its first injection in April 2021, Uzma's PWIM total cumulative injected treated seawater to date is approaching 3 million Bbl. This PWIM has a track record of 99.5% in average quarterly uptime in 2021 (with 100% reliability and availability). uzmaWIM includes the supply of equipment, services and chemicals used to treat the seawater to meet the required water quality for injection. In any case of underperformance, Uzma endeavors to immediately reinstate the operation in compliance with the client's requirement.

Uzma's coiled tubing and wireline mobilized to offshore Terengganu

– While gearing up for a client's Coiled Tubing intervention campaign commencing this coming July at offshore Thailand. Setegap Ventures Petroleum Sdn. Bhd. ("SVP") had mobilized one of our Coiled Tubing packages to offshore Terengganu for a different client in Malaysia. The mobilization took place towards end of April 2022, for 2 wells and a total of 3 production strings – one of the wells would involve us to enter both strings.

The expansion of well intervention services in Thailand

– Through our subsidiary SVP, Uzma successfully completed 13 wells for Coiled Tubing services for an operator's well intervention campaign at offshore Thailand. The operation retrieved downhole obstructions of up to 18ft in length. This campaign marked our first coiled tubing services footprint in the country. The success in Thailand was followed by the completion of our coiled tubing catenary campaign for a different operator in Malaysia, at their offshore North Sabah field.

Integrated hydraulic workovers services at offshore Sarawak, 4 wells recompleted

– The client has been utilising Uzma's HWU with 225K lbs pulling capacity for their workover projects on their Sarawak offshore assets since 2015. In 2021, Uzma's HWU Devin-252 was deployed for the campaign, along with the support services including cementing and e-line packages. This campaign again proved the ability of Uzma's fit-for-purpose HWU to work with the platform's limited space and load bearing capacity.

Uzma's Ghazi 461 gearing up for 10-wells P&A campaign in 2022

– Gearing up for mobilisation, Uzma's HWU Ghazi-461 underwent SIT with the client in January 2022 at our base in Labuan. Uzma was awarded the contract for the Provision of Hydraulic Workover Unit Equipment & Services package in December 2021 for a 10-wells P&A campaign at offshore East Malaysia. The campaign is expected to start in March and end in December 2022.

Uzma's Devin-345 3-year hydraulic workover well count hits 177 wells

– In 2021, Uzma's HWU Devin-345 continued to operate on a client's onshore asset in Thailand performing hydraulic workover for a total of 78 wells. This bring the unit's 3-year total well count for the client to 177 wells.

Uzma completed offshore directional drilling services campaign at North West Java

– Uzma had secured a two-year directional drilling services contract for a client in Indonesia back in March 2019. By January 2022, Uzma completed the drilling of 9 wells for the client's offshore block in North West Java – drilling more than 27,000 meters in measured depth. Uzma finalized the project in March 2022 with more than 20 wells drilled. We now focus on more than 30 wells to be drilled for a different client at onshore Sumatera this year.

Uzma's Directional Drilling Services has successfully drilled more than 17 wells onshore Sumatera for 3 clients

– Uzma Directional Drilling Services has recently been working with an Indonesian Drilling Services company to provide our Directional Drilling services package at onshore Sumatera area. In 2021, 17 wells were successfully drilled for 3 clients – a total of 20,000 meters in measured depth. This brings Uzma's total cumulative depth drilled in the past 5 years to exceed 145,000 meters in measured depth. Out of that total, 47,000 meters were drilled in 2021 alone.

Uzma's MARSYA-WIF entered 6th year of operations

Project Milestones

January 2016 and May 2016 to Current

MECAS' contracts with Sabah Shell Petroleum Company Limited – for the Malikai and Gumusut-Kakap Deepwater Project – are still ongoing in supplying production specialized chemical to operations for year 2022 with average daily production up to 160,000 barrels of oil.

From March 2019 to Current

Uzma's Marsya-WIF efficiency has been performing at 100% (>95% uptime) for more than 30 consecutive months since 2019.

2019 to 2021

Devin-345 is one of Uzma's HWU fleet that has been working on PTTEP's land operation since 2019. Within 3 years, Devin-345 had performed more than 180 hydraulic workover wells to-date.

July 2021

MECAS was awarded a contract extension to supply Oilfield Chemicals & Associated Services by Hibiscus Malaysia Limited.

October 2021

Uzma completed an integrated well P&A project for 2 offshore platforms in East Malaysia in a single campaign. Uzma's HWU, Ghazi-461, was deployed along with a full range of support services for the project including the offshore support vessels.

January 2022

Uzma was awarded the contracted for Integrated HWU Services in December 2021 for the client's 2022 Workover Programme. Uzma's HWU Patty-341 will be performing up to 3 platforms and up to 12 wells workover programme.

March 2022

Uzma partners with PETRONAS Technology Ventures Sdn. Bhd. ("PTVSB") to commercialize non-metallic pipeline technology. Uzma's successful EPC is inclusive of Transportation & Installation ("T&I") in 2017 marks Uzma as the first company to do this in Malaysia with PETRONAS in this region.

March 2022

With the sale of pumps for 12 wells in Sudan, Uzma Artificial Lift Sdn. Bhd. ("UAL") had expanded Uzma's footprint to include Africa.

March 2022

Uzma completed offshore Directional Drilling Services campaign at North West Java, bringing Uzma's total cumulative depth drilled within the last 5 years to exceed 145,000 meters in measured depth.

April 2022

Uzma and SVP executed the first Risk Transfer Incentive Contract for PCSB with total revenue of RM29 million.

April 2022

Upon wells scoping, SVP was awarded a coiled tubing and bull heading campaign. Successfully intervened 5 strings; 3 sand clean out and 2 bull headings.

April 2022

MECAS was awarded an additional 1-year contract extension with Jadestone Energy Inc., which will be due for expiry by April 2023.

April 2022

Uzma successfully rigged up our HWU package on the client's platform at offshore Terengganu. This marks the start of our Integrated Workover Campaign with our client.

April 2022

Uzma's Ghazi-461 was mobilized for 10-wells P&A campaign, offshore Sarawak. This is Ghazi-461's second P&A campaign at Sarawak waters, after completing a 5-wells P&A campaign for a different client in 2021.

June 2022

With the recent award of RM44 million 3-years contract, Uzma continues to serve PTTEP's hydraulic workover operations for another 3 years, with total well count of more than 400 wells since 2013.

June 2022

Uzma, under our Integrated Project Management ("IPM") had safely and successfully delivered 6 wells and completed demobilisation for EnQuest's first Hydraulic Workover Campaign at Seligi-F, offshore Terengganu.

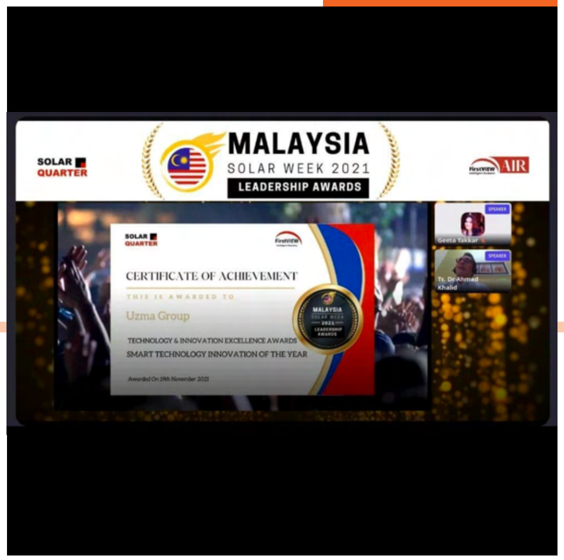
June 2022

MECAS completed the SIRIM Surveillance Audit 1 for ISO9001, ISO 14001 and ISO 45001 certifications with zero NCR & OFI raised during the audit.

EVENTS IN UZMA

13-15 July 2021

19 November 2021



24 September 2021

26 September 2021

18 October 2021

15-18 November 2021

26 January 2022

4 December 2021

30 November to 2 December 2021

17 February 2022

17 March 2022

22 March 2022

UZMA PARTNERS WITH PETRONAS TO COMMERCIALISE NON-METALLIC PIPELINE APPLICATIONS

21 March 2022

23 March 2022

DATO' KAMARUL REDZUAN MUHAMED, WAS INVITED AS A PANELLIST IN A DIALOGUE SESSION HELD BY MIGHT.

April 2022

25 March 2022

25 March 2022

8 April 2022

DATO' KAMARUL REDZUAN PAID A COURTESY VISIT TO THE MALAYSIAN SPACE AGENCY

April 2022

19 May 2022

MANAGEMENT VISIT TO KEMAMAN SUPPLY BASE

21 April 2022

CSR VISIT TO RUMAH HAFIZATUL QURAN CAKNA ANAK YATIM KEMAMAN

21 April 2022

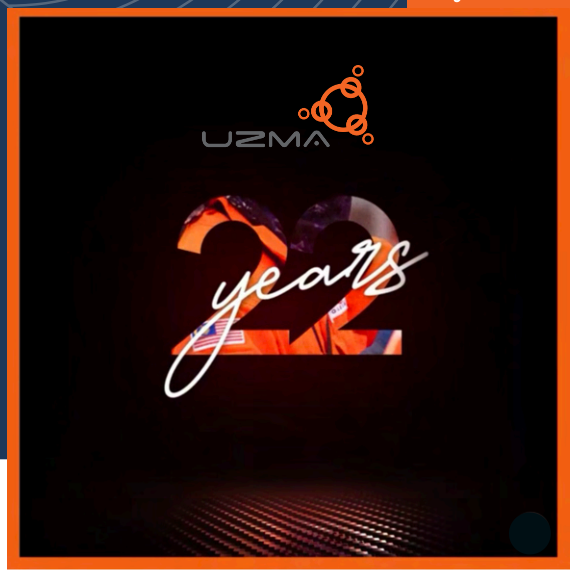
IFTAR WITH ANAK-ANAK YATIM AND PETRONAS PSS & BUSINESS PARTNERS

22 April 2022

1 June 2022

DATO' KAMARUL RECEIVES AN ENTREPRENEURSHIP AWARD

16 June 2022



25-26 June 2022

UZMA PARTICIPATED IN THE OGSE PAVILION, MYSTARJOB FAIR 2022

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
- YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD
  Independent Non-Executive Director
- DATUK FARISHA BINTI PAWAN TEH
  Independent Non-Executive Director
- MAZLI ZAKUAN BIN MOHD NOOR
  Independent Non-Executive Director

AUDIT COMMITEE

- DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM
  Chairman
- IKHLAS BIN ABDUL RAHMAN
  Member
- YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD
  Member
- MAZLI ZAKUAN BIN MOHD NOOR
  Member

NOMINATION AND REMUNERATION COMMITTEE

- DATUK SERI ZURAINAH BINTI MUSA
  Chairperson
- DATUK ABDULLAH BIN KARIM
  Member
- YM TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD
  Member

COMPANY SECRETARIES

- TAI YIT CHAN
  SSM PC No. 202008001023 (MAICSA 7009143)
- CHAN YOKE PENG
  SSM PC No. 202008001791 (MAICSA 7053966)
- MAZIAH BINTI MARTIN
  SSM PC No.202208000294 (MACS M01864)

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

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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-AMIN 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

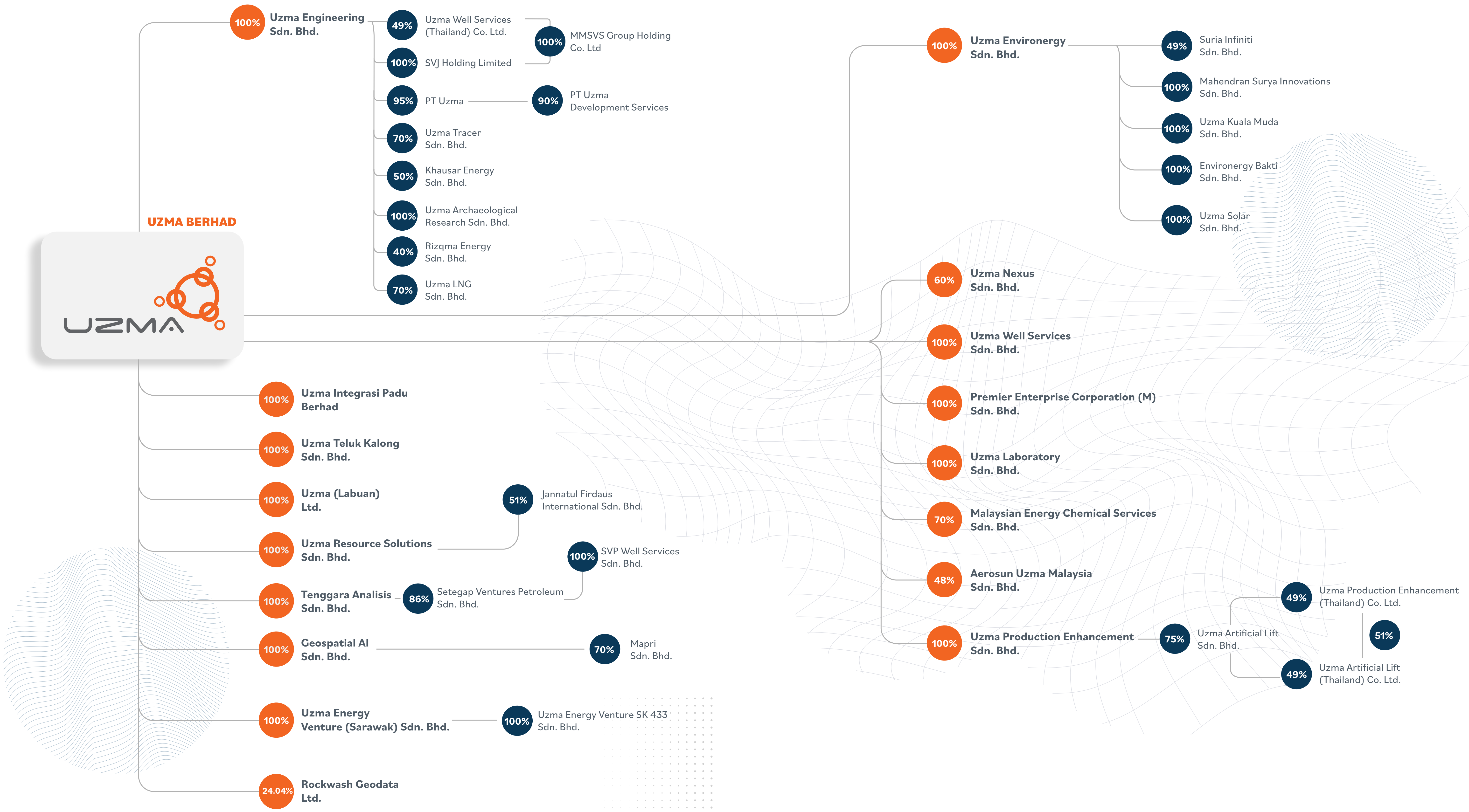
STOCK EXCHANGE LISTING

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

SHARE REGISTRAR

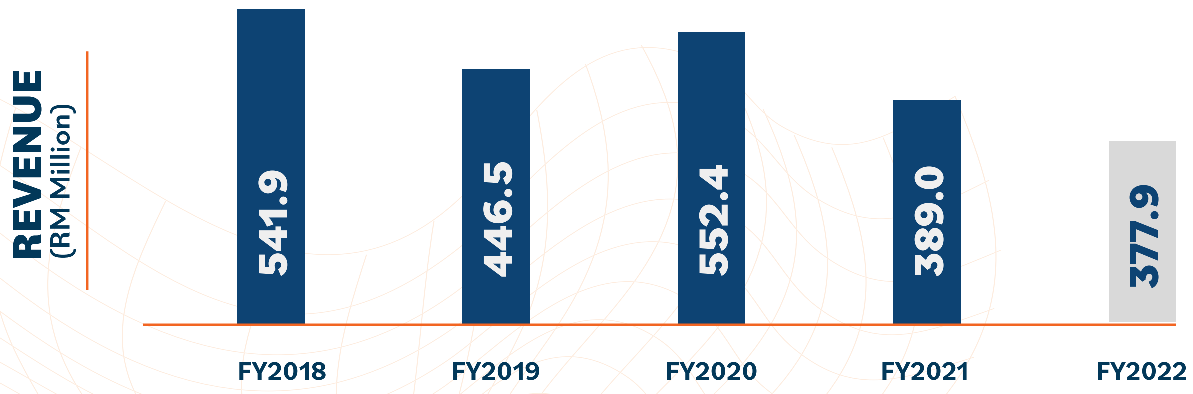
Boardroom Share Registrars Sdn. Bhd.
199601006647 (378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan
Tel. No. : +603 7890 4700
Fax No. : +603 7890 4670

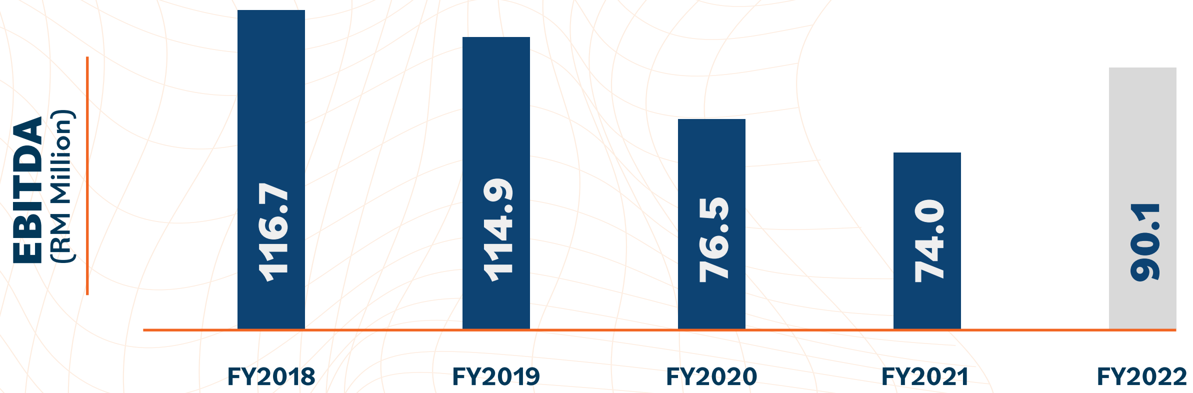
CORPORATE STRUCTURE

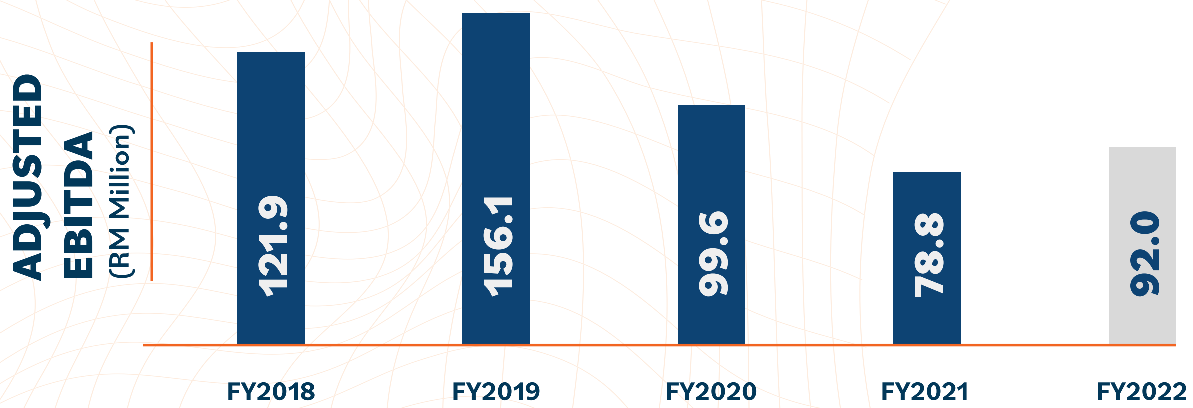


OUR STRATEGY & PERFORMANCE REVIEW.

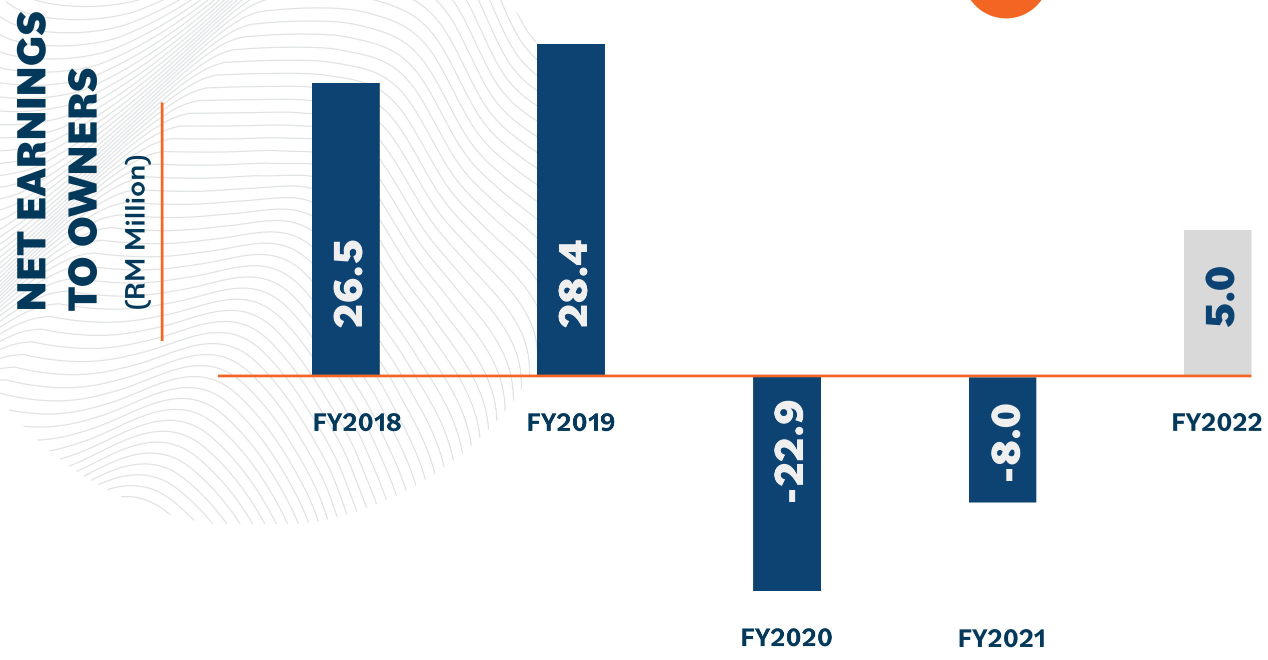
5-YEAR FINANCIAL HIGHLIGHTS

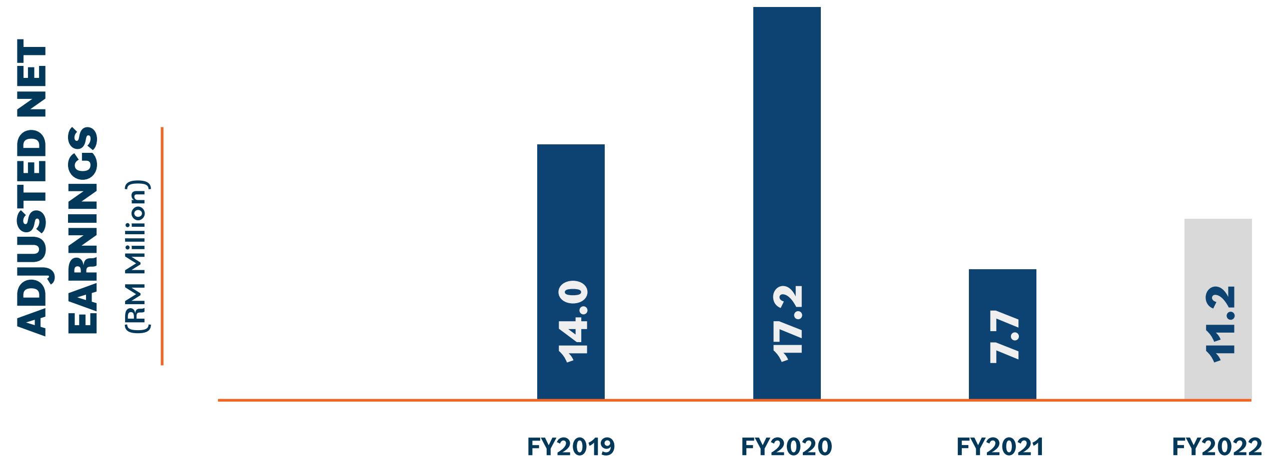


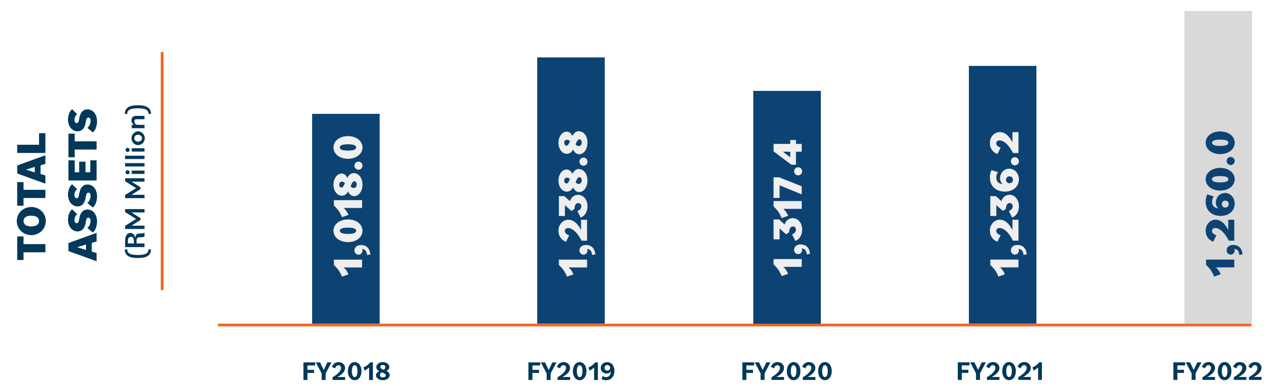




Adjusted EBITDA is after adding back impairment loss provision.







CHAIRMAN'S FOREWORD

Dear Stakeholders,

On behalf of the Board of Directors ("Board"), it is my pleasure to present to you Uzma Berhad's ("Uzma" or "the Group") Annual Report for the financial year ended 30 June 2022 ("FY2022").

New Landscape, New Opportunities

Uzma has always been a company focused on creating value for all our stakeholders. It was this focus and determination, that kept us on course through another challenging year.

From a macro perspective, the global economy continued to be volatile, directly impacting the industry we serve. However, the pre-emptive measures that Uzma undertook at the start of the pandemic allowed us to mitigate risks and minimise the impact to our business. These included various cost and cash management measures such as optimising costs, preserving free cash and managing our working capital utilisation – measures that we continue today.

The oil and gas industry has always been subject to volatility, and this delicate balancing act was further exacerbated by the prolonged effects of the global pandemic. Continued movement restrictions and supply chain disruptions constrained oil demand and global industrial activity.

While the pandemic was a global tragedy, its impact on industries opened the eyes of the world to the urgency of sustainability and climate action, with nations pledging their efforts to achieving net zero emissions by 2050. The energy industry stepped up, with large players investing more into renewable energy and initiating carbon reduction strategies.

As the Greek philosopher, Heraclitus said, "Change is the only constant." This is especially true for the energy industry. As we shifted to the endemic phase, we found ourselves faced with new obstacles as the world grappled with economic uncertainty and geopolitical tensions, factors that directly impact the industry.

Uzma faced these challenges by leveraging on our strengths while diversifying our interests. We did not allow the changing landscape to dampen our spirits and cloud our judgement. In fact, this change has opened opportunities in New Energy segment, and we have positioned ourselves to capitalise on them.

We have kept our eyes on the goal of creating value for all our stakeholders. I am proud to say Uzma remains firmly on track to achieving our growth objectives as outlined in our uzma5R roadmap, and we continue to be a financially resilient and profitable company.

Throughout this trying time, our people have been our stars. Their ability to respond and adapt to these huge changes has been crucial in maintaining our resilience as a business. With their dedication, we will continue to strengthen our core business in our Oil & Gas ("O&G") Business, while enhancing our capabilities and developing new opportunities for our Non-O&G Business.

RM377.9 million

REVENUE

34%

IMPROVED GROSS PROFIT MARGIN FOR FY2022

Our gross profit margin in FY2022 improved to 34%, from 31% in FY2021

Financial And Operational Highlights

Throughout FY2022, Uzma strengthened its balance sheet and managed its cashflow prudently on top of tightening capital and operating expenditure by advocating a disciplined approach to capital allocation and managing liquidity. From an operations perspective, we took the opportunity to assess our investments and re-evaluate our assets, disposing of non-performing and non-core assets to ensure optimisation of the Group's balance sheet. This approach allowed us to weather the adversities during the financial year in review.

As a result, Uzma recorded an improvement in the gross profit margin of 34% in FY2022 (FY2021: 31%), with growth attributed to better margins by our Upstream O&G Services segment. Despite a decrease in revenue by RM11.1 million to RM377.9 million compared to RM389.0 million in FY2021, Uzma recorded a net profit of RM6.6 million.

Uzma remained profitable, despite the prolonged pandemic restrictions, which slowed business activity and impacted cashflow. Our prudent strategies enabled us to navigate these difficulties. We made steady progress, securing contracts and increasing our order book.

For a more detailed analysis of our business segments and operational and financial performance, please refer to the Management Discussion & Analysis section of this Annual Report.

Championing Quality, Health, Safety & Environment ("QHSE")

For Uzma, QHSE excellence is a way of life and a core aspect of our operations. We take every precaution to ensure the health and safety of our people, both physically and mentally, by creating a conducive work environment that encourages looking out for one another.

Throughout FY2022, Uzma continued to comply with the COVID-19 SOPs and regulations as determined by the regulatory bodies and our clients, in addition to enforcing measures based on industry best practices. To ensure the well-being and safety of all Uzmarians, we encouraged them to get their vaccination and booster shots. As of March 2022, 99% of our workforce were fully vaccinated, and 65% received booster shots.

I am proud to say that Uzma has maintained its excellent QHSE track record, extending our Zero Loss Time Injury ("LTI") to 5.6 million hours as of 30 June 2022. There were zero fatalities and no major injuries, contributing to optimum operational productivity.

Our excellence in QHSE reflects the Group's successfully established QHSE culture and displays our professionalism and competence as a trusted Oil & Gas Service and Equipment ("OGSE") company. We will continue to maintain this level of excellence, proactively engaging all our stakeholders in maintaining workplace safety.

More details on our QHSE performance are available in our Sustainability Statement on page 88 of this Report.

Datuk Abdullah Bin Karim
Independent Non-Executive Chairman

Driven By Strong Corporate 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.

In addition to the existing policies, when necessary, we will introduce new policies to reinforce accountability, transparency, and good corporate governance. We note the recent update to the Malaysian Code in Corporate Governance ("MCCG"), aimed at improving governance practices.

The Group continues to take a zero-tolerance approach to any form of corruption within the organisation with Uzma's Anti-Bribery and Corruption ("ABC") Policy, Whistle-Blowing Policy and Code of Conduct and Ethics pursuant to Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2020 ("MACC Act").

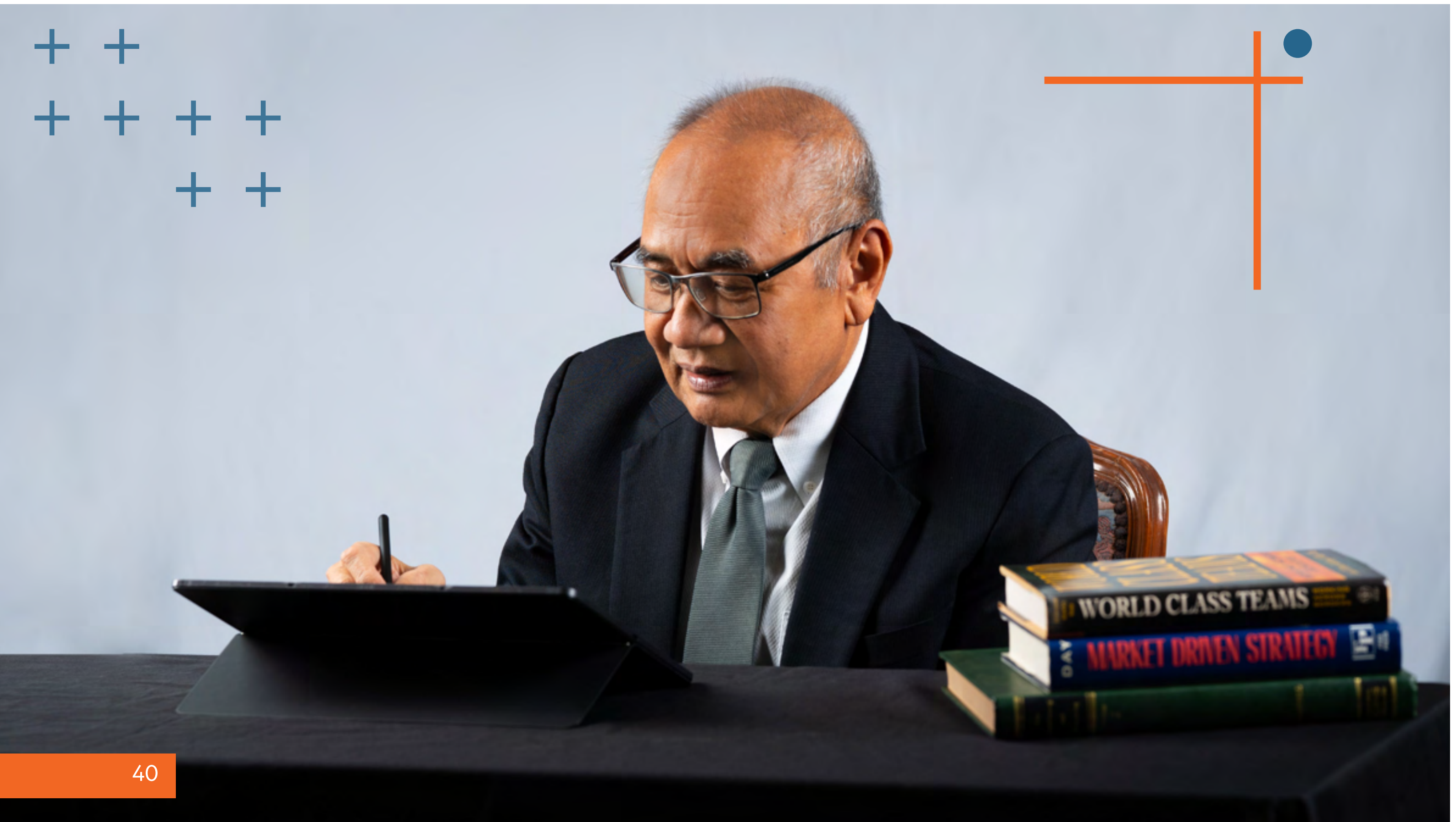
Throughout FY2022, we continued to strengthen the governance and risk management structures established in the previous financial year, covering business continuity management, strengthening our Procurement Tender and Investment Committees, improving compliance in supply chain processes, consolidating our QHSE Management System, and establishing the new Fit and Proper Policy for the Board members, in ensuring utmost accountability and good governance from the Board. More details are provided in the Corporate Governance Overview Statement of this Report, on page 122.

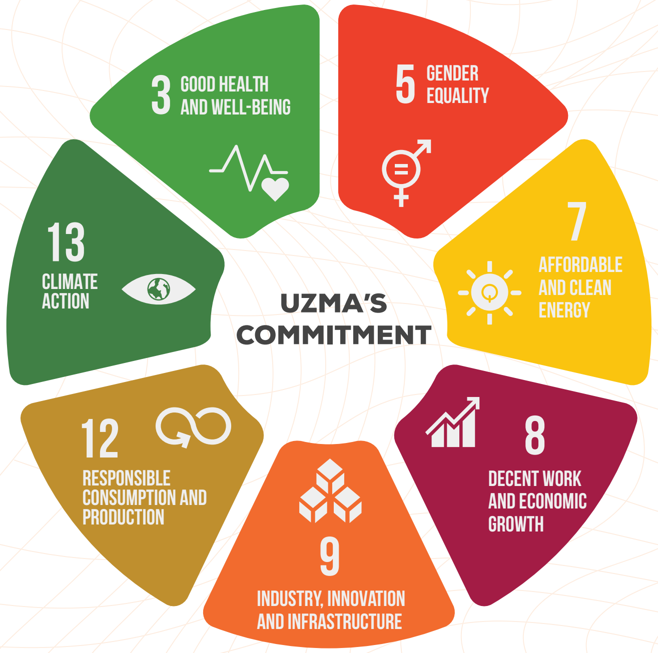
Transitioning To A Sustainable Future

The world has now embraced the environmental, social and governance ("ESG") agenda. Governments gathered at the 26th United Nations Climate Change Conference of the Parties ("COP26") to intensify the call to action for increased transparency and disclosures on efforts to protect the environment, including carbon emissions reduction initiatives and pledged targets.

The Malaysian government's pledge to reach net zero emissions by 2050 and pursuit of sustainability in line with the United Nations Sustainable Development Goals ("UN SDGs") has changed the face of the OGSE industry. The transition to new energy sources and decarbonisation calls for changes to systems business models, economic assumptions, market rules and governance frameworks. We look forward to being a key player in the net zero circular economy of 2050, while ensuring that further value is created for all our stakeholders.

As part of our sustainability journey, we are currently determining our Climate Goals and expanding our ESG agenda alignment to the following 7 UN SDGs. An ESG Taskforce will be established to implement and oversee our carbon reduction strategies and environment-based improvement initiatives.





Acknowledgements

We spent the pandemic years planting the seeds in our new business segments, and FY2022 was a year of learning, strategising, and preparing ourselves to harvest the fruits of our labour, which will be reflected in the coming financial year. We continued our efforts to consolidate our strengths, increase productivity, and energise our people.

The Group remains committed to delivering value and sustainable returns to shareholders by seeking out new areas of growth within our current portfolio.

As we venture forward, I would like to take this opportunity to thank our business partners, clients, and suppliers, for their continued support. To my fellow Board Members, I would like to express my deepest gratitude for their commitment and guidance in steering the ship towards our strategic goals. To my fellow Uzmarians, your contributions and dedication have been invaluable in shaping who we are today. Last, but not least, to our shareholders, thank you for sharing our journey.

Datuk Abdullah Bin Karim
Independent Non-Executive Chairman

GROUP CEO'S REVIEW ON OPERATIONS

I am pleased to present to you Uzma's Annual Report for the Financial Year Ended 30 June 2022 ("FY2022"). We remain firmly on track to be among the Top 5 OGSE companies in Malaysia, guided by our uzma5R business strategy.

DATO' KAMARUL REDZUAN BIN MUHAMED
MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

Key Performance Highlights 2022

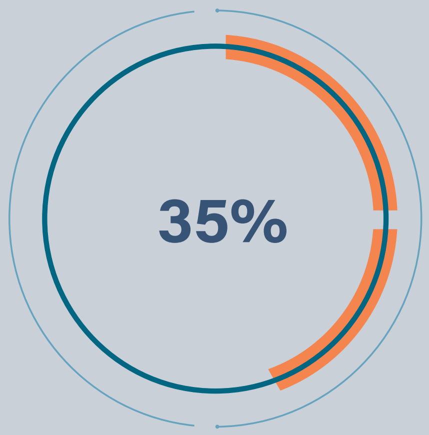
While FY2022 was a year of recovery for the industry, it was also a year of change. Many players recalibrated and shifted their focus areas to embrace these changes and move forward.

Crude oil prices increased in 2021 as encouraging COVID-19 vaccination rates, loosening pandemic-related restrictions, and growing economies resulted in global petroleum demand rising faster than petroleum supply. While these were encouraging signals, O&G players remained cautious as the threat of geopolitical tensions, sanctions and other macro-level concerns continued to weigh on demand and supply.

Uzma's decision to expand our interests in the New Energy segment has proven effective. The New Energy segment contributed to an increase in revenue from 3% in FY2021 to 7% in FY2022. During the financial year, we secured a contract for Engineering, Procurement, Construction, and Commissioning ("EPCC") work for the 29.99 MW Large Scale Solar Award ("LSS4") project. In addition, the Energy Commission extended the Power Purchase Agreement ("PPA") tenure from 21 years to 25 years. We also secured several Net Energy Metering ("NEM") contracts, both as EPCC and PPA holder.

For FY2022, Uzma recorded total revenue of RM377.9 million, a slight decrease of RM11.1 million. Our gross profit margin for our Upstream O&G Services improved to 35% (FY2021: 28%).

We recognise the need to increase resilience and change the way we operate in the oil and gas sector 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, albeit cautiously, to ensure sustainable growth.



IMPROVED GROSS PROFIT MARGIN FOR UPSTREAM O&G SERVICES
(FY2021: 28%)

" We recognise the need to increase resilience and change the way we operate as the world moves toward alternative sources of energy. "

A Clear Destination

The Four Focus Areas of uzma5R are 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 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 streams and long-term recurring revenue stream type businesses and further consolidate our strength through the 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.

Incorporating these developments and potential growth areas, the Group's uzma5R business strategy outlines several clear targets to achieve by 2025. While resilience in our O&G business remains a key focus, our Non-Oil & Gas segment is expected to contribute more to our growth. Uzma has set a target of 40% contribution from the Non - Oil & Gas segment to the group's revenue by FY2026, with the remaining 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.

Diversity For Business Sustainability

Established in 2000, Uzma is no newcomer to the business. We have experienced the highs and lows of the industry, remaining true to the uzmaWAY, which forms the core pillars of our corporate identity and culture and underlines every decision we make.

Being 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 fortunate to be spared the worst effects of the volatility in the industry. However, anticipate that the industry's cyclic ups and downs will be more frequent in the coming years, limiting long-term growth.

To overcome this, we have leveraged our experience and expertise to diversify our interests and ensure sustainability. While Uzma's earlier years were focused on growth driven by market expansion and adding innovative service offerings, we are now at the point where our foundation is strong enough to allow us to level-up and venture into new areas. Through diversification, we will be able to capitalise on the opportunities offered by a rapidly evolving and multi-faceted energy industry, which includes new energy.

In line with this evolution, we have set our sights on 2025, targeting a 40% contribution to revenue from our New Energy segment. This is in line with the Ministry of Energy and Natural Resources of Malaysia's (KeTSA) target to reach 31% of renewable energy share in the national installed capacity mix by 2025. Our target revenue contribution will be supported by our two strategic themes of increasing the resiliency of our core O&G business and accelerating ventures into non-O&G industries.

We have already made great leaps in New Energy in FY2022. In addition to our 50-megawatt ("MW") Large Scale Solar 4 ("LSS4") Power Purchase Agreement ("PPA"), we were awarded a contract for Engineering, Procurement, Construction, Commissioning ("EPCC") work for the 29.99 MW LSS4 project. On 8 August 2022, the Energy Commission extended the PPA tenure from 21 years to 25 years. We also secured several Net Energy Metering ("NEM") contracts, both as EPCC and PPA holder. This is a clear indication that we are moving in the right direction.

The Malaysia Renewable Energy Roadmap (MyRER) is commissioned to support further decarbonisation of the electricity sector in Malaysia through the 2035 milestone, which bodes well for our plans to aggressively grow our New Energy segment.

A catalyst for our core O&G business is Petronas' decision to double its capital expenditure plans to USD60 billion for 2023 to accommodate the return of business activities. This is a major boost for local O&G service providers such as Uzma as upstream activities ramp up and demand for our core services increases. A welcome parallel effect is that our Other O&G Services segment, which includes oilfield chemical solutions, will benefit from higher crude production.

Talent At The Heart Of Our Business

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; as such, we put great effort into our talent's motivation, development, recognition, and wellbeing.

In our effort to enhance the talent of our Uzmarians, 12,116 manhours were spent on training during the financial year under review, for courses related to operation requirements or compliance, strengthening technical competency, and enhancing soft skills.

They attended courses related to operation requirements or compliance, strengthening technical competency and enhancing their soft skills. We also continued with our Online Learning Series that was started during the Movement Control Order ("MCO") period. This series focuses on mental health, motivation and wellness, and effective communication while working from home.

The Group's Management greatly appreciates Uzmarians' opinions, suggestions, input and perspectives. Various engagements were held between employees and management as an opportunity for idea sharing and creating an environment of mutual understanding between employees.

Addressing Our Risks And Opportunities

Uzma takes 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 strengthening the governance and risk management structures established in the previous financial year. These measures cover investment decisions, business continuity management, supply chain and procurement processes, and QHSE management, amongst others.

As with the preceding financial year, in FY2022, we conducted a corporate risk review and incorporated the findings into our strategic programmes. We continued to incorporate risk assessment in both our Procurement Tender and Investment Committees.

Eyes On A New Horizon

As the world recovers from the effects of the pandemic, environmental sustainability has taken an important role in the energy industry. The landscape of the industry has grown to include new energy for the sustainability of our planet and its resources.

In the coming years, hydrocarbon-based energy sources will stand side-by-side with new energy in terms of importance and demand.

The pandemic and its ensuing effects have resulted in a pent-up demand for hydrocarbon-based fuels, which will materialise from FY2023 onwards. We've seen encouraging signs from the domestic O&G industry, with PETRONAS allocating USD60 billion to accommodate the heightened business activity.

Uzma has prepared for new opportunities that will arise in the non-O&G segments, focusing on new key growth areas in Digitalisation and Technology and New Energy segments. 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.

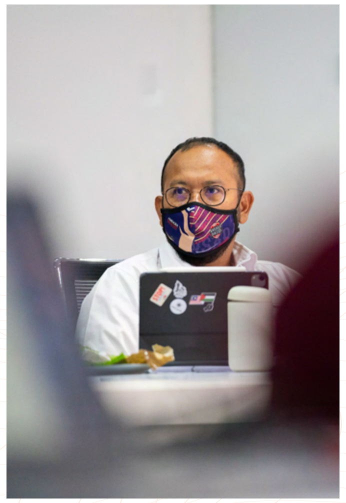
At the same time, we will look for opportunities to consolidate some of our interests in our O&G-related segments to enhance operational efficiencies and strengthen our resources. Uzma will also take this as an opportunity to divest some of the products and/or services that no longer provide strategic value to the Group.

We continue to remain cautious and committed to deploying plans identified under our enhanced uzma5R strategy. To fully capitalise on future opportunities, we continue to fortify Uzma's internal capabilities, focusing on our 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 into the new financial year, our commitment remains 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 CHIEF EXECUTIVE OFFICER



MANAGEMENT DISCUSSION AND ANALYSIS

Adapting To The Changing Future

The players in the Oil and Gas ("O&G") industry are inundated with challenges of low activities in the industry. The resumption of global economic activities contributed to increased operational activities, the Russia-Ukraine war stifled supply in the O&G industry, pushing prices upwards as the world's economies rushed for energy supplies to meet industrial demand. Although the oil prices have picked up, hitting a historical high, the positive impact to the industry players trails behind due to the slow recovery phase. Uzma also faces challenges in delay of the commencement of contracts awarded and new tenders during the financial year ended 30 June 2022 ("FY2022"), albeit the pick-up in activities in the second half of FY2022.

For FY2022, Uzma Berhad ("Uzma" or "the Group") recorded revenue contribution from the O&G Upstream Services segment maintained at RM350.5 million, while the New Energy segment has shown significant growth in revenue with contribution of RM27.0 million from the solar business unit. The Group recorded a decreased in total revenue of RM11.1 million or 3% to RM377.9 million, from RM389.0 million in the previous financial year. The revenue recorded for FY2022 was still below pre-pandemic levels.

"In line with the objectives of the uzma5R strategy, we aspire to ensure our business is resilient against the cyclical nature of the O&G Upstream Services business segment."

Overview of the Operating Environment

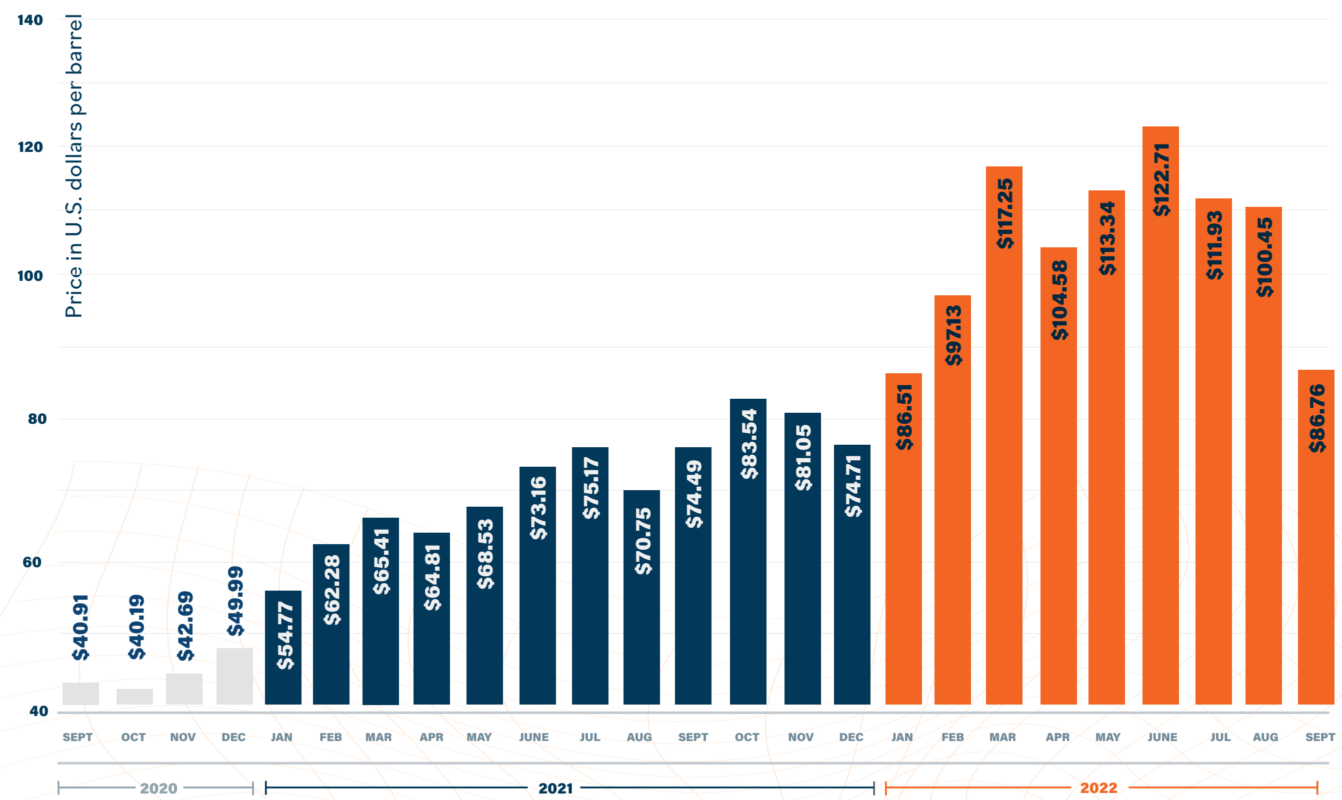
Despite the residual impact of COVID-19 during 2021, the oil and gas industry rebounded, abetting higher oil prices - reaching a six-year historical high. Malaysia's economic growth is forecasted to remain robust at 3.1% in 2022 while consumer spending has grown positively over the months. In terms of economic sectors, support has come from a recovery in the retail/consumer services sector, as can be seen from the rebound in global tourism activities.

Oil demand is forecasted to remain driven by ongoing global economic growth, especially by the recovery in travel and transportation sectors, which is projected to lead to robust overall growth in oil demand of 3.1 mb/d in 2022 and 2.7 mb/d in 2023, surpassing the pre-COVID-19 levels, to stand at 102.7 mb/d. JP Morgan forecasted the cost of oil per barrel to hover around US$114. Nevertheless, the high oil and gas prices are expected to remain vulnerable with increased volatility due to geopolitical and macro-economic uncertainties, including the strong rise of the US dollar in the last quarter of 2022.

PETRONAS has allocated about USD60 billion for 2023 capital expenditure which is double the amount compared to a year earlier, in anticipation of the resumption of business activities disrupted by COVID-19 driven movement restrictions. This provides opportunities for service providers like Uzma as the market opens up and O&G activities resume towards pre-pandemic level.

Brent Crude Oil Prices (US Dollars Per Barrel) September 2020 to September 2022

Average monthly Brent crude oil price from September 2020 to September 2022 (in U.S dollars per barrel)



Sources
EIA; en2x
© Statista 2022

Financial Results

During the financial year under review, Uzma completed the re-evaluation of the business model of one of its major subsidiaries, Uzma Engineering Sdn. Bhd. ("UESB"). Initiated during the pandemic, the new business model aimed towards a more sustainable and profitable operational model that contributes to the increase in the Group's profitability. The Group gross profit margin increased to 34% for FY2022 compared to 31% in FY2021 (restated). This was largely contributed by the O&G Upstream Services segment, the key driver registered gross profit margin of 35% in FY2022 in (FY2021 (restated): 28%). However, this has resulted in the decrease in the Group's revenue by RM11.1 million to RM377.9 million in FY2022, from the RM389.0 million recorded in FY2021 (restated).

The New Energy segment gained traction following the Group's secured Large-Scale Solar 4 ("LSS4") including an engineering, procurement, construction and commissioning ("EPCC") provision contract.

In addition, to navigate the organisation through the current rising inflationary pressures and stiff macro-economic conditions, the Group continued to undertake strict cost cutting measures, which necessitated better control of expenses, tightening of discretionary expenses and staff rationalisation, that consequently reduced operating costs and headcount.

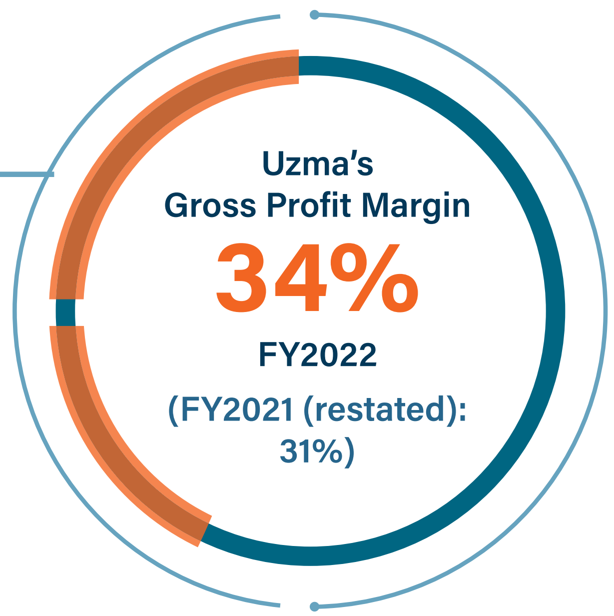
REVENUE
RM **377.9 MILLION**
FY2022

ORDERBOOK
RM **2.2 BILLION**
FY2022

Upstream O&G Services recorded a gross profit margin of

35%

(FY2021 (restated): 28%)



Contracts Awarded

The key contracts that contributed to the FY2022's revenue, among others, are as follows:

- **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 extension of contract to October 2022, 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 continues at 99% with maintenance and equipment management. The project generated recurring revenue for the Group throughout FY2022.

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

  Uzma secured a contract from Sarawak Shell Berhad ("Shell") 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 completed in FY2022, with Uzma's HWU Ghazi-461 mobilised for this project. This project is Uzma's first time providing integrated P&A services for Shell, marking a significant milestone for the Group as Malaysia's leading integrated hydraulic workover service provider.

- **EnQuest Hydraulic Workover Unit ("HWU") Contract**

  Uzma was awarded a contract from EnQuest Petroleum Production Malaysia Ltd. ("EnQuest") for the provision of a hydraulic workover unit ("HWU") for EnQuest's 2022 workover programme from December 2021. The contract required Uzma to perform integrated HWU services for up to 3 platforms and up to 12 wells operated by EnQuest under its workover re-completion and well abandonment campaign offshore peninsular Malaysia. The work commenced in early 2022, and completed in FY2022.

- **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, 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 enhance 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 contributed to the revenue generated for the Group in FY2022.

Contracts Awarded (continued)

The key contracts that contributed to the FY2022's revenue, among others, are as follows:

- **Exxon Wireline Equipment and Service Contracts**

  Uzma received a contract from ExxonMobil Exploration and Production Malaysia Inc. ("Exxon") to provide non-rig assisted electric wireline logging equipment and services at West Malaysia waters. The contract is for a period of two (2) years commencing January 2022 until January 2024. The contract has contributed revenue for the Group in FY2022.

- **Nextenaga LSS4 EPCC Contract**

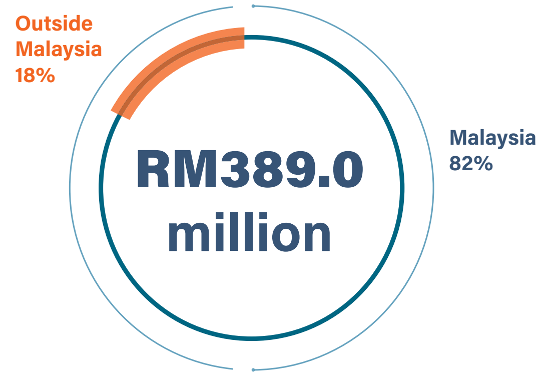
  Uzma obtained an engineering, procurement, construction and commissioning ("EPCC") provision contract to develop a 29.99MWac large scale solar 4 ("LSS4") photovoltaic plant project at Bestari Jaya, Selangor. The contract was secured from Nextenaga Sdn. Bhd., a wholly-owned subsidiary of Nexuscorpgroup Sdn. Bhd. The job involves the EPCC of 29.99 MWac and all associated works, including site preparation with civil and structural, architectural, direct current solar system, solar mounting structures, security system, control building and securing all authorities' requirements and compliance.

  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 several work orders.

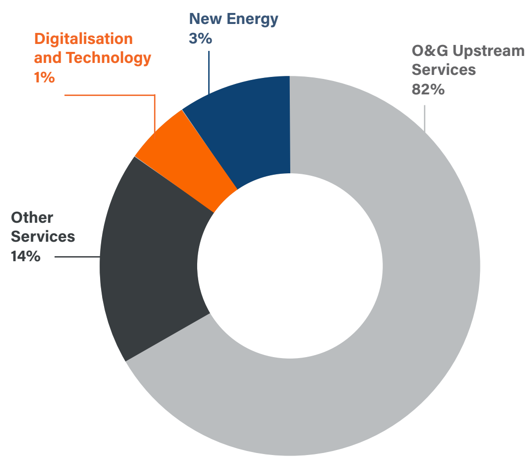
Revenue by Geographical Location

FY2021 (RESTATED)

Revenue
by Geographic Location

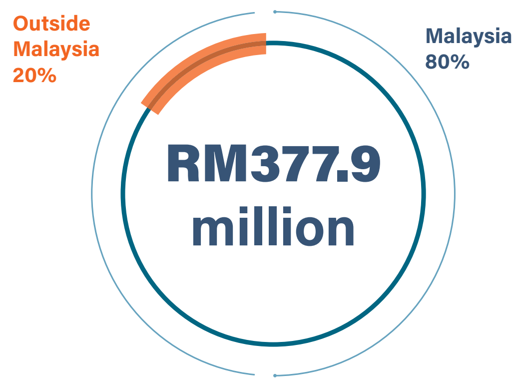


Revenue
by Business Segment

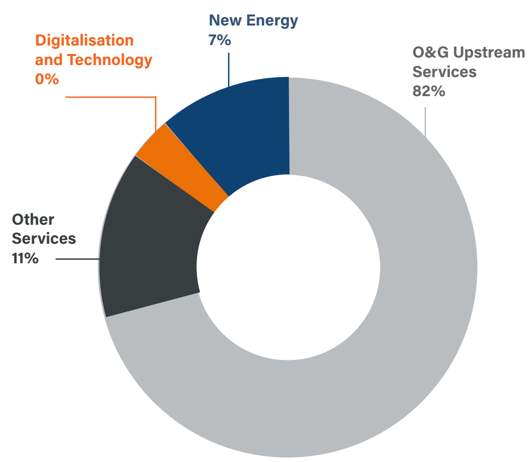


FY2022

Revenue
by Geographic location



Revenue
by Business Segment



Segmental Reporting

As part of its regional expansion strategy, Uzma has successfully grown its business in Thailand, Indonesia and the Philippines. Uzma's Well Solution services unit of the O&G Upstream Services segment has successfully penetrated the regional market for services such as hydraulic workover, pumping and directional drilling. As a result of these focused efforts, the Group has steadily increase the Outside Malaysia revenue contribution from 18% in FY2021 to 20% in FY2022.

For FY2022, the revenue for the O&G Upstream Services segment maintained at 82%, with revenue from the New Energy segment increased to 7% of the total revenue for the Group.

Segmental reporting of the Group is divided into four reportable segments for FY2022, 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 specialised services within the O&G industry.
- **Other O&G 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

For the financial year ended 30 June 2022, the Group recorded net earnings to Owners of RM5.0 million, higher than net losses of the RM8.0 million recorded in FY2021 (restated). Adjusted Profit After Tax attributable to Owners improved from RM7.5 million in FY2021 (restated) to RM10.8 million in FY2022, after adjusting for non-cash transactions which mainly impairment loss on property, plant and equipment of RM0.5 million, impairment loss on receivables of RM1.4 million and amortisation of intangible assets of RM3.9 million in FY2022.

After taking into account the material adjustments, the Group's Adjusted Net Earnings for FY2022 and FY2021 (restated) are demonstrated in the table below:

		FY2022 (RM'000)	FY2021 (RM'000) (Restated)
Profit/(Loss) after taxation		6,580	(7,282)
Adjust for material items:			
-	Net impairment loss/(reversal) on property, plant and equipment	(613)	-
-	Net impairment loss/(reversal) on trade and other receivables	1,359	4,792
-	Impairment loss on intangible assets	-	4,110
-	Amortisation of intangible assets	3,944	4,506
-	Net unrealised (gain)/loss on foreign exchange	(37)	1,547
Adjusted Net Earnings		11,233	7,673

Financial Position and Liquidity

Uzma's financial position remained positive, maintaining total assets of RM1.3 billion as at the end of FY2022 and RM1.2 billion in FY2021 (restated). 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 cash flow 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.

We continued to invest in our operating assets to strengthen our business and increase our revenue generation capacities. In FY2022, RM22.2 million was spent on the acquisition of operating equipment and RM59.2 million in FY2021.

The Group's net debt-to-equity ratio position remains below 1.0x at 0.68x and 0.78x for FY2022 and FY2021, respectively.

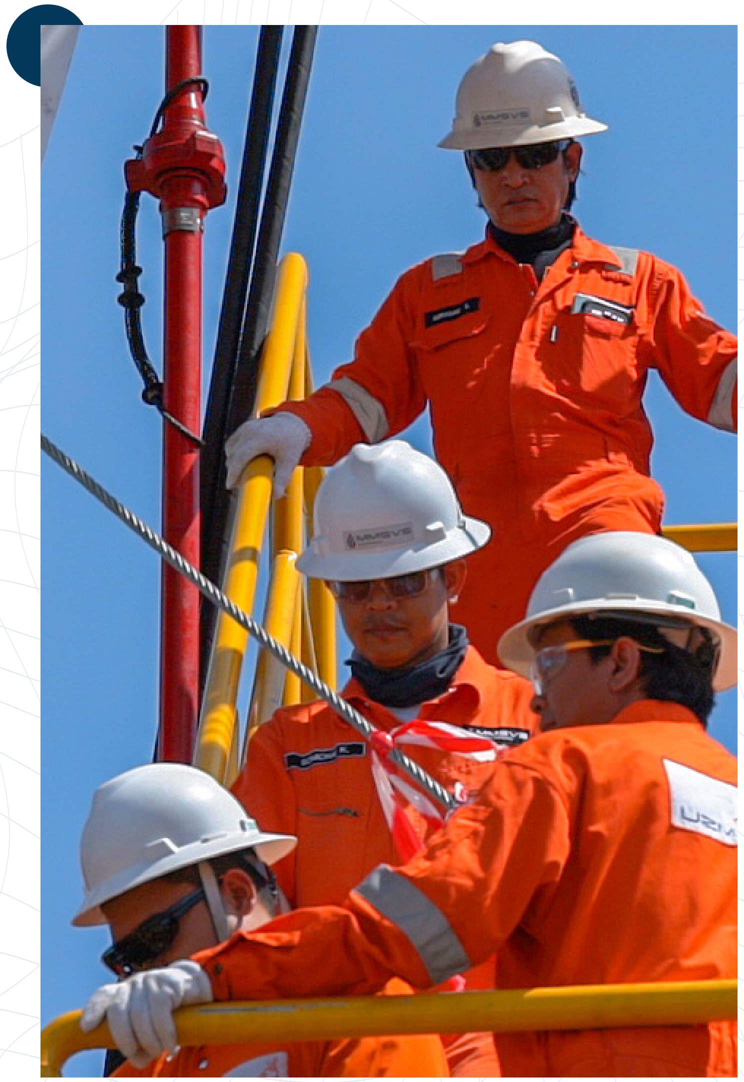
Capital Management

Uzma is firmly focused on practicing financial prudence as denoted by the establishment of the Investment Committee and the Procurement Tender Committee since FY2020. The committees placed a stronger emphasis on financial prudence and transparency in the evaluation of procurements and investments evaluation. In FY2022, at both the transactional and operational level, Uzma continued implementing the Enterprise Resource Planning ("ERP") system for procurement and finance functions, to streamline its end-to-end process 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

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, we continued implementing the Group's eight core initiatives to strengthen our financial resilience, formulated since FY2020, 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 reduction initiatives;
- Negotiating with Uzma's business partners for cost reductions, particularly from 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 repayments supported by Uzma's principal bankers;
- Evaluating the existing portfolio of operating assets and utilisation rates, as well as strategic disposals and acquisition initiatives;
- Assessing the excess capacity of resources and rationalisation of business portfolios;
- Assessing valuation of non-core equity investments and potential rationalisation through strategic divestment and acquisition initiatives;
- Assessing funding requirements for new projects as well as working capital 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, as at FY2022, Uzma's orderbook stands at RM2.2 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 business segments. These potentials are expected to support revenue generation for the financial year 2023 and beyond, together with replenishment rate to maintain the orderbook.

In line with the objective of the uzma5R strategy, we aspire to ensure our business is resilient against the cyclical nature of the O&G Upstream Services business segment. We remain steadfast in growing the O&G Upstream Services segment, while positioning to seize opportunities available upon recovery of the industry. Simultaneously, the Group plans to diversify and balance our portfolio with opportunities beyond the O&G segment, particularly our solar, LNG and technology business units.

The New Energy business segment presents new growth potential in FY2022 and is likely to generate organic growth moving forward.

Outlook

The nation and the global markets are rapidly progressing into the endemic phase of COVID-19 and the operations of the oil and gas majors have started to record improvements as operations surge upwards. Nevertheless, the industry players remain vigilant in the face of adversity and continue to tread cautiously. Beyond the challenges, the future remains optimistic, as prospects for recovery are well within sight, albeit slower than anticipated.

Technological discoveries are driving the global energy transition in favour of clean and renewable sources. The race to attain net zero carbon emissions by 2050 ("NZCE 2050") provides a further impetus, fortified by social expectations and regulatory push. Uzma is steadfast in realising its aspirations to achieve net zero carbon emissions by 2050 as we accelerate our strategy to move into renewables, embracing a low-carbon energy future.

We remain 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. We remain steadfast 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.

ZALEHA BINTI ABDUL HAMID
GROUP CHIEF FINANCIAL OFFICER
















OUR STRATEGY

In FY2019, we had unveiled the Uzma Five Year Plan ("uzma5R") 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

01 Becoming People's Choice for both employees and customers.

02 Ensuring Financial Resilience to support growth through a potential industry downturn.

03 Achieving a Balanced Portfolio to adopt to the changing O&G landscape.

04 Embedding Technology and Modernization as a key differentiator.

2 Strategic Themes

01

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

02

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

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, Encik Mazli Zakuan bin Mohd Noor 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

Age 70 | 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 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:
- Member of the Nomination and Remuneration Committee

Directorship in Other Public Companies and Listed Issuers:
- Senior Independent Non-Executive Director, Ranhill Utilities Berhad
- Independent Non-Executive Director, Yinson Holdings Berhad
- Independent Non-Executive Director, Icon Offshore Berhad

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

DATO' KAMARUL REDZUAN BIN MUHAMED

MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

Age 50 | Malaysian | Male

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

NO. OF MEETINGS ATTENDED: 6/6

QUALIFICATIONS
- Bachelor of Science in Petroleum Engineering, Colorado School of Mines, United States of America
- Master of Science in Oceanography (Geological Oceanography), Universiti Malaysia Terengganu, 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 Berhad

Board Committee Memberships:
NIL

Directorship in Other Public Companies and Listed Issuers:
NIL

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
He is the spouse of Datin Rozita Binti Mat Shah @ Hassan, who is deemed to be a major shareholder of the Company through her substantial interest in Tenggiri Tuah Sdn. Bhd. which in turn holds 31.40% equity in the Company

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 (Other Than Traffic Offences, If Any):
NIL

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON

EXECUTIVE DIRECTOR

Age 50 | Malaysian | Male

DATE OF APPOINTMENT:
- 21 May 2018 as a Member of the Board

NO. OF MEETINGS ATTENDED: 6/6

QUALIFICATIONS
- 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 Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

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

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 71 | Malaysian | Male

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

NO. OF 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 the Malaysian Institute of Accountants
- ACCA 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 the Audit Committee

Directorship in Other Public Companies and Listed Issuers:
NIL

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

YAHYA BIN RAZALI

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 67 | Malaysian | Male

DATE OF APPOINTMENT:
- 19 February 2014 as a Member of the Board

NO. OF MEETINGS ATTENDED: 4/6

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

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 – present – Fund Manager cum Associate Director, Spectrum Asset Management Sdn. Bhd.

Board Committee Memberships:
NIL

Directorship in Other Public Companies and Listed Issuers:
- Non-Independent Non-Executive Chairman, Aldrich Resources Berhad (formerly known as Orion IXL Berhad)

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

DATUK SERI ZURAINAH BINTI MUSA

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 60 | Malaysian | Female

DATE OF APPOINTMENT:
- 13 May 2015 as a Member of the Board

NO. OF MEETINGS ATTENDED: 4/6

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
- Doctor of Philosophy in Management, Universiti Kuala Lumpur *in progress

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:
- Chairperson of the Nomination and Remuneration Committee

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 Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

IKHLAS BIN ABDUL RAHMAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 65 | Malaysian | Male

DATE OF APPOINTMENT:
- 1 February 2017 as a Member of the Board

NO. OF MEETINGS ATTENDED: 6/6

QUALIFICATIONS
- Bachelor of Technology in Production Engineering and Management, Loughborough University of Technology, United Kingdom
- Cascelloid Award for Best Project Final Year, 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 the Audit Committee

Directorship in Other Public Companies and Listed Issuers:
NIL

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

Y. M. TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 44 | Malaysian | Male

DATE OF APPOINTMENT:
- 1 January 2022 as a Member of the Board

NO. OF MEETINGS ATTENDED: 2/2

QUALIFICATIONS
- Professional Accounting (ACCA), Accounting and Business School of Dublin (Dublin Business School)
- Double Degree in Accounting and Finance, University of East London
- Master in Law (LLM) (Executive Banking), International Islamic University

WORKING EXPERIENCE AND OCCUPATION:
- 2004 to 2008 – Business Support Manager. Max Energy Sdn. Bhd.
- 2008 to 2012 – Visiting Lecturer, International Islamic University
- 2008 to 2011 – Head of Group Business Development, GL Noble Denton
- 2011 to 2013 – Executive Director, Bumiflow Technology Sdn. Bhd.
- 2011 to 2013 – Executive Director/Director of Corporate Services, Armada TPCE Sdn. Bhd.
- 2011 to 2015 – Group Executive Chairman, EI Group of Companies
- 2015 to 2020 – Chief Executive Officer, Sundata Sdn. Bhd.
- 2017 to 2020 – Executive Deputy Chairman, Sundata Sdn. Bhd.

Board Committee Memberships:
- Member of the Audit Committee
- Member of the Nomination and Remuneration Committee

Directorship in Other Public Companies and Listed Issuers:
- Non-Independent Non-Executive Director, Key Alliance Group Berhad
- Independent Non-Executive Chairman, Komarkcorp Berhad
- Independent Non-Executive Chairman, XOX Networks Berhad (formerly known as Macpie Berhad)

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

DATUK FARISHA BINTI PAWAN TEH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 53 | Malaysian | Female

DATE OF APPOINTMENT:
- 14 February 2022 as a Member of the Board

NO. OF MEETINGS ATTENDED: 2/2

QUALIFICATIONS
- Bachelor Degree in Chemical Engineering, Universiti Teknologi Malaysia

WORKING EXPERIENCE AND OCCUPATION:
- 1992 to 1994 – Management Trainee, Unilever (Malaysia) Holdings Sdn. Bhd.
- 1994 to 1995 – Assistant Packaging Development Manager, Unilever (Malaysia) Holdings Sdn. Bhd.
- 1995 to 1996 – Packaging Development Manager, Unilever (Malaysia) Holdings Sdn. Bhd.
- 1996 to 1997 – Packaging Manager, Unilever (Malaysia) Holdings Sdn. Bhd.
- 1997 to 2004 – Brand Manager, Unilever (Malaysia) Holdings Sdn. Bhd.
- 2004 – Senior Brand Manager, Unilever (Malaysia) Holdings Sdn. Bhd.
- 2005: Marketing Manager, Nestle Malaysia Sdn. Bhd.
- 2005 to 2008 – General Manager Brand Management Group, TV3, Sistem Televisyen Malaysia Berhad
- 2008 to 2011 – Chief Operating Officer, Primeworks Studios Sdn. Bhd
- 2011 to 2018 – Director, Nation Branding Division, Office of the Prime Minister (PMO)
- 2018 to present – Senior Partner & Founder, Stand Out Sdn. Bhd.
- 2020 to 2021 – Special Advisor to the Minister of Youth and Sports, Ministry of Youth and Sports (KBS)
- 2021 to present – Board of Trustee, Women Leadership Foundation.
- 2021 to present – Director, Awesome TV.
- 2021 to present – Special Advisor to the Minister of Housing & Local Government, Ministry of Housing and Local Government (KPKT)

Board Committee Memberships:
NIL

Directorship in Other Public Companies and Listed Issuers:
NIL

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

MAZLI ZAKUAN BIN MOHD NOOR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Age 52 | Malaysian | Male

DATE OF APPOINTMENT:
- 1 September 2022 as a Member of the Board

NO. OF MEETINGS ATTENDED: NIL (Appointed to the Board on 1 September 2022), subsequent to financial year 2022)

QUALIFICATIONS
- Bachelor in Material & Mechanical Engineering, Universiti Kebangsaan Malaysia
- Master in Business Administration, Universiti Teknologi Mara, Malaysia
- Fellow, Institute of Corporate Directors Malaysia
- Member, Society of Petroleum Engineers International
- Member, Board of Engineers Malaysia

WORKING EXPERIENCE AND OCCUPATION:
- 1993 to 1994 - Application Engineer, Antah Oil Tools & Services Sdn. Bhd.
- 1994 to 1997 - Field engineer, Smith International Inc.
- 1997 to 2003 - Nalco Chemical Company
- 2003 to 2007 - Senior vice President, Operations/ co-Founder, Maces Sdn. Bhd.
- 2007 to 2016 - Chief Executive Officer/Co-founder, Maces Sdn. Bhd. and PAV Oilfield Services Sdn. Bhd.
- 2016 to 2018 - Deputy Chief Executive Officer, Perbadanan Kemajuan Iktisad Negeri Kelantan
- 2020 to 2021 - Chairman of Board of Trustees, Malaysian Timber Council (MTC)
- 2018 to present - Chief Executive Officer, Menteri Besar Incorporated (MBI) Terengganu

Board Committee Memberships:
- Member of the Audit Committee

Directorship in Other Public Companies and Listed Issuers:
- Non-Independent Non-Executive Director, TDM Berhad
- Director, Eastern Pacific Industrial Corporation Berhad

Any Conflict of Interest with the Listed Issuer:
NIL

Any Family Relationship with Any Director and/or Major Shareholder of the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

MANAGEMENT COMMITTEE

ADDITIONAL INFORMATION ON THE MANAGEMENT COMMITTEE

None of the Management 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

YEAR JOINED 19 May 2000

Please see page 65 for profile

DATO' NAZAHATUHISAMUDIN BIN CHE HARON

EXECUTIVE DIRECTOR

YEAR JOINED 19 May 2000

Please see page 66 for profile

DATIN ROZITA BINTI MAT SHAH @ HASSAN

CHIEF PEOPLE OFFICER

Age 52 | Malaysian | Female

DATE JOINED

01 November 2003

QUALIFICATIONS

- 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, who is deemed to be a major shareholder of the Company through his substantial interest in Tenggiri Tuah Sdn. Bhd., which in turn holds 31.40% equity in the Company.

Any Conflict of Interest with the Listed Issuer:

NIL

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 (Other Than Traffic Offences, If Any):

NIL

ZALEHA BINTI ABDUL HAMID

GROUP CHIEF FINANCIAL OFFICER

Age 50 | Malaysian | Female

DATE 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 AvivaTakaful 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

HANIE IZAWATIE BINTI AHMAD KAMIL

CHIEF LEGAL OFFICER

Age 45 | Malaysian | Female

DATE 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

ANUAR HASBUL'LAH BIN ABOO HASHIM

CHIEF GROUP SUPPLY CHAIN MANAGEMENT

Age 53 | Malaysian | Male

DATE JOINED
07 September 2015

QUALIFICATIONS
- 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

SYED AZLAN BIN SYED IBRAHIM

CHIEF TRANSFORMATION AND STRATEGY OFFICER

Age 49 | Malaysian | Male

DATE JOINED
03 September 2018 (He resigned on 31 August 2022)

QUALIFICATIONS
- 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 2022 – 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

TS. DR. AHMAD KHALID BIN MD KHAIRI

CHIEF EXECUTIVE OFFICER OF NEW ENERGY DIVISION

Age 50 | Malaysian | Male

DATE 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
- Professional Technologist by Malaysia Board of Technologist (MBOT)
- Certified Graduate Engineer by Institute of Engineers Malaysia (IEM)

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 Digitalization, 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

ZULKIFLI BIN KAMARUDDIN

SENIOR GENERAL MANAGER OF MALAYSIAN ENERGY CHEMICAL & SERVICES SDN. BHD. ("MECAS") [AN UZMA & NALCO CHAMPION COMPANY]

Age 56 | Malaysian | Male

DATE JOINED
01 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. Hughes (EHO) Ltd., United Kingdom
- 1999 to 2005 – Contract Manager based at Brunei Shell, Baker Hughes (EHO) Ltd., United Kingdom
- 2005 to 2014 – Country Manager promoted to District Manager, CTI (Champion) Pte Ltd., Singapore
- 2015 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

AHMAD YUNUS BIN ABD TALIB

CHIEF EXECUTIVE OFFICER OF PT UZMA [AN UZMA COMPANY]

Age 53 | Malaysian | Male

DATE JOINED
14 JULY 2008

QUALIFICATIONS
- 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

MOHD SHAHRIN BIN SAAD

CHIEF EXECUTIVE OFFICER OF SETEGAP VENTURES PETROLEUM SDN. BHD. (“SVP”) [AN UZMA COMPANY]

Age 50 | Malaysian | Male

DATE JOINED
13 July 2016

QUALIFICATIONS
- 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

Any Conflict of Interest with the Listed Issuer:
NIL

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 (Other Than Traffic Offences, If Any):
NIL

OUR SUSTAINABILITY

SUSTAINABILITY STATEMENT

About This Report

This Sustainability Statement was produced in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad, which includes Global Reporting Initiatives ("GRI") Standard Guidelines and FTSE4 Good disclosure guidelines. This report focuses on material sustainability matters for Uzma Berhad and its businesses.

Basis of scope & consolidation

For the purpose of this report, Uzma consolidated data from our headquarters and regional offices. The criteria for consolidation is where Uzma has operational control and the status of operations is active.

Inclusions

This report covers our regional operations for the financial year ended 30 June 2022.

Exclusions

In line with the basis of scope and consolidation above, this report does not include the operation of our Joint Venture & Associate companies as listed in Notes 9 and 10 to the Financial Statements for the financial year ended 30 June 2022.

Reporting Period

This report is produced annually, covering the period from 1 July 2021 to 30 June 2022.

Context

In this report, Uzma Berhad is referred to as "Uzma" or "the Group". The content prioritises economic, environmental and social ("EES") matters deemed material to a Malaysian-based integrated technical services provider in the energy sector.

A detailed description of how we identify material EES matters for reporting and monitoring can be found in the Sustainability Governance section, together with a description of our key stakeholders and stakeholder engagement process.

Assurance

All financial data disclosed in this report has been independently assured as part of the Group's annual financial audit and is identical to that of the Group's Annual Report 2022. While we have not undertaken third party assurance for all other data in this report, we are actively working towards improving our sustainability reporting process. The information provided in this report is presented on a best-effort basis and is subject to further improvement in future reporting cycles.

Key Sustainability Performance Highlights in FY2022

As At 30 June 2022

Established since **2000**

Revenue RM **377.9** million

12 offices **5** yards in **4** countries

10% lower energy consumption and emissions

12,116 training hours

748 Employees

78% Malaysians

22% Employees comprise of women

20% Directors comprise of women

1,339 active suppliers from **27 countries**

Local suppliers increase by 7%

Total procurement value RM **106** million

RM66 million purchases from Local Suppliers (63% Malaysian)

0 fatalities, spills, fire/explosion

5,640,674 manhours without LTI

Introduction

Sustainability is at the core of Uzma Berhad's ("Uzma" or "the Group") business practices as we strike to balance continued growth, robust financial standing, and giving back to the community where we have a presence, ethically and responsibly, with transparency and accountability. Acknowledging the importance of creating long-term value 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 and environmental safety. In FY2021, we further strengthened our governance, particularly in the Investment Committee ("IC") and Procurement Tender Committee ("PTC").

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

In FY2022, we continued with the execution of our two strategic themes formed in FY2020. The two strategic themes and their respective achievements are as follows:

Theme 1: Increase Resiliency of Our Oil & Gas Business

Improved 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 on adopting and standardising best practices, identifying synergies and improving cost reduction efforts through sharing and optimising resources. The scope includes business development, base operations, Supply Chain Management, 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

FY2021 marked a significant milestone for Uzma in expanding its business beyond the Oil & Gas industry, specifically in New Energy. We won a 50MW Large-Scale Solar ('LSS") project from the Energy Commission. This was a result of several years of balancing our portfolio to have 40% of our revenue generated beyond Oil & Gas, as part of our uzma5YP – Five Year Plan.

For FY2022, we conducted several strategic review sessions, including a portfolio rationalisation and corporate risk assessment. There are two strategic objectives 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 by regaining local market share, expanding regionally and differentiating our product/solutions.

This Statement outlines our endeavours in incorporating sustainability throughout the Group in 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.

Uzma's Alignment to the UN SDGS

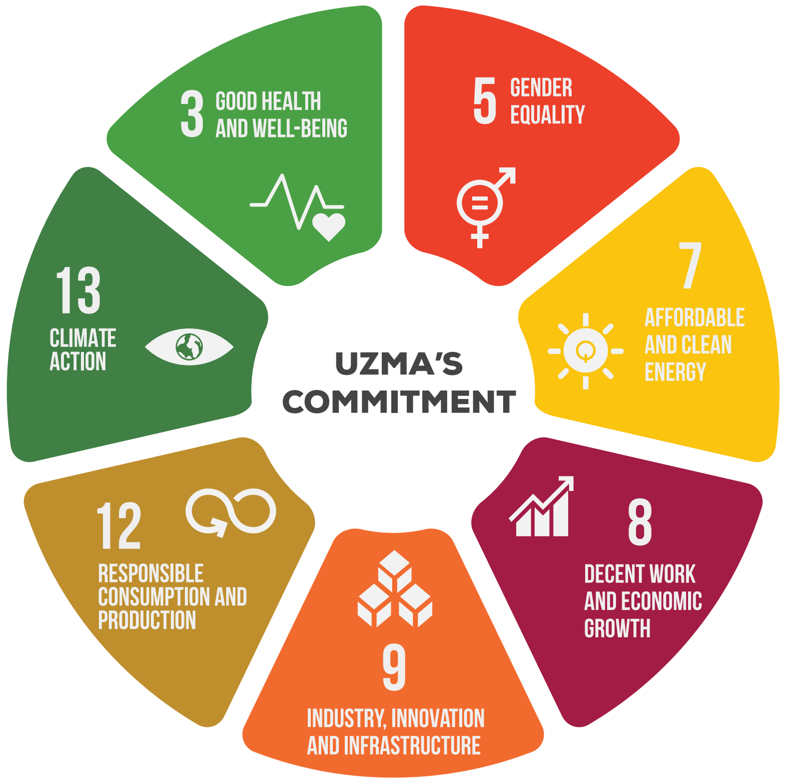


Figure 1: Uzma's commitment to the UN SDGs

In assessing its sustainability highlights and achievement, Uzma has identified and will be aligning its strategies and business processes to these 7 United Nations' Sustainable Development Goals ("UN SDGs") that we shall be committing to in FY2023 onwards. We're currently developing the framework and strategy for adopting ESG. Further details will be published in our 2023 Annual Report.

Our Stakeholders

There has been no change to our stakeholders' prioritisation matrix since FY2020. In FY2022, we continued to build our relationship with all our stakeholders, strengthening our bonds and collaborations.

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 2: Stakeholders Prioritisation Matrix

Stakeholders Engagement

We regularly engage our stakeholders in line with our prioritisation matrix. Our engagement with our key stakeholders for FY2022 is as follows:

Dependence Level	Influence Level	Stakeholders	Engagements in FY2022
High	High	Employees (Uzmarians)	• Employee Engagement Sessions in January 2022 and April 2022 • Monthly Head of Department ("HOD") engagement sessions • Monthly newsletter publication, Uzma Business Growth Highlights • Quarterly uzmaGRIT awards • Personal Performance Appraisal ("PPA") and Key Performance Indicators ("KPI") goal-setting sessions
High	High	The Board	• Quarterly Board of Directors and Audit-Committee Meeting • One Special Board of Directors and Audit Committee Meeting in FY2022 • One Nomination and Remuneration Committee Meeting in FY2022 • 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") • Review of KPI achievements and financial performance results • Deliberation of proposal papers
High	High	Clients	• Sales initiations, new product introduction, market survey submission, Invitation-to-Bid ("ITB") participation • Client site visits, regular project reporting, internal Service Quality Meeting ("SQM") sessions, customer survey form submission • Joint-hosted QHSE events and campaigns • Virtual & physical industry exhibitions, forums and conferences participation • Uzma press releases • Uzma website, LinkedIn and Instagram updates
High	High	Investors / Shareholders	• Sales initiations, new product introduction, market survey submission, Invitation-to-Bid ("ITB") participation • Client site visits, regular project reporting, internal Service Quality Meeting ("SQM") sessions, customer survey form submission • Joint-hosted QHSE events and campaigns • Virtual & physical industry exhibitions, forums and conferences participation • Uzma press releases • Uzma website, LinkedIn and Instagram updates

Stakeholders Engagement (continued)

We regularly engage our stakeholders in line with our prioritisation matrix. Our engagement with our key stakeholders for FY2022 is as follows: (conytinued)

Dependence Level	Influence Level	Stakeholders	Engagements in FY2022
High	High	Lenders	• Monthly updates on project performance • Quarterly review of financial results • Scheduled sessions with lenders on funding requirements • Virtual and face-to-face meetings and phone conversations • Continuously attended to queries by lender
High	High	Supply Chain	• Vendor Performance Evaluation • Critical and Non-Critical Vendor Control • Enhancement of contract terms and conditions • Introduction of Inventory and Warehouse Management Open Purchase Order ("PO") closure initiative • Strengthening SCM control procedure • Master Service / Supply Agreement ("MSA") • Incoterms 2020 training
High	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
High	High	Authorities / Analysts / Media	• Press releases and media updates • Publication of Anti-Bribery and Whistleblowing Policy on the company website • Bursa Malaysia announcements
High	High	Authorities / Analysts / Media	• Allowing online access to related information upon request. No requests were received in FY2022.

Table 1: Stakeholders' priority and engagements conducted in FY2022

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 stakeholders.

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

Table 2: Sustainability matters

A. Economic

The basis of Uzma's Economic sustainability initiatives is to create direct and indirect economic value for both our stakeholders and the nation through its business strategies and operations. In FY2022, we continued to derive cost savings to create value for our shareholders and investors.

Group Supply Chain Management Policy

The Group Supply Chain Management Policies, which govern all activities related to the supply chain and logistics of the Group, are in place. All our Group Supply Chain Management ("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.

In addition, our division has introduced the new cost control and contract management department set up and established the new cost control and contract management plan and strategies and started to involve in pre-contract and post-contract stages.

Sustainable Procurement Practices

We embarked on sustainable procurement in FY2020. Therefore, for FY2022, we continued to strengthen our processes. In light of the pandemic, the overall supply chain processes may 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 our normal practice, GSCM shall request a comprehensive estimated delivery date from vendors, taking into account the current process. Other than that, discussions with the Projects team were carried out to ensure these restrictions were taken into consideration in their planning. Frequent communications with vendors are also established to mitigate discussions to the supply chain.

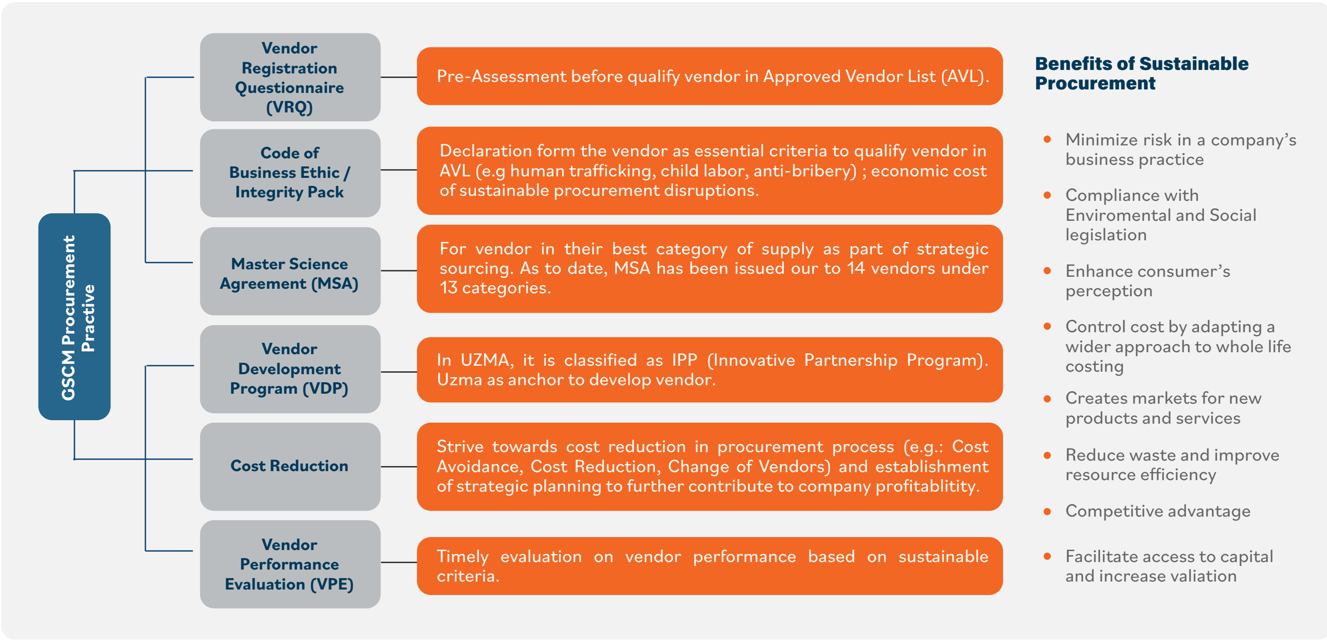


Figure 3 (a): GSCM Procurement Practices

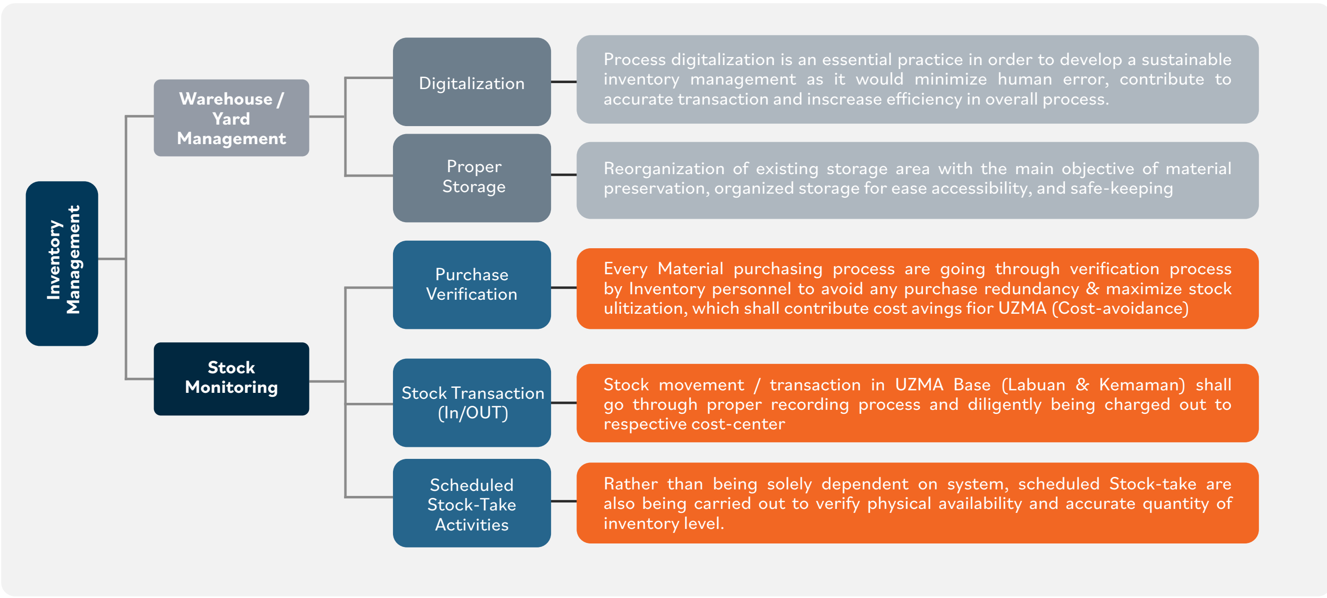


Figure 3 (b): GSCM Inventory Management Practices/Principles

Long-Term Relationships With Vendors

The Group Supply Chain Management Policies, which govern all activities related to the supply chain and logistics of the Group, are in place. All our Group Supply Chain Management ("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.

In addition, our division has introduced the new cost control and contract management department set up and established the new cost control and contract management plan and strategies and started to involve in pre-contract and post-contract stages.

Supporting Local / Bumiputra Suppliers

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

Strategic Vendor	Vendor Count			PO Count			PO Value		
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Local	565	449	319	2,489	2,026	1,160	RM130.6 million	RM90.2 million	RM66.9 million
Foreign	144	81	38	480	187	135	RM85.4 million	RM64.8 million	RM39.2 million
Total	**709**	**530**	**357**	**2,969**	**2,213**	**1,295**	**RM216.0 million**	**RM155.0 million**	**RM106.1 million**

Table 3 (a): Total count of procurement budget used

PO Count and Value (Local & Overseas) FY2022

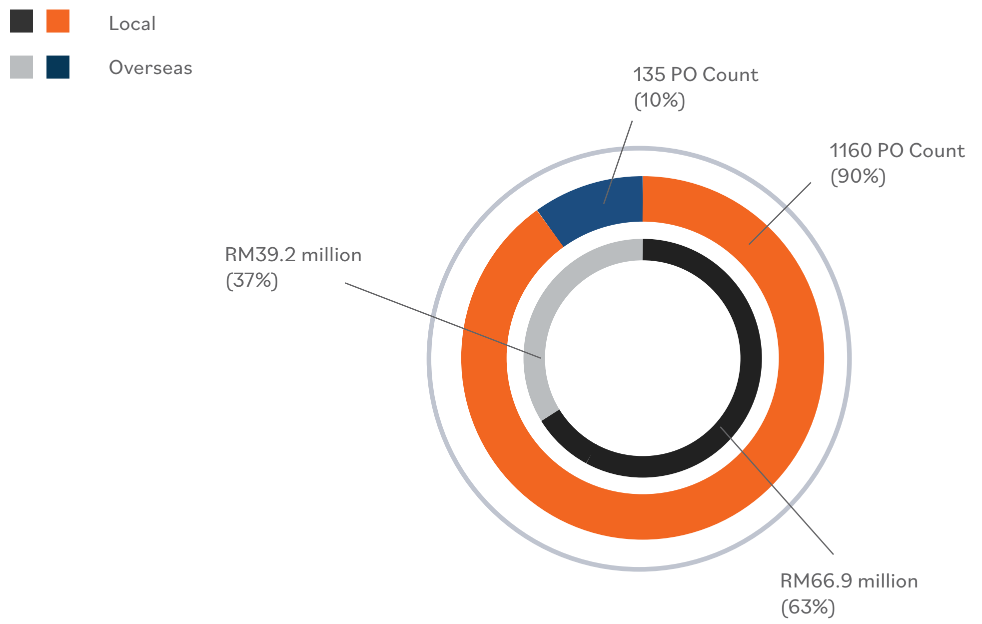


Figure 4 (a): Percentage of procurement budget used

Supporting Local / Bumiputra Suppliers (continued)

We prioritise engagements and partnerships with local and bumiputra suppliers/vendors as part of our responsible sourcing initiative. (continued)

Local Vendor	Vendor Count			PO Count			PO Value		
	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022	FY2020	FY2021	FY2022
Bumi	292	180	144	1,536	837	498	RM98.0 million	RM48.5 million	RM49.9 million
Non-Bumi	273	269	175	953	1,189	662	RM32.5 million	RM42.1 million	RM17.0 million
Total	**565**	**449**	**319**	**2,489**	**2,026**	**1,160**	**RM130.5 million**	**RM90.6 million**	**RM66.9 million**

Table 3 (b): Total count of procurement budget used in Malaysia

PO Count And Value (Bumi & Non-Bumi)

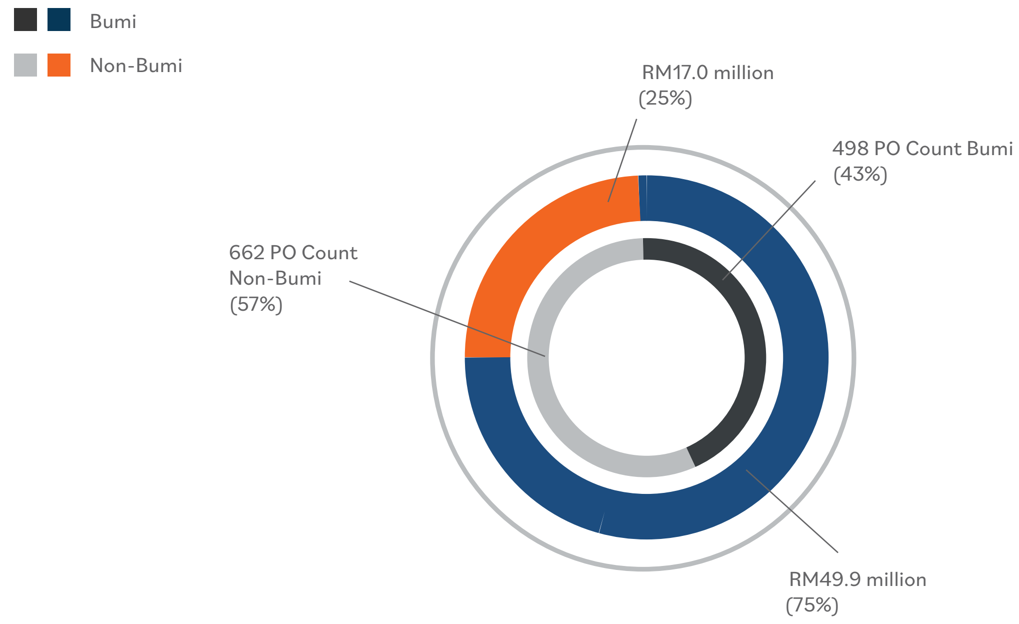


Figure 4 (b): Percentage of procurement budget used in Malaysia

Cost Reduction

FY2022 saw us continuing with our cost-reduction programme in response to the impact of the endemic as well as the global oil and gas price hike. As such, our focus for FY2022 was to implement cost-optimising initiatives to support our operations during this period of uncertainty. These initiatives included:

- 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.; and
- Improve trade receivable collection and dispute management.

Cost Reduction (continued)

	FY2020	FY2021	FY2022
Total PO Count	▲ 3,048	▼ 2,213	▼ 1,295
Total Savings After Negotiation (RM)	▲ 6.7 million	▼ 5.1 million	▲ 6.8 million
Percentage of Savings (%)	▼ 2.51	▲ 3.20	▲ 6.06

Table 4: Total PO spent and savings for FY2022

Project Execution And Delivery Management

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

- Occupational Safety & Health Act 1994 (Act 514)
- Factories and Machinery Act 1967 (Act 139)
- Environmental Quality Act 1974 (Act 127)
- ISO 45001:2018, ISO 9001:2015 & ISO 14001:2015 standard requirements
- Contract documents / Client requirements
- Any other applicable legal & other requirements

Products And Services

We strive to deliver our products and services responsibly. 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 NPT whilst enhancing customer satisfaction. The following are the Service Execution process activities:

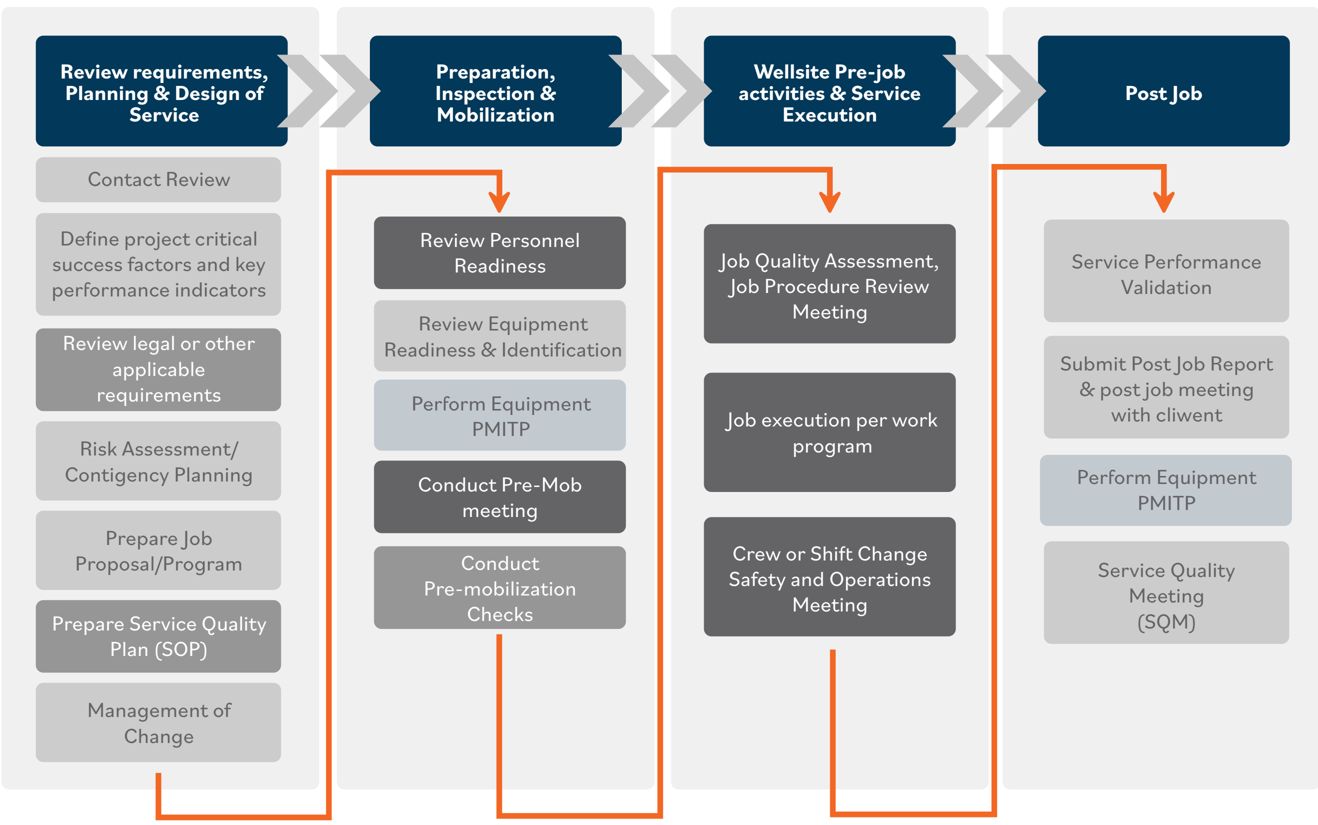


Figure 5: Control of Service Execution Process

Products And Services (continued)

Additionally, the control of Service Execution throughout the project cycle is documented in our Service Quality Plan according to our Service Quality Elements in 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 equipment used for the service.
4	Hold & Witness Point	• Acceptance inspection by both Uzma 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 a serial number so the PMITP records can be both identifiable and traceable to the equipment.
6	Risk Management & HIRADC	• Risks directly associated with the service and equipment as well as controls to manage / mitigate those risks.
7	Contingency Planning	• Incident and disruption prevention and mitigation measures to minimise the likelihood or duration of disruption of execution and service.
8	Management of Change ("MOC")	• 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 the scope of the contingency plan, a MOC is required.
9	Service Performance Evaluation	• 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 5: Service quality elements

B. Environmental

The Group operates responsibly to safeguard the environment. The Group recognises the world's demands for low-carbon economy, control climate change and to reduce greenhouse gas emissions. The Group strives to reduce, manage, and mitigate its environmental footprint, in terms of resource consumption, emission of greenhouse gases and addressing climate change impacts.

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:

No.	Elements	Mitigation Action
1	Energy Efficiency	• Monitoring of electricity and water usage, and increase the use of renewable energy sources. • Changed from normal fluorescence lighting to energy-efficient LED lighting. Using energy saving LED lights which reduces electricity consumption by between 25% to 80%, and which lasts between three to five times longer than ordinary light bulbs.
2	Water Efficiency	• All water leakage will be reported via online portal Hazard Identification Report ("HIR") or by directly contacting the maintenance department. Any report made is attended to within four hours. • Having monthly water monitoring and daily trouble shooting. • Only 839m3 of water used in Uzma Tower, compared to 1,260m3 from FY2021.
3	Paper Consumption	• Online meetings via Microsoft Teams are common among the staff. Most of the presentation's materials were done virtually without the need to print handouts while document reviewing, and approval is obtained via online. • The deployment of the online Enterprise Resource Planning ("ERP") System on finance and procurement operations reduces paper usage. • Each department's representative monitors all requests for paper supplies to ensure no paper wastage. IT department can monitor and control printing for each individual staff so that there will be no unnecessary printings.
4	Scheduled Waste Management	• All type of scheduled waste is managed according to local legal requirements. • The Scheduled Waste Disposal Process is properly executed by competent personnel and regularly updated on its inventory level.
5	Employee Awareness Programme	• Provided environmental awareness through QHSE engagements and meetings. • Provided environmental awareness training such as Scheduled Waste Management, Chemical Management, Environmental Aspect and Impact Assessment as well as Environmental Management System (ISO 14001:2015) awareness. • Continuous sharing on environmental awareness through QHSE bulletins.
6	Environmental Aspect and Environmental Impact Assessment	• Conducted Environmental Aspect and Environmental Impact Assessments ("EAEI") for all activities. • Apply a life cycle perspective through the EAEI implementation process. • Communicate the Environmental Risk through engagement with stakeholders.

B. Environmental (continued)

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: (continued)

No.	Environmental Area	Mitigation Action
7	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 that produces clean energy at Bukit Selambau, Kedah, that will produce about 50MW. • **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 programme. This package allows homeowners to save up to 90% on their 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.

Table 6: Environmental programmes

C. Social

As a responsible corporate citizen, we believe in creating value for all our stakeholders, including employees and the communities in which we operate. Our priority is to cultivate a high performance and inclusive work environment for all employees, centred on the Group's desired behaviours.

Health & 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 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.

I. Generative QHSE Culture

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 practicing 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. The basis of knowledge is based on:-

- Possessing factual and theoretical QHSE components;
- Sufficient training and competency; and
- Finding and accessing information.

I. Generative QHSE Culture (continued)

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

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. The following are essential components of an effective system:

- Established QHSE framework;
- Well planned;
- Structured; and
- Enhanced efficiency to minimise risks.

II. Uzma 12 Orange Rules

The 12 Orange Rules were developed as a complement to uzmaWAY's Health and Safety element. It sets a clear "Do's" and "Don'ts" which must be complied with at all times by all employees and contractors.

No.	Elements	Descriptions
1	**Permit to Work** Work with a valid permit when required	Permit to Work ("PTW") is a systematic process used to authorise controlled work in non-standard and/or, potentially hazardous conditions. The objective of the PTW is to: • Control the access to plant and equipment; • Minimise the risk of injury to personnel; and • Minimise the risk of damage to plant.
2	**Adhere Safety Control** Obtain authorisation before overriding or disabling safety controls	A safety critical control equipment includes any device that prevents incidents and ensures effective control of the incident for the systems. Examples include: Pressure relieving devices, detectors, alarms, emergency release systems, critical electrical equipment, fire protection equipment and critical security devices. Procedures that, if not performed correctly or at the right time, could result in a fatality or other major accident.
3	**Line of Fire** Keep yourself and others out of the line of fire	"Line of Fire" refers to those work situations where workers could be struck by something which suddenly starts to move or releases its energy unexpectedly. For every job, there is a potential that something could hit, spray, pinch, or crush. The first priority should be to eliminate these hazards entirely, if possible, but if not, we want people to focus on moving them out of the "Line of Fire".
4	**Safe Lifting Process** Plan lifting operations and control the area	Lifting operations need to be planned and performed by competent personnel using certified equipment. Correct lifting methods can move large objects safely and efficiently while eliminating other hazards, e.g., manual handling operations. Incorrect methods, however, can also introduce hazards and lead to major acci-dents and fatalities.
5	**Working at Height** Protect yourself against a fall when working at a height	Use fall protection equipment when working at a height of two (2) meters or higher above the ground outside a protective equipment. A protective equipment includes approved scaffolding, stairs with handrails and man lifts. Adequate protective arrangements shall be put in place where there is a risk of injury from falling.

II. Uzma 12 Orange Rules (continued)

The 12 Orange Rules were developed as a complement to uzmaWAY's Health and Safety element. It sets a clear "Do's" and "Don'ts" which must be complied with at all times by all employees and contractors. (continue)

No.	Elements	Descriptions
6	**Energy Isolation** Verify isolation and zero energy before work begins	Energy isolation separates people from hazards such as electricity, pressure, and energized equipment. Verification of energy isolation should be done by the workers doing the work. Types of energy that needs to be isolated include mechanical, electrical, hydraulic, thermal, chemical, pneumatic, ionizing and radiation. Energy isolation is verified by locking, tagging, and testing the system for zero energy.
7	**Confined Space** Obtain authorisation before entering a confined space	Confined space is large enough for personnel to enter, has limited or restricted means of entry and is not designed for normal or continuous occupancy. Examples of confined spaces, such as vessel, tank, pipe, cellar, or excavation, can contain explosive gas, toxic or asphyxiating atmosphere or other dangers such as energy releases, lack of oxygen, exposure to hazardous chemicals, things that can fall on you or crush you, or that you can fall down. Authorised access keeps you safe.
8	**Journey Management** Follow safe driving rules	The driver and passengers should take responsibility for each other's safety, including ensuring all occupants wear a seatbelt. Speeding or using your phone while driving increases the risk of losing control of your vehicle. Fitness for duty means assuring an individual can complete a task safely and without acceptable risk to themselves or others. This includes not being under the influence of drugs and alcohol.
9	**Risk Assessment** Conduct and review risk assessment	Conducting and reviewing all risk associated with all the activities to ensure the control measures for the hazard and risk has been identified and mitigated. By conducting the risk assessment, it will avoid the chances of the incident related to people, environment, assets, and reputation of the company.
10	**Hot Work** Control flammables and ignition sources	Hot work includes any work that creates an ignition source performed in an area that potentially contains hydrocarbons or flammable materials. Ignition sources are open flames in the work area, such as welding, grinding, smoking, torching, loading/unloading of hazardous materials, internal combustion engines, chemical reactions, batteries, etc.
11	**Safe Chemical Handling** Ensure the right PPE and proper control when handling hazardous chemicals	Handling of hazardous chemicals includes operations of receiving, storing, discharging, transporting, and disposing of chemicals, including while working on process equipment containing chemicals or hydrocarbons. The correct Personal Protective Equipment ("PPE") to wear when handling hazardous chemicals is specified in the risk assessment or PTW for the job, e.g., chemical apron, chemical aspirator, chemical resistant glove, face shield, etc.
12	**Incident Reporting** All incidents and accidents are to be reported promptly	All incidents shall be escalated immediately to ensure that correction and corrective actions are properly and promptly addressed. Continuous improvements to be implemented from the lessons learned from the incident so as to avoid future recurrence.

Table 7: Uzma 12 Orange Rules

III. HSE Performance

The HSE 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 significantly impact human life, the environment, asset integrity and the reputation of the Company.

	FY2020	FY2021	FY2022
Total Manhours (hours)	2,564,708	2,261,146	1,807,990
No. of Fatality	0	0	0
No. of Lost Time Injury ("LTI")	1	0	0
Lost Time Injury Frequency ("LTIF")	0.39	0.00	0
No. of Restricted Work Cases ("RWC")	0	1	1
No. of Medical Treatment Case ("MTC")	0	1	0
No. of First Aid Case ("FAC")	6	2	3
No. of Near Miss ("NM")	15	7	3
No. of Occupational Illness ("OI")	0	1	0
No. of Major Fire / Explosion	0	0	0
No. of Minor Fire	0	2	1
No. of Property Damage ("PD") / Property Lost ("PL")	4	2	1
No. of Motor Vehicle Accident ("MVA")	0	0	1
No. of Major / Minor Spill ("LPOC")	0	2	2
Environmental Pollution	0	0	0
Fatal Accident Rate ("FAR")	0.00	0.00	0.00
Severity Rate	0.39	0.00	0.00
Total Recordable Case Frequency ("TRCF")	0.39	0.88	0.55
Total Recordable Occupational Illness Frequency ("TROIF")	0.00	0.00	0.00

Table 8: HSE performance statistics in FY2022

IV. QHSE Key Performance Indicators ("KPIs") (Objectives & Targets)

Uzma's FY2022 Corporate QHSE KPI was developed based on significant internal and external issues within the organisation. The KPI was established using the SMART approach to ensure that the targets were properly established. 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 Customers	STAR Rating	All project score => 3 STAR	3 STAR and above
	Uzma's Customer Delivery Survey ("CDS") rating	Average score for the whole project => 80%	87.6%
Provide a Safe and Secure Environment	HSE Statistics	Zero LTI	Zero LTI
	QHSE compulsory training for operational crew	50% of operational crew to attend the compulsory QHSE training	38.9%

Table 9: QHSE key performance indicators

V. QHSE Programmes Conducted in FY2022

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

Date	Programme
July 2021 – June 2022	Continuous communications and engagements – Monthly QHSE Engagements (via MS Teams)
July 2021 – June 2022	Continuous QHSE awareness campaigns sharing on a monthly basis (via Yammer and emails)
July 2021 – June 2022	Monthly QHSE inspections
July 2021 – June 2022	Quarterly HSE Committee meetings
July 2021 – June 2022	Annual Drugs and Alcohol Screening – Random testing
July 2021 – June 2022	Vendor Site Assessment for Uzma's & SVP's critical vendors – Twice annually
July 2021 – June 2022	Preservation Audit – Twice annually
28 September 2021	Eat Right, Eat Well Campaign – Nutrition Talk: Nutrition for Life
20 October 2021	Eat Right, Eat Well Campaign – Nutrition Talk: Why Quit Sugar?
26 October 2021	Uzma Health Screening at Uzma Tower
26 January 2022	Uzma Hand & Finger Injury Campaign
7 February 2022	Uzma IMS Internal Audit
7 March 2022	SVP IMS Internal Audit
8 March 2022	Uzma Management Review Meeting
22 – 25 March 2022	Uzma ISO 2nd Surveillance Audit
25 April 2022	SVP Management Review Meeting
17 May – 3 June 2022	SVP ISO 1st Surveillance Audit
31 May 2022	SVP KLHO Emergency Evacuation Drill
26 June 2022	Uzma Emergency Evacuation Drill

Table 10: QHSE programmes conducted in FY2022

VI. QHSE Standards & Certifications

Uzma is regularly assessed and certified under the standards of ISO by recognized classification societies to show our commitment to QHSE standards which comprise of Quality Management System, Occupational Health and Safety Management System and Environmental Management System to ensure that our business and operation in accordance with the international standards and to demonstrate our capability and to build economic confidence among our stakeholders. As part of the standard requirements, we are fully compliance to the legal and other requirements as specified by our clients.

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 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.

The following are other engagement activities conducted throughout FY2022:

- Special Employee Engagement in January 2022
- 2022 Raya Engagement with Group CEO in April 2022
- Webinar on Employee Health and Well-being throughout the pandemic and MCO period
- Uzma Recreational Club hosted the Tazkirah Ramadan Online (4 sessions throughout the holy month of Ramadan) and Bazaar Ria Syoknya Raya in April 2022
- Management visit to Kemaman Supply Base ("KSB") in June 2022

Employee Composition And 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.

At present, there remains a disproportion in terms of gender parity, with male employees still constituting a large composition of our workforce. This is expected as the oil and gas sector, particularly offshore operations, typically involve more labour-intensive work demands, which are customarily not preferred by women. The disproportion between male and female employees is considerably lower when considering the employee gender profile for non-manual jobs such as office-based jobs. However, both men and women are accorded equal opportunity to apply to any available job positions with appointments based purely on merit.

Employee Breakdown, by Gender (Full Time Employees Only)	FY2020	FY2021	FY2022
Male Employees	637	691	582
Female Employees	332	189	166
Group Total	**969**	**880**	**748**

Table 11 (a): Employee's gender diversity

We treat our employees with respect and dignity. Uzma appreciates our workforce's dignity and continues to create a diversified workforce by hiring talented people without any form of discrimination.

Uzma has a diverse and well-distributed age group of workforce. The demographic data above shows the diversity of age that enables us to develop a sustainable workforce via ensuring the implementation of effective succession planning.

Age Group (Full Time Employees Only)	FY2020	FY2021	FY2022
20 - 30	307	259	203
31 - 40	412	374	304
41 - 50	179	180	167
51 - 60	62	61	67
61 - 70	9	6	7
Group Total	**969**	**880**	**748**

Table 11 (b): Employee breakdown by age group

Uzma is committed to fostering workplace diversity in its workforce. Diversity allows the Group to benefit from varied perspectives and ideas. In today's globalised world, being able to tap the unique experiences of the workforce is an asset to a company.

Merit is the sole determinant in the hiring, developing, and retaining talent. In essence, industry experience, job performance, academic and professional qualifications, seniority of tenure, leadership qualities and interpersonal skills are determinants of hiring, promotion, and other career benefits.

Uzma strives to hire talent from local communities. Approximately 62.5% of our employees are from Peninsular Malaysia.

Ethnicity (Full Time Employees Only)	FY2020	FY2021	FY2022
Malay	563	550	451
Chinese	17	14	13
Indian	4	2	4
Bumiputera Sabah & Sarawak	162	120	116
Others (Non-Malaysians)	223	194	164
Group Total	**969**	**880**	**748**

Table 11 (c): Employee breakdown by ethnicity

Nationality (Full Time Employees Only)	FY2020	FY2021	FY2022
Malaysia	744	687	584
Indonesia	28	25	20
Thailand	183	155	133
Philippines	3	5	4
Others	11	8	7
Group Total	**969**	**880**	**748**

Table 11 (d): Employee breakdown by nationality

Employee Category (All Employees)	FY2020	FY2021	FY2022
Permanent Employees	680	589	493
Contract Employees	289	291	255
Group Total	**969**	**880**	**748**
Freelance (Consultants)	178	245	168
Group Total	**1,147**	**1,125**	**916**

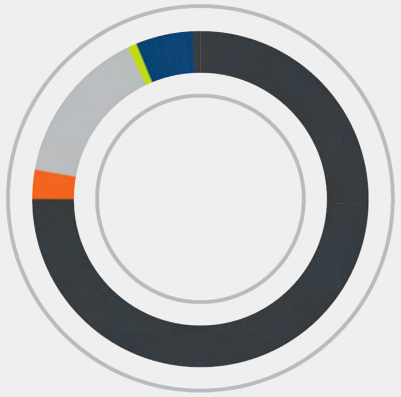
Table 11 (e): Employee breakdown by category

Breakdown Employee Composition And Diversity

Gender (Full Time Employees Only)

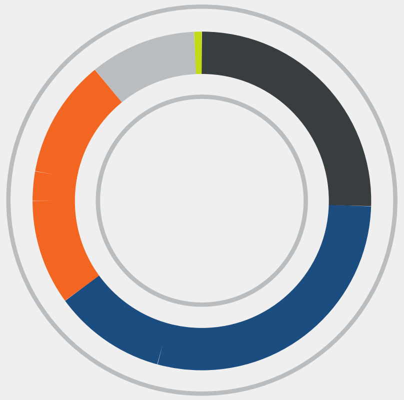
Female | Male

Nationality (Full Time Employees Only)



Malaysia | Indonesia | Thailand | Philippines | Others

Age Group (Full Time Employees Only)

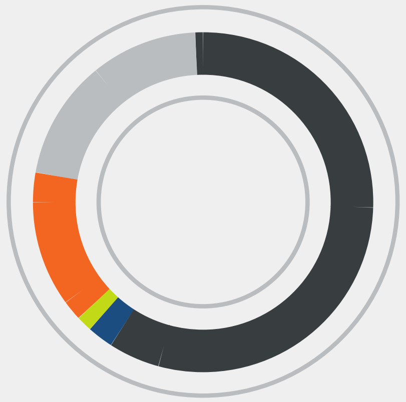


23 - 30 | 31 - 40 | 41 - 50 | 51 - 60 | 61 - 70

Employee Category (All Employees and Consultants)

Permanent Employees | Contract Employees | Freelance

Ethnicity (Full Time Employees Only)



Malay | Chinese | Indian | Bumiputera Sabah & Sarawak | Others (Non-Malaysians)

Board Diversity

Uzma's Board of Directors ("Board") comprises high-calibre individuals with varied experiences who provide valuable guidance and advice. The following illustrates our board composition:

Categories		
Gender	Male	8
	Female	2
Age	41-50	3
	51-60	3
	61-70	3
	71-80	1
Nationality	Malaysian	10
	Non-Malaysian	NIL
Ethnicity	Malay	10
	Others	NIL

Table 12 (a): Board composition

	Auditing / Taxation	Civil Service	General Management / Business / Sales & Marketing	Human Resources	Oil & Gas / Engineering	Banking / Financial Services	Legal
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			✓		✓		
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad	✓		✓	✓		✓	✓
Datuk Farisha Binti Pawan Teh		✓	✓	✓			
Mazli Zakuan Bin Mohd Noor		✓	✓		✓	✓	

Table 12 (b): Board qualification and skills

Employee Performance Management

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 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.

Employee performance is measured based on their identified goals in the Key Results areas and Work Objectives from the PPA process. Throughout the PPA process, the engagement between the line manager and subordinate were also enhanced when there were 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 rewards exercise. All (100%) of our employees receive formal appraisals across the Group. Annual salary increments, promotions, and other incentives, including annual performance bonuses, if declared by the company, shall be based on the employee's individual PPA rating from the previous financial year's results.

The appraisal approach is meant to be a two-way constructive process where employees can voice their own perspectives or views on their own performance. Ultimately, the employee retains the right to accept or reject the appraisal.

Employees who disagree with their appraisal review scores can voice their grievances to People Division via a formal employee grievance mechanism system.

Employee Recognition

In FY2022, 3 individuals and 1 team throughout the Group were awarded the uzmaGRIT based on their demonstrated commitment, passion, and perseverance towards their job.

uzmaGRIT is a corporate-wide recognition and reward programme that has been put 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 emphasises 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 do not 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 (including learning from my mistakes).
Care for All	I care about the well-being of myself and my team members. I am committed to ensuring that we work in a safe, secure, and healthy environment.

Table 13: uzmaGRIT characteristics

Training And Development

Uzma continues to develop the professional competence and capabilities of our employees. The Group organised inhouse and external training programmes as part of the Group's commitment to job enrichment, promoting morale, to enhance and improve employees' skills and technical knowledge in order to improve work productivity and efficiency.

Management's approach to training is based on several aspects. These include closing any performance or skills gaps that the respective employee may have, as a form of reward, to improve employee morale, to retain employees, or to enable employees to develop as future leaders of the Group working towards succession planning.

Irrespective of the rationale behind justifying training, employee training is a key component of the Group's overall approach. Training is paid for by the Group through its contribution to the Human Resource Development Corporation ("HRDCorp").

Category	Technical Training	Non-Technical Training	Group Total Trainings	Total Training Expenditure (RM)	Total Training Days	Average Headcount	Training Man Days
O&G Employees	563	13	576	RM0.99 million	1,476.3	698	2.12
Non-O&G Employees	4	8	12	RM0.03 million	38.3	112	0.34
Group Total	**567**	**21**	**588**	**RM1.02 million**	**1,514.6**	**810**	**1.87**

Table 14 (a): FY2022 training summary

Total Training	FY2020	FY2021	FY2022
O&G Business	459	1,968	563
Non-O&G Business	26	16	4
Total (Technical Training)	485	1,984	567
O&G Business	29	81	13
Non-O&G Business	48	49	8
Total (Non-Technical Training)	77	130	21
Cumulative Total (Group Trainings)	**562**	**2,114**	**588**

Table 14 (b): Total training

Total Training Hours	FY2020	FY2021	FY2022
O&G Business	15,220	25,824	11,810
Non-O&G Business	2,236	666	306
Total (Group Trainings)	**17,456**	**26,490**	**12,116**

Table 14 (c): Total training hours

Training And Development (continued)

Average Training Hours Per Employee	FY2020	FY2021	FY2022
O&G Business	17.3	6.4	2.7
Non-O&G Business	24.6	44.5	16.9
Total (Group Trainings)	**18.0**	**38.7**	**15.0**

Table 14 (d): Average Training Hours per Employee

The global COVID-19 pandemic has restricted the training options available in FY2022 to mostly online mode. In FY2022, the Group's employees had attended approximately 12,116 training hours and a total of RM1,027,175.87 was utilised for training across the entire Group, for local and foreign employees. Training hours were reduced in line with the reduction in activity due to the COVID-19 pandemic.

Uzma launched our Online Learning Series during the COVID-19 Movement Control Order ("MCO") period in an effort to support the company's Business Continuity Plan ("BCP") during the COVID-19 pandemic. We wanted to encourage continuous learning among employees at a time when most training programmes were put on hold. The People Division embarked on a series of online courses throughout the MCO period on a weekly basis. Some of the topics in the series were:

- 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!

Breakdown of Training Hours

The Group is committed to equipping staff with knowledge, skills and capabilities that allow them to reach their full potential. Training sessions covering topics such as safety, information technology ("IT"), anti-bribery and corruption and sustainability were held in FY2022. In FY2022, our employees attended training covering areas of personal development, project compliance and technical requirements. . Our goal is to deepen Uzma's talent pool, enhance their skillset and enable them to remain relevant in an evolving operating landscape.

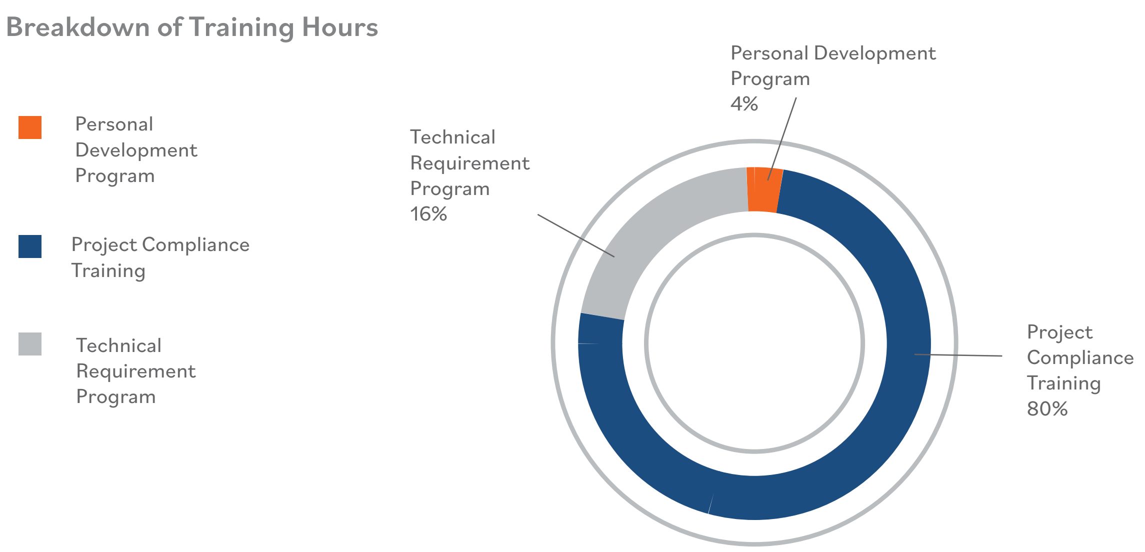


Figure 6: Breakdown of employee training hours

Internships

The Group aims to play a positive role in the communities where it operates. The Group provides internship programmes to local students for knowledge enrichment as well as complementing and nurturing talents among these students for their personal growth and future employment needs.

In FY2022, a total of 32 internship and 7 MYSTEP Trainee positions were offered to students from various universities in Malaysia. They were placed in various departments such as Operations, Technical, People Division, New Energy, Group Supply Chain Management, Group Finance, Group QHSE, etc.

Grievance Mechanism

Employees have full access to an official grievance mechanism to express dissatisfaction with regards to any company-related matter. While employees are encouraged to attempt to resolve issues informally, management unequivocally supports employees' rights to bring up issues via this official channel for redress or further action. Employees are neither censured nor discouraged from using the grievance mechanism. In FY2022, there were zero cases of grievance.

Employee Benefits And Compensation

Our employees play a fundamental role in driving business operations to meet the best industry standards. Acknowledging that our employees are our greatest asset, we offer fair and competitive benefits and compensation plans to our employees. These are aligned with industry practices and are reviewed periodically.

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)
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

Table 15: Average Training Hours per Employee

Employee Benefits And Compensation (continued)

Our employees play a fundamental role in driving business operations to meet the best industry standards. Acknowledging that our employees are our greatest asset, we offer fair and competitive benefits and compensation plans to our employees. These are aligned with industry practices and are reviewed periodically. (continue)

Business Travelling Entitlements	• Mileage Claims • Toll & Parking Claims • Subsistence Allowance • Accommodation Allowance • Laundry Expenses Claim • Telecommunication & Internet Access Claims

Table 15: Average Training Hours per Employee

Compliance with Minimum Wage

Uzma complies with the Malaysian government's minimum wage policy, with all employees earning monthly wages equal to or exceeding the set minimum wage of RM1,500 per month effective 1 May 2022.

Ethics And Integrity

Ethics and integrity play a pivotal role in the building of stakeholders' trust and confidence. Any form of corruption and bribery is not acceptable in the Group. The Group believes that corruption and bribery harm fair competition, healthy growth of the markets and sustainability of a successful business. Hence, we ensure all our employees, partners, suppliers, and vendors adhere strictly to the highest standards of corporate governance. At present, we have in place the following policies:

a. Anti-Bribery and Corruption ("ABC") Policy

The Group is committed to conducting its business ethically and in compliance with all applicable laws and regulations, including but not limited to the Malaysian Anti-Corruption Act, the Malaysian Penal Code (revised 1977) (and its amendments), the Companies Act 2016 and other Anti-Bribery and Corruption Act enforced in countries where we operate. These laws prohibit bribery and corruption. In response to the latest Malaysian ABC regulation, Uzma established its stand-alone ABC Policy on 20th May 2020. As part of its commitment to the ABC Policy, Uzma conducted a groupwide ABC training for Board members in May 2020 and employees in April 2021. The next groupwide training and refresher course is scheduled to be conducted in November 2022.

b. Code of Conduct & Ethics

The Group sets high standards and expectations for its employees to act ethically, professionally and with integrity whenever dealing with external stakeholders. Uzma has an Employee Code of Conduct & Ethics to guide their employees on expectations as well as set parameters for acceptable behavior amongst the staff. The Employee Code of Conduct & Ethics was last reviewed and amended on 10th November 2016. Revisions were made to reduce ambiguities with respect to the terminology used, improve the connectivity of the Employee Code of Conduct with other relevant corporate policies and enhance the existing section on anti-bribery and corruption, etc.

c. Board Charter and Terms of Reference

i. Board Charter

The Board Charter sets out the composition, roles and responsibilities, processes and guidance for the Board and is to be read together with the Constitution of the Company. The Board will review the Board Charter periodically and make any necessary amendments to remain consistent with the Board objectives, current law, and practices.

ii. Terms of Reference of the Audit Committee

The Terms of Reference of the Audit Committee ("TORAC") seek to assist the AC Members in fulfilling their fiduciary responsibilities relating to the corporate accounting and practices for the Company. It further seeks to improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the public's confidence in the Group's reported result.

c. Board Charter and Terms of Reference (continued)

iii. Terms of Reference of the Nomination and Remuneration Committee

The primary objective of the Terms of Reference of the Nomination and Remuneration Committee ("TORNRC") is to act as a guidance and point of reference by the Committee in discharging its duties to the Board in making a recommendation on candidates for directorship and other top management position.

The Board Charter and the Terms of Reference can be found on the Company's website www.uzmagroup.com.

d. People Handbook

The Uzma People Handbook is a document that provides guidance and information related to the Company's background, vision, mission, values, policies, procedures, and benefits. It is an easily accessible guide to the company's policies and practices as well as an overview of the expectations of management.

e. Whistle-Blowing Policy

Uzma is committed to high standards of transparency and accountability. The Group adopted its Whistle-Blowing Policy in 2020 to introduce a safe and acceptable platform for employees to channel concerns about illegal, unethical, or improper business conduct affecting the Group and about business improvement opportunities to ensure that no member of staff should feel at a disadvantage in raising legitimate concerns.

f. QHSE Policy

The sustainability and business success of Uzma depends on our ability to continually improve the quality of our services and products while providing a healthy, secure, and safe working environment in all of our operations and activities. Emphasis shall be given to quality improvement, ensuring human health, operational safety, and preservation of the environment. We possess the agility to adapt quickly to the expectations of interested parties and strive to be the best in everything we do.

Uzma requires active involvement and accountability for QHSE from all employees, partners, consultants, and supply chain. Uzma's leadership is committed to supporting this policy with the resources and accountability necessary to achieve this policy.

We are committed to:

- Provide a framework for setting the QHSE performance objectives, measure results, assess and continually improve processes, services and product quality using an effective management system.
- Be a partner of choice to all our clients, always exceeding and adapting to their expectations.
- Satisfy stakeholders by ensuring that the organisation can deliver a positive return of investment in all our operations.
- Comply with all applicable legal and statutory requirements in all the regions in which we operate in.
- Protect the environment by minimising our impact on the environment through pollution prevention, reduction of natural resource consumption, emissions, reduction, and recycling of waste.
- Provide safe and healthy working conditions by preventing injury and ill health.
- Eliminate hazards and reduce QHSE risk by eliminating unsafe conditions, minimising, and controlling the risk by providing training and education. Applying safe work practices, identifying hazards, risks, aspects and impacts through periodic assessments and audits, and implementing necessary control measures.
- Communicate openly with employees, partners, consultants, and supply chain to ensure an understanding of our QHSE policies, standards, programs, and performance. Outstanding QHSE performance will be recognized and rewarded.
- Encourage involvement, consultation and participation of employees, partners, consultants, and supply chain in improving the QHSE Management System.
- Continually improve the QHSE Management System.

In making sure that the organisation can execute all the stated aspirations, Uzma banks on its people and its QHSE Management System to work together to deliver all the planned result. We realise that we rely heavily on our employees, partners, consultants, and supply chain. Therefore, we shall ensure that our policies are being understood, embraced, and complied with at all times. This policy shall be regularly reviewed to ensure ongoing suitability.

g. Risk Management Framework and Policy

Uzma Group risk management framework and policy is described in detail in the section "Statement on Risk Management and Internal Control" of this annual report.

In summary, risks across the Group are evaluated and incorporated into the decision-making process. The risks are identified and categorized into strategic, operational, financials, stakeholders, HSE, and compliance. The Group processes to manage risks include identifying, evaluating, managing and monitoring risks. Group-wide implementation of risk management is supported by the Management Committee and subsequently reported to the Board.

h. Group Supply Chain Management Policies

Uzma's Group Supply Chain Management ("GSCM") division encourages all employees to comply with the established governance, which is also aligned with the ABC Policy and Code of Conduct and Ethics. GSCM also requires all employees to follow all processes that have been established in the procurement, logistics, inventory, and vendor management divisions.

In addition to the aforementioned, GSCM provides full support to the operations division, assisting them in following all the established procedures to ensure that Uzma's financial goals are met.

These policies are available publicly and easily accessible on our corporate website at www.uzmagroup.com.

Our risk management and policies help us maintain a sound system to ensure significant risks are identified and managed. We are committed to providing the highest standard of data security and privacy to safeguard the personal data and privacy of our customers, employees, and other stakeholders.

We do not condone lobbying practices, nor do we make any political contributions. Failure to adhere to the Group's policies results in disciplinary action in accordance with our Disciplinary Management Policy. In this respect, Uzma is pleased to announce that there were no incidents of non-compliance with any relevant environmental and socio-economic laws or regulations in locations where we operate during FY2022.

Vendor Development Programme

For FY2022, a total of 72 new vendors have been registered under the Approved Vendor List ("AVL").

The following is Uzma's Approved Vendor List as at 30 June 2022:

Uzma's Approved Vendor	Amount
Local Vendors	1,106
Foreign Vendors	233
Total Approved Vendors	**1,339**

Table 16: Uzma's total approved vendors

Supporting Local Procurement

Uzma remains committed to using local vendors and suppliers, where possible, for the procurement of goods and services.

In line with this initiative, over the last 14 years, Uzma has been able to gradually decrease our reliance on foreign vendors, bringing this year's sum to a mere 83% of the local vendors.

Beyond creating jobs and business opportunities for locals, local procurement also enables knowledge and skills development, creating sustainability in our supply chain and reducing our environmental footprint.

Percentage of local vendors is derived based on the following:
Local vendors / Total no. of vendors x 100%

Vendor Development Programme (with MOF and MITI)

Currently, Uzma has a Vendor Development Programme ("VDP") under the Ministry of Entrepreneur Development and Cooperatives ("MEDAC"). This programme is specifically for Vendors (Services) to enforce Standard Operating Procedures ("SOPs") in accordance with the Client's and the Ministry of Health's requirements, such as quarantine, PCR/RTK testing, PPEs, etc. Pre-mobilization 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 did include additional time required due to the Movement Control Order ("MCO") constraints in mid to late 2021.

VDPx with PETRONAS

In terms of indirect economic value created, the Group's focus areas are local procurement and local vendor development. The latter is realized via our active participation in the PETRONAS Vendor Development Scheme ("VDPx"). Uzma supports identified local vendors through this program by providing mentoring and advisory services on technical and business models, as well as providing market opportunities. Since FY2016, all vendors engaged must also ensure alignment with Uzma's core values, the uzmaWAY.

Currently, vendors under Uzma's Innovative Partners Programme are being registered for VDPx with PETRONAS. The vendors listed are as follows:

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

Customer Programme And Survey

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 or an annual survey sent to the customer to gauge their satisfaction with our services and overall 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 and recognitions from customers:

Date Received	Awarded By	Description of Award
25 November 2021	PETRONAS Carigali Sdn. Bhd. ("PCSB")	**Uzma's Production Solution division and Group QHSE Team** received a Focused Recognition from PCSB in recognition of their Safety Achievement of **1 million manhours without LTI** on the D18 Water Injection Facilities ("WIF") since year 2016. The recognition is also on their safety achievement of **0 LTI** for both Portable Water Injection Module ("PWIM") at Temana and Sepat.
30 November 2021	PETRONAS Carigali Sdn. Bhd.	Focused Recognition delivered to **Angsi Charlie & Delta team.** Exhibited greater teamwork and collaboration during engineering studies, equipment preparation, and project execution of **Light Weight Well Testing ("LWWT") 2021 campaign within 2 months with zero HSE issues.**
20 February 2022	Jadestone Energy Sdn. Bhd.	Jadestone Energy Kemaman base awarded **MECAS** a recognition during the group visit to MECAS Kemaman Supply Base ("KSB") for contractor HSE visit and inspection for **outstanding effort and achievement in making a safer workplace**.

Table 17: Awards and recognitions from customers

Customer Programme And Survey (continued)

Awards and recognitions from customers: (continued)

Date Received	Awarded By	Description of Award
21 April 2022	PETRONAS – Peninsular Malaysia Asset ("PMA")	Appreciation award from PSS HSE to **UESB** for contribution towards the achievement of **1,000,000 safe man-hours**. Congratulations to all employees who have been involved in the PMA operation for keeping work in safe manners.
28 June 2022	PETRONAS – Malaysia Petroleum Management ("MPM")	**UESB** received two Focused Recognitions for the success of the EnQuest 2022 Hydraulic Workover ("HWO") Campaign. Uzma's HWU Patty-341 **completed the works more than 2 weeks ahead of plan, with Zero Non-Productive Time ("NPT") during Plug and Abandonment ("P&A").**
20 February 2022	Jadestone Energy Sdn. Bhd.	PCSB has awarded SVP for its contribution of **162,000 safe manhours and LTI-free** to PETRONAS SKA-QEB since 1st July 2016 until 1st June 2022.

Table 17: Awards and recognitions from customers

CSR Activities

Uzma has continued to seek ways to fulfill our corporate social responsibility ("CSR") commitments to communities where we operate in our efforts to contribute to their socioeconomic developments, despite the challenges posed by the pandemic.

Our CSR initiatives for the year are as follows:

Date	Recipient	Purpose	Amount
21 April 2022	**Badan Permuafakatan Pendidikan MARA Malaysia**	Uzma contributed funds to the B40 MRSM students for tablet purchase	RM5,500.00
April 2022	**Persatuan Huffaz Malaysia**	Uzma contributed funds for the purchase of Braille Al-Quran	RM3,000.00
April 2022	**Rumah Hafizatul Quran Cakna Anak-Anak Yatim in Kemaman**	Uzma donated electrical appliances and hampers	RM2,000.00
April 2022	**Tim Ganu Kita**	The donation is intended to help the poor and orphanage with basic household necessities during the holy month of Ramadan.	RM2,500.00

Table 18: Uzma's CSR activities in FY2022

Our total spend for CSR activities was RM13,000.00 due to the reduction in physical engagements and activities.

Looking Ahead

We are aware that embedding sustainability effectively across the Group is a journey. This Statement describes our sustainability initiatives and how we managed our material sustainability issues in our operations for the financial year ended 30 June 2022. Moving forward, we will continue to build up and enhance our initiatives progressively, with the ultimate goal of achieving our sustainability vision.








CORPORATE GOVERNANCE

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Uzma Berhad ("Uzma" or "the Company") trusts that good corporate governance is the cornerstone to build a sustainable and resilient organisation which safeguards the shareholders' investment while enhancing shareholders value as well as the interest of other stakeholders.

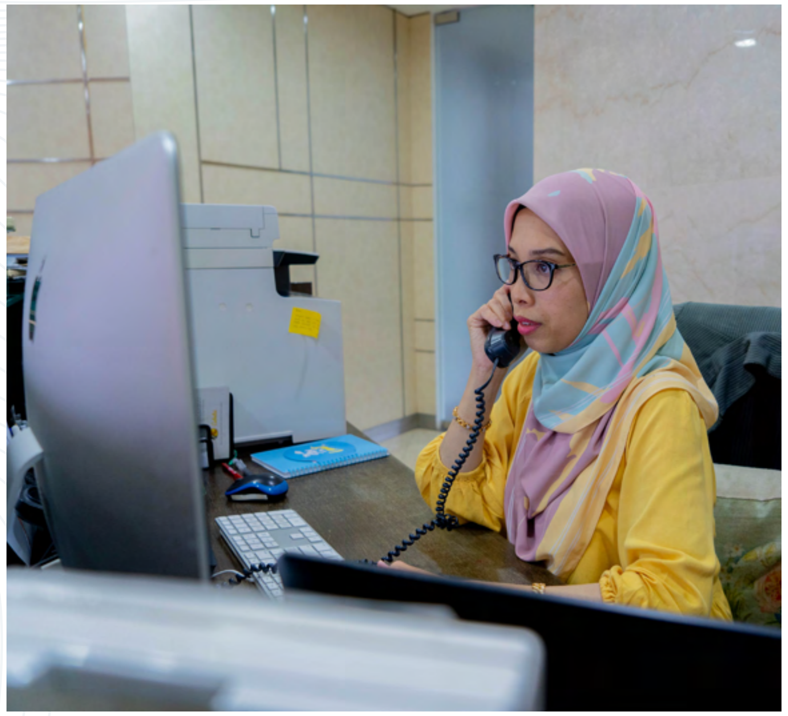
This Corporate Governance Overview Statement ("Statement") of Uzma and its subsidiaries (collectively referred to as "Uzma Group" or "the Group") seeks to provide an insight to the Corporate Governance practices ("Practices") of the Group under the stewardship of the Board as outlined by the Malaysian Code on Corporate Governance 2021 ("MCCG" or "the Code") during the financial year ended 30 June 2022 ("FY2022" or "Financial Year").

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

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	*Effective Audit and Risk Management*	*Integrity in Corporate Reporting and Meaningful Relationship with Stakeholder*

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 the Corporate Governance Report ("CG Report") which provides the detailed application of the MCCG practices during the year under review. The CG Report is made available on the Company's website (www.uzmagroup.com) and through an announcement on the website of Bursa Securities.

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



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

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 the 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. The Board sets the business direction and oversees 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 as provided by the Management.

The Board allocates sufficient time and effort to carry out their responsibilities. It is also the Board's policy for the 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 FY2022, none of the Directors on the Board holds 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 exercised by the Board are set out below:-

i. Clear Roles and Responsibilities

The Board has adopted a Board Charter ("Charter") which sets out, among others, the roles and responsibilities of the Chairman, the Managing Director/Group Chief Executive Officer ("MD/GCEO"), the Board, Individual Directors, Independent Directors, each Board Committees, and the Management. The Charter further sets out the processes and procedures for convening of board meetings and guidelines for its directors on disclosure of interest. Similarly included in the Charter is the Code of Conduct and Ethics of the Board which provides guidance for Directors regarding the ethical and behavioural considerations and/or actions as they address their duties and obligations during their appointment.

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

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

ii. Corporate Liability

In compliance with the amendment of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") 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 procedure are in place which are in line with the Guidelines issued by the Prime Minister's Department. The Board has approved on 20 May 2020 its Anti-Bribery Policy, Whistleblowing Policy & Procedure and Policy on Donation and Sponsorship ("ABC Policies").

The ABC Policies seek 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 Policy sets out the Group's expectations for internal and external parties are working with, for and on behalf of the Group in upholding the Group's commitment and stance against bribery. The ABC Policies is available for viewing at Uzma's corporate website at **www.uzmagroup.com.**

iii. Separation of Position of the Chairman and Managing Director/Group Chief Executive Officer ("MD/GCEO")

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 balance of power and authority in the Board, there is a clear demarcation of duties and responsibilities between the Chairman and the MD/GCEO to ensure organisational check and balance for better governance. The roles of Chairman and MD/GCEO are held separately by Datuk Abdullah Bin Karim and Dato' Kamarul Redzuan Bin Muhamed, respectively, as both roles serve different expectations and audience.

The Chairman is responsible for ensuring the Board's effectiveness and provides leadership at the Board level, chairing 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 MD/GCEO is responsible to manage the Company's business and Management Committee ("MC") as well as responsible to the Board for implementing operational and corporate decisions.

iv. Company Secretary

The Board is supported by three (3) suitably qualified and competent Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and are members of the Malaysian Institute of Chartered Secretaries and Administrators and Malaysian Association of Company Secretaries. During the year under review, Ms. Maziah Binti Martin was appointed as the Joint Secretary with effect from 1 June 2022.

The Company Secretaries play an advisory role, particularly on the corporative administrative and governance matters to ensure the Company is in compliance with its Constitution, the Board's policies and procedures, and the relevant regulatory requirements, guidelines, and legislations.

The Company Secretaries attend all the 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 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 Secretary or her representatives, attend and ensure that all Board and Board Committee meetings are properly convened. The decision made and/or resolutions passed thereof are recorded in the minutes of meetings and are kept at the registered office of the Company together with its statutory registers.

Other roles of the Company Secretary include coordinating with the Management on the preparation of the Board papers and ensuring the Board procedures and applicable rules are observed. The Company Secretary are further responsible in maintaining the records of the Board as well as disseminating relevant information in a timely manner to ensure the Board are up to date with the evolving regulatory requirements.

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

v. Board Meetings

The Board meets at least once in every quarter with additional meetings convened, as and when necessary. The meeting agenda, relevant reports and Board papers are furnished to the Directors and 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 the written circular resolutions.

The Board has a formal schedule of matters reserved at the Board Meetings which includes the 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, where necessary, to deal with urgent and important matters that require the attention of 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 are 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 Committee meetings.

v. Board Meetings (continued)

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 FY2022						Total	Percentage (%)
	26 Aug 2021	*20 Oct 2021*	*17 Nov 2021*	*24 Nov 2021*	*24 Feb 2022*	*30 May 2022*		
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' Che Nazahatuhisamudin Bin Che Haron *(Executive Director)*	✓	✓	✓	✓	✓	✓	6/6	100
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *(Independent Non-Executive Director)*	✓	✓	✓	✓	✓	✓	6/6	100
Encik Yahya Bin Razali *(Independent Non-Executive Director)*	✓	✓	✓	✓	✗	✗	4/6	66.67
Datuk Seri Zurainah Binti Musa *(Independent Non-Executive Director)*	✗	✓	✓	✗	✓	✓	4/6	66.67
Encik Ikhlas Bin Abdul Rahman *(Independent Non-Executive Director)*	✓	✓	✓	✓	✓	✓	6/6	100
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad* *(Independent Non-Executive Director)*	-	-	-	-	✓	✓	2/2	100
Datuk Farisha Binti Pawan Teh** *(Independent Non-Executive Director)*	-	-	-	-	✓	✓	2/2	100
Mazli Zakuan Bin Mohd Noor*** *(Independent Non-Executive Director)*	-	-	-	-	-	-	-	-

Notes:
(*) Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad was appointed to the Board on 1 January 2022.
(**) Datuk Farisha Binti Pawan Teh was appointed to the Board on 14 February 2022.
(***) Encik Mazli Zakuan Bin Mohd Noor was appointed to the Board on 1 September 2022.

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

vi. Continuous Training and Development

In discharging its duties and responsibilities, the Directors recognize the importance and value of attending programmes, seminars, and forums to keep themselves abreast with the current developments of the industry, as well as the new statutory and regulatory requirements.

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

Name of Directors	Training Programmes
Datuk Abdullah Bin Karim *(Independent Non-Executive Chairman)*	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 *(Managing Director/Group Chief Executive Officer)*	1. Speaker at MOGSC Way Ahead Series – Reaching the Sweet Spot through application of Technologies for Cost Optimisation and Decarbonisation 2. Mentor at OTC Asia 2022 Mentoring Session -The Next Wave Programme 3. Keynote Speaker at CEO Talk at Universiti Teknologi PETRONAS 4. Speaker at Building a Sustainable Space Industry Ecosystem in Malaysia Organised by Malaysia Industry -Government Group for High Technology as Panellist 5. Speaker at Industry Insight: Effective Contracting Strategy for A Sustainable Ecosystem at MOGSEC 2022 6. Guest at The Breakfast Grille by BFM
Dato' Che Nazahatuhisamudin Bin Che Haron *(Executive Director)*	1. NMP Commercialization Agreement at Offshore Technology Conference 2022 2. EnQuest Hydraulic Workover Campaign, Focused Recognition Session 3. In-House Training: Business Growth Division Team Building at Janda Baik 4. TCFD Climate Disclosure Training Programme
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *(Independent Non-Executive Director)*	1. TCFD Climate Disclosure Training Programme
Encik Yahya Bin Razali *(Independent Non-Executive Director)*	1. TCFD Climate Disclosure Training Programme
Datuk Seri Zurainah Binti Musa *(Independent Non-Executive Director)*	1. Speaker at "Strategi Memperkasa Peranan dan Fungsi Senator - Wacana Senator, Parlimen Malaysia" Program 2. Speaker at "Cabaran Wanita Dunia Korporat – Ruang Bicara, Bernama TV" Program 3. Speaker at "Pendidikan: Bersaingan atau Berganding -IRIS Wanita, TV1" Program 4. Speaker at "Teguh Kita, Menang Bersama -Selamat Pagi Malaysia, TV1" Program
Encik Ikhlas Bin Abdul Rahman *(Independent Non-Executive Director)*	1. TCFD Climate Disclosure Training Programme 2. ABC Training on Section 17(A)

vi. Continuous Training and Development (Continued)

The details of the trainings attended by the Directors during the year under review are set out as follows:- (continued)

Name of Directors	Training Programmes
Y.M.M Tengku Ezuan Ismara Bin Tengku Nun Ahmad* *(Independent Non-Executive Director)*	1. Key Disclosure Obligations of a Listed Company
Datuk Farisha Binti Pawan Teh** *(Independent Non-Executive Director)*	1. Mandatory Accreditation Program (MAP) 2. Financial Essentials for Non-Finance Directors
Mazli Zakuan Bin Mohd Noor*** *(Independent Non-Executive Director)*	1. ICDM, Audit Commitee Dialogue & Networking – Session #1 2. ICDM, Affiliate Screening 3. ACGN and SFIA's "Conversations on Climate Governance" 4. ICDM, NRC Dialogue & Networking 5. An EU-Malaysian Dialogue: Fighting Climate Change with Market Mechanisms 6. MIA International Accountants Conference 7. Invitation to be ICDM Screener – Affiliate Board-Readiness Screening – Batch 2/2022 8. "Navigating the Future of Malaysia O&G Industry" 9. Developing & Financing Green Housing in Asia Conference

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

In addition, the External Auditors play its role in briefing the Board on the latest changes to the Malaysian Financial Reporting Standards ("MFRS") that affects the Group's financial statements during FY2022, where applicable.

vii. Access to Information and Advice

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

The Directors 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 the effective functioning of the Board in discharging its various duties. If external advice is 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 Directors shall acquire the independent professional advice. All advices and opinions from the advisors shall be reported to the Board.

viii. Board Committees

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

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

The Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with the authority to act on behalf of the Board and operate within their respective written Terms of Reference that is 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 the 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:-

Audit Committee	Meeting (s) Attended	Responsibilities
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *(Chairman)* *(Independent Non-Executive Director)*	5/5	• Assists the Board in fulfilling the statutory and fiduciary responsibilities in monitoring the Group's management of its financial risk processes, accounting, and financial reporting practices, ensures the efficacy of the Group's system of internal control and maintains the oversight for both internal and external audit functions; and • • Reviews any related party transactions and conflict of interest situations that may arise within the Company and the Group.
Datuk Abdullah Bin Karim *(Member)* *(Independent Non-Executive Chairman)*	5/5	
Encik Yahya Bin Razali *(Member)* *(Independent Non-Executive Director)*	4/5	

viii. Board Committees (Continued)

Nomination and Remuneration Committee	Meeting (s) Attended	Responsibilities
Datuk Abdullah Bin Karim *(Member)* *(Independent Non-Executive Chairman)*	1/1	• Recommends new suitable candidates for directorships proposed by the MD/GCEO and, within the bounds of practicability, by any other senior executive(s) or any director(s) or shareholder(s); and utilize the independent services to identify suitably qualified candidates; • Reviews annually on the required mix of skills and experiences on core competencies, as well as character, experience, integrity, competency, and time commitment of the Directors; • Assists the Board in its annual assessment of the effectiveness of the Board as a whole and the Board Committees; • Assesses annually the independence of the independent directors and their tenure of service; and • Reviews on an annual basis the remuneration packages of the executive directors, non-executive directors and senior management having a salary of RM30,000.00 per month and above, and recommend to the Board for approval.
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim *(Chairman)* *(Independent Non-Executive Director)*	1/1	
Encik Ikhlas Bin Abdul Rahman *(Member)* *(Independent Non-Executive Director)*	1/1	

Effective from 1 September 2022, to enhance and ensure the continuity of good governance, the Board has revamped both Board Committees are follows: -

a) Audit Committee

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

ii. Encik Ikhlas Bin Abdul Rahman - Member
(Independent Non-Executive Director)

iii. Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad – Member
(Independent Non-Executive Director)

iv. Encik Mazli Zakuan Bin Mohd Noor – Member
(Independent Non-Executive Director)

b) Nomination and Remuneration Committee

i. Datuk Seri Zurainah Binti Musa – Chairperson
(Independent Non-Executive Director)

ii. Datuk Abdullah Bin Karim – Member
(Independent Non-Executive Chairman)

iii. Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad – Member
(Independent Non-Executive Director)

Board Balance and Composition

As at the date of this Statement, the Board currently has a balanced composition of ten (10) Directors consisting of two (2) Executive Directors and eight (8) Independent Non-Executive Directors ("INEDs"). This represents 80% 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 recommendations under Practice 5.2 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 the members and stakeholders. The presence of the Independent Directors safeguards the interest of the 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 stakeholders. A brief profile of each director can be found in this Annual Report.

The Board is satisfied that the present size and composition of the Board is appropriate for the complexity and scale of operations of the Group. The Board believes that a diverse Board that leverages on differences in the skills, knowledge, experience, and views of 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 capacity to discharge its responsibilities effectively.

The Independent Director play a strong and vital role in entrenching good governance practices in the affairs of the Group by providing independent views, advice, and judgement in consideration of the interests of members at large in order to effectively check and balance the Board's decision-making process. The Independent Non-Executive Directors ("INEDs") of the Company had devoted sufficient time and attention the Group's affairs.

During the year under review, the Board welcomed the appointment of Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Datuk Farisha Binti Pawan Teh with effect from 1 January 2022 and 14 February 2022 respectively. The Board has also approved the appointment of En. Mazli Zakuan Bin Mohd Noor as the Independent Non-Executive Director effective from 1 September 2022. 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 Annual General Meeting ("AGM") after their appointment. As such all the said INEDs will be subjected to re-election at the forthcoming AGM.

At least one-third of the Directors are required to retire from office by rotation annually and be subjected 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 Fifteenth (15th) AGM, Datuk Abdullah Bin Karim, Dato' Kamarul Redzuan Bin Muhamed and Encik Yahya Bin Razali shall retire from office and be eligible for re-election, pursuant to the Constitution of the Company.

The practices applied by the Board with regards to its composition are set out below:-

i 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.

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 caliber, qualifications, experiences, and personal qualities, particularly in the Director's integrity and objectivity in discharging their responsibilities in the best interest of the Company determines the ability of a director to serve effectively as an Independent Director.

However, the Board embraces the practice of retaining an independent director beyond nine (9) years and shall provide the justification for doing so and seek the shareholders' approval annually in that respect. If the Board continues to retain the Independent Directors after twelve (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 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 independence of mindset of which they will continue to be independent and able to provide objective judgement during the Board's deliberations and decision-making. The tenure of one (1) Independent Director of the Company, namely Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim has exceeded a cumulative term limit of nine (9) years prescribed by Practice 5.3 of the MCCG and will reach his twelve (12)-year term limit on 25 May 2023 as mandated under the MMLR of Bursa Securities. In view of his long-serving as an Independent Director of the Company, he has expressed that he does not wish to be retained as an Independent Director of the Company at the 15th AGM and wishes to retire from the Board at the conclusion of the 15th AGM. Accordingly, he shall retire at the conclusion of the 15th AGM in pursuance of the MCCG and MMLR of Bursa Securities.

Board Balance and Composition (Continued)

ii. Policy on Tenure of the Independent Directors

As the Company is not classified as a Large Company, the Board does not have a policy which limits the tenure of the INEDs to nine (9) years without further extension. At present, the Board will ensure compliance to the MMLR, which limits the tenure of the INEDs to not more than a cumulative period of twelve (12) years.

iii. Appointment of the Directors

The Board does not specific criteria for the assessment and selection of director candidate(s). However, the consideration would be taken on the need to meet the regulatory requirements such as the Companies Act 2016 and MMLR, the achievement in the candidate's personal career, integrity, wisdom, independence of the candidate, ability to make independent and analytical inquiries, ability to work as a team to support the Board, possession of the required skills, qualifications and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board to select the suitable candidate.

The NRC is responsible to recommend an identified candidate to the Board if there is any vacancy arising from resignation, retirement, or any other reasons, or if there is a need to appoint additional director(s) with the required skills or profession based on the recommendation from the Board to close the competency gap in the Board as identified by the NRC. The potential candidate(s) may be proposed by the existing director(s), 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 of the proposed candidates based on their skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time), and where appropriate, the independence of the 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 or informal interview.

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

iv. 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 women participation in the Board. Presently, the Company has two (2) female Independent Non-Executive Directors in the Board, i.e. 20% women directors. The NRC is responsible in ensuring that gender diversity objectives are adopted in the board recruitment, board performance evaluation and succession planning processes.

The Company also ensures diversity by having strong female representation at the management level, which could potentially be a pipeline for future candidates to be appointed as Directors or Senior Management. Currently, there are three (3) female key Senior Management, namely Datin Rozita Binti Mat Shah @ Hassan as the Chief People Officer ("CPO"), Puan Zaleha Binti Abdul Hamid as the Group Chief Financial Officer ("GCFO") and Puan Hanie Izawatie Binti Ahmad Kamil as Chief Legal Officer ("CLO"). These female personnel also sits on the Management Committee. To nurture diversity within the Group, the Group would endeavour to provide 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 recognizes and embraces the benefits of having gender diversity in the boardroom as a mix-gendered board would offer different viewpoints, ideas, and market insights. This would enable better problem solving to gain 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 backgrounds, and genders.

v. Board Annual Evaluation on Effectiveness

During the financial year under review, the Board, through the NRC, had carried out the annual assessment conducted internally and facilitated by the Company Secretaries to review the effectiveness of the Board as a whole, Board Committees, as well as the contribution of each individual director and the assessment on the independence of the independent directors. Annually, the NRC also assisted the Board to review the character's experience, integrity, competency, and time commitment of the MD/GCEO and the GCFO 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 directors' 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. An appropriate assessment and recommendation by the NRC would be based on the annual assessment conducted.

Remuneration

The Board, through the NRC, had established a Directors' Remuneration Policy and Procedure to assist the Group in attracting, retaining, and motivating its Directors and Senior Management 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 FY2022, 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 the Non-Executive Directors, which reflects the experience and level of responsibilities undertaken by the individuals concerned. The interested directors would abstain from participation in decisions regarding their individual remuneration in the NRC's deliberations and recommendations.

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

As the Company is not classified as a "Large Company", there is no full disclosure of the top five (5) Senior Management's remuneration on a named basis. Further to the above, the Board is of the view that the disclosure thereof would be unfavorable to the Group, due to the intense competition, scarcity for talents and to safeguard its Senior Management's retention efforts.

As an alternative to the recommended practices of the Code and MCCG, the Board has adopted to disclose the remuneration of the top five (5) Senior management on a group basis for FY2022 which amounted to RM5,157,264.99 million.

With the best interest of the Group in mind and taking into consideration the intense competition, scarcity for talents, sensitivity, privacy, security, and the issue of staff pinching, the Board has opted not to disclose on a named basis, the remuneration of their key Senior Management.

Further to the above, the Company is not classified as a "Large Company", the Company is of the view that the non-disclosure will not be prejudicial to the shareholders' interest. As an alternative to the recommended practice, the Board discloses the key Senior Management's remuneration on an aggregate basis for the year under review.

The remuneration of the Key Senior Management on an aggregate basis and the remuneration of the Board of Directors can be found in the CG Report on the Group's website (**www.uzmagroup.com**) and uploaded together with this Annual Report to Bursa Securities' website.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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 the four (4) INEDs. The Chairman of the AC is not the Chairman of the Board ensuring that the impairment of objectivity of the Board review of the AC findings and recommendations remain intact.

The Terms of Refence of the AC set outs 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 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 prospects.

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 the 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 have confirmed their independence throughout the conduct of the audit engagement in accordance with the independence criteria as set out by the Malaysian Institute of Accountants. The audit partner in-charge of a public listed company would be rotated every five (5) years to ensure independence of audit.

The detailed roles, functions, responsibilities, and summary of work done by the AC during the financial year ended 30 June 2022 are as set out in the AC Report of this Annual Report.

Risk Management and Internal Control

The Board is responsible for the overall risk management in 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 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 with 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 effectively implemented.

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

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

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 its members and investors, both individual and institutional, at the AGM.

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

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

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

Any enquiry regarding the Company and the Group 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 governance, environmental and social responsibility aspects for our stakeholders' reference.

Conduct of General Meetings

i. Annual General Meeting

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

During the preceding Fourteenth Annual General Meeting ("14th AGM")", the Company leverages on technology and continued to host its second virtual AGM through live streaming and online remote participation by using remoted participation and electronic voting facilities ("RPV"). The Chairman of the Board and the Chairman of the NRC, the MD/GCEO and the Chairman of the AC were present at the broadcast venue. Whilst other Board members attended the 14th AGM remotely to comply with the Government of Malaysia's official guidance on social distancing.

The questions raised by the shareholders, before and during the AGM, via real time submission of typed texts were concisely addressed by the Chairman and the Management.

All Directors, Key Senior Management and External Auditors will attend the upcoming 15th AGM, which shall provide answers and clarifications to the shareholders. The shareholders will be provided with an opportunity to participate in the question and answer ("Q&A") session in which the shareholders may raise questions pertaining to the business activities of the Company. If required, the Chairman, MD/GCEO and External Auditors will respond to questions from shareholders at the AGM.

The Company will consider to convene the general meetings on a virtual basis in the future and allow shareholders to actively participate and to vote in absentia.

ii. Notice for Annual General Meeting

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

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

ii. Notice for Annual General Meeting (Continued)

All Board members will ensure their attendance in the AGM and the Chairman of the respective Board Committees with the Management Committee shall attend to the questions raised pertaining to their duties. The External Auditors would also be present at the venue 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 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 AGM will be put to a vote by poll. The Company has appointed an independent scrutineer to validate the vote cast during the AGM. The outcome of the AGM will then be announced to Bursa Securities on the same day, while minutes of AGM would be published on the Company website (www.uzmagroup.com) at least 30 business day after the conclusion of the AGM, upon being reviewed and approved by the Board of Directors.

Focus Area And Future Priorities On Corporate Governance

Against a challenging business backdrop, the Board focused its attention on the foundational aspects of its roles as they relate to the creation of long-term value for our 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 competitive advantage in serving an increasingly diverse customer base than the boardroom that is dominated by one 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 Group.

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 applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia, to give a true and fair view of the financial position of the Company and the Group as at 30 June 2022 and of the results and cash flows of the Group and the Company for FY2022.

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

Presently, the Board is satisfied and of the view that the Company, in all material aspects, complied with the principles and practices asset out in the MCCG, with the exception of the departures duly disclosed.

The Corporate Governance Overview Statement was made during the Board of Directors' Meeting held on 26 October 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Uzma Berhad ("Uzma" or "the Group") faces a variety of risks that could potentially impact our businesses and operations, along with our current and future performance, prospects and growth strategies, financial position, liquidity, asset values and reputation in the marketplace. 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 2022 ("FY2022"). The Statement has been prepared in accordance to paragraph 15.26 (b) of Bursa Malaysia Securities Berhad's 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 is to provide reasonable assurance against material misstatement and loss, as opposed to absolute assurance against the same.

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 for 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 Group Chief Executive Officer ("GCEO") 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 to 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 throughout 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 departments. The Group's risk profiles reflect the Group's position and acceptability to take risks in various areas, namely strategic, operational, financial, stakeholders, HSE, 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

The Business Continuity Plan ("BCP") team, which was formed in 2020, continues to implement the Standard Operating Procedures ("SOPs") that complies with the Ministry of Health ("MoH") guidelines throughout the pandemic phase of COVID-19. In this period, several working arrangements of "at-premises" versus "at-home" were adopted to comply with the MoH's maximum capacity requirements and to minimize business operations.

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 Heads of Departments and staff through quarterly virtual mini town hall meetings and other electronic channels.

In FY2022, the COVID-19 BCP guidelines was updated to be consistent with the improving COVID-19 situation.

In addition to COVID-19, the MC conducted a strategic and tactical review of the O&G Business strategy moving forward while taking into consideration the industry's volatile recovery and the company's position. The key decision was to increase the resiliency of the O&G Business by focusing on operational excellence and growing the business regionalization. Both the organization structure and the O&G corporate goals had been realigned towards operational excellence and business growth.

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 BOD, Procurement 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 monthly. Key performance areas that were monitored consists of the Group's financial standing, asset utilization, groupwide 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.

Throughout the fiscal year, numerous critical improvements were implemented, starting from 6% savings of the overall procurement cost, enhancing the efficiency of the procurement process by improving the current procedure, the implementation of proper inventory and warehouse management including stock keeping and transactions to create a more efficient warehouse solution, successful completion of product code restructuring to suit project requirements and maintain synchronization with the system for the users, and finally, contributing to accurate data analysis generation.

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

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 procurement activities above a threshold limit set by the LOA duly established for groupwide adoption.

The Group has formed the PTC in 2020 to review, deliberate and endorse all procurement requests above a threhold 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.

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 within the stipulated budget and which 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 organization's excellent quality, health, safety, and environment ("QHSE") performance, the Group has subscribed to and has been certified to ISO 9001:2015 and ISO 45001:2018 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 combining the QHSE teams from the Group and its largest subsidiary company, 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 is 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 organization, as well as activities external to the organization.

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 during 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.

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 risk areas identified and agreed by the AC. Findings from the internal audit are discussed and reviewed by the 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 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 risk areas identified and agreed by the AC. Findings from the internal audit are discussed and reviewed by the 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.

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 Engagement 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 2022. The External Auditors reported that nothing has come to their attention that could cause them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines to be set out or is factually inaccurate. This Statement on Risk Management and Internal Control is made in accordance with the Board dated 31 October 2022.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Uzma Berhad ("Uzma" or "the Company") is pleased to present the Audit Committee ("AC") Report which provides insights on the function and duties, and decision-making process of the AC for the financial year ended 30 June 2022 ("FY2022") in compliance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

COMPOSITION AND ATTENDANCE

The AC is established by the Board and currently comprises four (4) members, all of whom are Independent Non-Executive Directors as follows:-

1. Dato'Dr. (H) Ab Wahab Bin Haji Ibrahim
   Chairman/Independent Non-Executive Director
2. Encik Ikhlas Bin Abdul Rahman
   Member/Independent Non-Executive Director
3. Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad
   Member/Independent Non-Executive Director
4. Encik Mazli Zakuan Bin Mohd Noor
   Member/Independent Non-Executive Director

Note:-

* Datuk Abdullah Bin Karim and Encik Yahya Bin Razali resigned as members of the AC on 1 November 2021 and 1 September 2022 respectively.

** Encik Ikhlas Bin Abdul Rahman and Datuk Seri Zurainah Binti Musa were appointed on 1 November 2021. Subsequentky, Datuk Seri Zurainah resigned as a members of the AC on 1 September 2022.

*** Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad And En. Mazli Zakuan bin Mohd Noor were appointed as members of the AC on 1 September 2022 subsequent to the FY2022.

The Chairman of the AC, Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim 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 9.4 of the Malaysian Code on Corporate Governance 2021.

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 the financial year ended 30 June 2022. The composition and the attendance of the AC member during the financial year are as follows: -

Director's Name	Meeting Attendance				
	26.08.2021	*20.10.2021*	*24.11.2021*	*24.02.2022*	*30.05.2022*
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim - Chairman *(Independent Non-Executive Director)*	√	√	√	√	√
Datuk Abdullah Bin Karim - Member* *(Independent Non-Executive Chairman)*	√	√	-	-	-
Encik Yahya Bin Razali - Member* *(Independent Non-Executive Director)*	√	√	√	X	X
Datuk Seri Zurainah Binti Musa - Member** *(Independent Non-Executive Director)*	-	-	X	√	√
Encik Ikhlas Bin Abdul Rahman - Member** *(Independent Non-Executive Director)*	-	-	√	√	√
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad - Member*** *(Independent Non-Executive Director)*	-	-	-	-	-
Mazli Zakuan Bin Mohd Noor - Member*** *(Independent Non-Executive Director)*	-	-	-	-	-

Note:-

* Datuk Abdullah Bin Karim and Encik Yahya Bin Razali resigned as members of the AC on 1 November 2021 and 1 September 2022 respectively.

** Encik Ikhlas Bin Abdul Rahman and Datuk Seri Zurainah Binti Musa were appointed on 1 November 2021. Subsequentky, Datuk Seri Zurainah resigned as a members of the AC on 1 September 2022.

*** Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad And En. Mazli Zakuan bin Mohd Noor were appointed as members of the AC on 1 September 2022 subsequent to the FY2022.

COMPOSITION AND ATTENDANCE (Continued)

The Managing Director/Group Chief Executive Officer ("MD/GCEO") 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 meeting were circulated to the members of the AC and tabled for confirmation at the following AC meeting and subsequently presented to the Board of Directors ("Board") for notation. The AC Chairman 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 (1) for 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.

AUTHORITY

The AC derives its authority from its Term of Reference. 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 Uzma Berhad 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 relevant experience and expertise if it considers necessary.

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

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 Company and the Group 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 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 the 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 Terms of Reference ("TOR") of the AC is reviewed regularly. Any revision or amendment shall form part of the TOR and shall be considered reviewed or amended. 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.

REVIEW OF 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 TOR. 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 the year under review.

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:-

1) 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 financial reporting issues, significant judgement made by the Management and unusual events and compliance with accounting standards and other legal requirements. The above reviews were conducted together with the MD/GCEO and the Group Chief Financial Officer ("GCFO").

2) Reviewed the following matters in relation to the External Audit:-
   i) The audit planning memorandum, audit strategy and scope of work for FY2022 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 auditor; 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.

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

4) Reviewed the performance of external auditors in assessing their independence, technical competency and reasonableness of their audit fees and provision of non-audit services by 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) Reviewed the following matters in relation to the Internal Audit:-
   i) The annual internal audit plan for adequacy of scope and coverage on the activities of the Group. Audit areas were discussed and annual internal audit plan was approved for adoption; and
   ii) The internal audit reports presented by the Internal Auditor on its findings and recommendations with respect to system and control weaknesses and the Management's responses to these recommendations and actions taken to improve the internal control and procedures.

SUMMARY OF WORK DONE BY THE AC DURING THE FINANCIAL YEAR (continued)

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:- (continued)

6) Reviewed the related party transactions entered into by the Company and the Group to ensure the transactions are carried out on 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.

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

8) Reviewed and recommended to the Board the following for their 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

9) Reviewed the status of compliance of the Company with the MCCG, which are within the scope and functions of the AC, for the purpose of disclosure in the Statement of Corporate Governance pursuant to the requirements of Paragraph 15.25 of MMLR.

10) Conducted a private session with the External Auditors in the absence of the Executive Members and Management Committee during the AC meeting.

INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The Group's internal audit function is outsourced to a professional services firm as an integral part of the assurance mechanism in ensuring the Group's system of internal controls 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 Malaysian Institute of Accountants and Institute of Internal Auditors Malaysia, 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 in 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 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 during the financial year were as follows:-

No.	Observations	Business Unit
1	Inventory Management	Groupwide
2	Sales and Billing	MMSVS Group Holdings Co., Ltd.
3	Procurement Management	MMSVS Group Holdings Co., Ltd.
4	Financial Management Process	MMSVS Group Holdings Co., Ltd.

The costs incurred in maintaining the outsourced the internal audit function for the financial year ended 30 June 2022 was RM 46,000.00.

The AC Report was made in accordance with the approval of the Board of Directors on 26 October 2022.

NOMINATION AND REMUNERATION COMMITTEE REPORT

The Board of Directors (Board) of Uzma Berhad ("Uzma" or "the Company") is pleased to present the Nomination and Remuneration Committee ("NRC") Report for the financial year ended 30 June 2022 ("FY2022") in compliance with Paragraph 15.08A(3) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

COMPOSITION

On 26 October 2022, the Nominating and Remuneration Committee was renamed to the Nomination and Remuneration Committee The Board of Directors ("Board") has delegated to the NRC the responsibility to establish, maintain and review the 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 Director 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 carried out by the NRC in the discharge of all its functions are properly documented. The NRC also responsible for reviewing the remuneration packages for the Executive Directors, Managing Director/Group Chief Executive Officer ("MD/GCEO"), and 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 processes and in compliance with the requirements of Paragraph 15.08A(1) of the MMLR of Bursa Securities, the NRC comprises exclusively of Independent Non-Executive Directors ("INEDs").

In improving and enhancing the functions of the NRC, the Board had on 1 September 2022, the Board has restructured the Committee and appointed the following INEDs to sit on the NRC:-

Chairman	Datuk Seri Zurainah Binti Musa *(Independent Non-Executive Director)*
Members	Datuk Abdullah Bin Karim *(Independent Non-Executive Chairman)* Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad *(Independent Non-Executive Director)*

FUNCTIONS AND RELATED ACTIVITES IN 2022

The annual principal function of the NRC is to assess and review the performance of the Board of Directors and 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 Company and the Group, the Board balance and 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:-

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 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 area of contributions and interactions with peers, 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 Individual Directors, Self/Peer Evaluation and Board Evaluation to complete. Whereas 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 Audit Committee ("AC"), the assessment of the effectiveness and performances of the NRC and AC are carried out by the Board with members of the respective committees abstained from deliberation.

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.

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

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

Review of the Remuneration Packages of Directors and Key Senior Management

The NRC is responsible for developing the remuneration framework and remuneration packages for 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 payable to the Directors from 17 December 2021 until the next AGM to the Board for its recommendation for shareholders' approval;

ii. Reviewed and recommended the proposal for the employees' remuneration increment for FY2022 to match the current market rate and ensuring competitiveness in order to retain and attract relevant talents for the Company; and

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

The Terms of Reference of the NRC was reviewed on 26 October 2022. The latest Terms of Reference of the NRC is available on the Company's website at www.uzmagroup.com.

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 2022 amounted to RM495,556 of which RM152,000 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 2022 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 into by the Company and/or its subsidiaries involving directors' and/or major shareholders' interest since the end of the previous financial year and/or still subsisting at the end of this 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 2022.

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	6,580	991
Attributable to:		
Owners of the Company	5,045	991
Non-controlling interests	1,535	-
	6,580	991

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 2022.

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.

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.

DIRECTORS' REPORT (continued)

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:

(i) issued 16,000,000 new ordinary shares at a price of RM0.5599 per ordinary share pursuant to private placement for a total consideration of RM8,958,400.

(ii) issued 16,002,000 new ordinary shares at a price of RM0.5418 per ordinary share pursuant to private placement for a total consideration of RM8,669,884.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

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*
Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Appointed on 1 January 2022)
Datuk Farisha Binti Pawan Teh (Appointed on 14 February 2022)
Mazli Zakuan Bin Mohd Noor (Appointed on 1 September 2022)

* 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	
Mohd Shahrin Bin Saad	
Mohd Zulhaizan Bin Mohd Noor	
Muslim Bin Ahmad	
Nik Hairi Bin Nik Sin	
Rizal Bin Mohd Arifin	
Dato' Dr. Ahmad Sabirin Arshad	
Dr. Ahmad Khalid Bin Md Khairi	
Datuk Puvanesan A/L Subenthiran	
Rahmat Wibisono	
Tassanee Visitpong	
Sri Rahayu	(Appointed on 4 August 2021)
Tuan H. Freddy S. Soemitro	(Appointed on 4 August 2021)
Dato' Sayed Alfeizal Sayed Ahmad	(Appointed on 11 October 2021)
Ismuni Bin Yohari	(Appointed on 11 October 2021)
Wan Azhar Bin Mohamed Yusof	(Appointed on 11 October 2021)
Fazlina Binti Othman	(Appointed on 7 December 2021)
Mohd Ashura Bin Mohd Ali	(Appointed on 7 December 2021)
Tabratas Tharom	(Resigned on 4 August 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			
	At 1.7.2021	Bought	Sold	At 30.6.2022
Interests in the Company				
Direct interests				
Dato' Che Nazahatuhisamudin Bin Che Haron	4,068,780	275,000	-	4,343,780
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 shown below) 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 other than any deemed benefit which may arise from transactions as disclosed in Note 35 to the financial statements.

The directors' benefits of the Group and of the Company are as follows:

	Group RM'000	Company RM'000
Directors of the Company		
Fees	567	531
Salaries, bonus and other benefits	1,770	687
Defined contribution plans	200	76
Estimated money value of benefits-in-kind	325	325
	2,862	1,619
Directors of the subsidiaries		
Fees	156	90
Salaries, bonus and other benefits	2,214	936
Defined contribution plans	241	97
	2,611	1,123

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 auditors' remuneration of the Group and of the Company during the financial year are RM496,000 and RM152,000 respectively.

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

DIRECTORS' REPORT (continued)

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

....

DATO' KAMARUL REDZUAN BIN MUHAMED
Director

....

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON
Director

Date: 31 October 2022

FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	496,764	519,073	853	1,277
Right-of-use assets	6	23,842	18,154	148	217
Intangible assets	7	204,899	203,457	-	-
Investment in subsidiaries	8	-	-	398,349	398,607
Investment in associates	9	11,489	12,113	3,390	4,155
Investment in joint ventures	10	-	1	-	-
Deferred tax assets	11	2,365	5,693	-	-
Trade and other receivables	12	5,957	6,750	522	522
Other investments	13	4,080	4,285	-	-
Total non-current assets		749,396	769,526	403,262	404,778
Current assets					
Inventories	14	46,208	35,813	-	-
Trade and other receivables	12	170,074	135,346	73,646	82,845
Contract assets	15	166,090	144,085	-	-
Other investments	13	241	1,374	141	139
Current tax assets		17,379	13,258	-	-
Deposits, cash and bank balances	16	110,615	136,834	12,800	12,781
Total current assets		510,607	466,710	86,587	95,765
TOTAL ASSETS		1,260,003	1,236,236	489,849	500,543

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (continued)

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	307,535	290,069	307,535	290,069
Foreign currency translation reserve	18	35,578	30,847	-	-
Capital reserve	19	375	375	-	-
Merger deficit	20	(29,700)	(29,700)	-	-
Fair value reserve	21	(6,000)	(6,000)	-	-
Retained earnings		146,402	143,320	26,946	28,157
		454,190	428,911	334,481	318,226
Perpetual sukuk	22	40,852	40,852	40,852	40,852
Non-controlling interests		29,582	30,948	-	-
TOTAL EQUITY		524,624	500,711	375,333	359,078
Non-current liabilities					
Loans and borrowings	23	234,116	305,183	59,173	71,933
Lease liabilities	24	12,954	6,806	90	162
Deferred tax liabilities	11	23,645	17,936	172	61
Trade and other payables	25	4,149	3,910	-	-
Post employment benefit liabilities	26	2,744	2,898	-	-
Deferred income	27	14,862	5,995	-	-
Total non-current liabilities		292,470	342,728	59,435	72,156
Current liabilities					
Loans and borrowings	23	216,726	208,083	35,157	48,897
Lease liabilities	24	3,647	5,988	85	67
Trade and other payables	25	221,602	177,790	19,495	20,241
Contract liabilities	15	357	385	-	-
Current tax liabilities		577	551	334	104
Total current liabilities		442,909	392,797	55,081	69,309
TOTAL LIABILITIES		735,379	735,525	114,516	141,465
TOTAL EQUITY AND LIABILITIES		1,260,003	1,236,236	489,849	500,543

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED

30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Revenue	28	377,935	389,022	22,139	48,432
Cost of sales		(250,340)	(269,940)	-	-
Gross profit		127,595	119,082	22,139	48,432
Other income		14,571	32,395	2,939	4,039
Administrative expenses		(68,579)	(79,096)	(17,086)	(17,337)
Net impairment losses of financial assets		(1,359)	(4,792)	(1,343)	(1,805)
Other operating expenses		(36,391)	(49,397)	(795)	(1,339)
		(106,329)	(133,285)	(19,224)	(20,481)
Profit from operations		35,837	18,192	5,854	31,990
Finance costs		(20,137)	(24,912)	(4,512)	(5,516)
Share of results of associates, net of tax		1,309	2,723	-	-
Share of results of a joint venture, net of tax		(1)	(30)	-	-
Profit/(Loss) before tax	29	17,008	(4,027)	1,342	26,474
Tax expense	30	(10,428)	(3,255)	(351)	(1,517)
Profit/(Loss) for the financial year		6,580	(7,282)	991	24,957

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

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Other comprehensive income/(loss),net of tax					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain from employee benefits		142	96	-	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences in translation of foreign operations		4,795	(20,988)	-	-
Fair value loss of equity instrument at fair value through other comprehensive income		(205)	-	-	-
Other comprehensive income/(loss) for the financial year		4,732	(20,892)	-	-
Total comprehensive income/(loss) for the financial year		11,312	(28,174)	991	24,957
Profit/(Loss) attributable to:					
Owners of the Company		5,045	(8,000)	991	24,957
Non-controlling interests		1,535	718	-	-
		6,580	(7,282)	991	24,957
Total comprehensive income/(loss) attributable to:					
Owners of the Company		9,695	(28,899)	991	24,957
Non-controlling interests		1,617	725	-	-
		11,312	(28,174)	991	24,957
Earnings/(Loss) per share (sen):					
- Basic and diluted	31	0.83	(2.64)		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	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											
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, restated											
Loss for the financial year, restated	39	-	-	-	-	-	(8,000)	(8,000)	-	718	(7,282)
Actuarial gain from employee benefits	26	-	-	-	-	-	84	84	-	12	96
Foreign currency translation reserve		-	(20,983)	-	-	-	-	(20,983)	-	(5)	(20,988)
Total comprehensive loss, restated		-	(20,983)	-	-	-	(7,916)	(28,899)	-	725	(28,174)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (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 (continued)											
Transactions with owners											
Disposal of a subsidiary		-	1,188	(51)	-	-	51	1,188	-	(1,063)	125
Subscription 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, restated		290,069	30,847	375	(29,700)	(6,000)	143,320	428,911	40,852	30,948	500,711

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (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 2021, restated		290,069	30,847	375	(29,700)	(6,000)	143,320	428,911	40,852	30,948	500,711
Total comprehensive income for the financial year											
Profit for the financial year		-	-	-	-	-	5,045	5,045	-	1,535	6,580
Actuarial gain from employee benefits	26	-	-	-	-	-	124	124	-	18	142
Fair value loss of equity instrument a fair value through other comprehensive income		-	-	-	-	-	(205)	(205)	-	-	(205)
Foreign currency translation reserve		-	4,731	-	-	-	-	4,731	-	64	4,795
Total comprehensive income		-	4,731	-	-	-	4,964	9,695	-	1,617	11,312

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

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	Perpetual sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
Group (continued)											
Transactions with owners											
Changes in ownership interests in subsidiaries		-	-	-	-	-	320	320	-	(634)	(314)
Non-controlling interests arising from incorporation of new subsidiaries		-	-	-	-	-	-	-	-	4	4
Dividend paid by the subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(2,353)	(2,353)
Issue of ordinary shares pursuant to private placement	17	17,628	-	-	-	-	-	17,628	-	-	17,628
Transaction costs of share issue	17	(162)	-	-	-	-	-	(162)	-	-	(162)
Distribution to perpetual sukuk holders		-	-	-	-	-	(2,202)	(2,202)	-	-	(2,202)
Total transactions with owners		17,466	-	-	-	-	(1,882)	15,584	-	(2,983)	12,601
At 30 June 2022		307,535	35,578	375	(29,700)	(6,000)	146,402	454,190	40,852	29,582	524,624

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

Attributable to owners of the Company

	Note	Share capital RM'000	Retained earnings RM'000	Sub-total RM'000	Perpetual sukuk RM'000	Total equity RM'000
Company						
At 1 July 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
Total comprehensive income for the financial year						
Profit for the financial year		-	991	991	-	991
Total comprehensive income		-	991	991	-	991
Transactions with owners						
Issue of ordinary shares pursuant to private placement	17	17,628	-	17,628	-	17,628
Transaction costs of share issue	17	(162)	-	(162)	-	(162)
Distribution to perpetual sukuk holders		-	(2,202)	(2,202)	-	(2,202)
Total transactions with owners		17,466	(2,202)	15,264	-	15,264
At 30 June 2022		307,535	26,946	334,481	40,852	375,333

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		17,008	(4,027)	1,342	26,474
Adjustments for:					
Amortisation of intangible assets	7	3,944	4,506	-	-
Amortisation of government grant	27	(1,133)	(1,472)	-	-
Bad debts written off		2	32	-	-
Bargain purchase arising from acquisition of a subsidiary	8(a)	-	(2,650)	-	-
Depreciation of property, plant and equipment	5	44,008	43,070	429	425
Depreciation of right-of-use assets	6	5,003	5,570	69	68
Deposits written off		109	-	-	-
Dividend income		-	-	(5,100)	(29,947)
Fair value gain on quoted equity securities		-	(155)	-	-
Fair value gain on contingent consideration		-	(245)	-	-
Loss/(Gain) on disposal of a subsidiary	8(c)	44	(928)	-	-
Gain on disposal of an associate		-	(1,432)	-	-
Gain on disposal of property, plant and equipment		(5,399)	(284)	-	-
Gain on lease modification		-	(2)	-	-
GST written off		79	-	79	-
Impairment losses on:					
- trade receivables	12	807	1,707	-	-
- other receivables	12	552	3,602	-	1,805
- investment in an associate	9	-	-	-	237
- property, plant and equipment	5	523	-	-	-
- other intangible assets	7	-	4,110	-	-
- subsidiaries		-	-	1,343	-
Interest expense		20,137	24,912	4,512	5,516
Inventories written off	14	1	-	-	-
Inventories written down	14	2,179	118	-	-
Inventories written back	14	(138)	(505)	-	-
Interest income		(1,527)	(1,649)	(2,752)	(3,913)
Loss on derecognition of a subsidiary	8 (d)	258	-	216	-
Loss/(Gain) on reduction in stake in an associate		641	-	(187)	-
Net unrealised (gain)/loss on foreign exchange		(37)	1,547	-	-
Balance carried forward		87,061	75,825	(49)	665

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Balances brought forward		87,061	75,825	(49)	665
Reversal of impairment losses on trade receivables	12	-	(517)	-	-
Reversal of impairment losses on property, plant and equipment	5	(1,136)	-	-	-
Share of results of associates	9	(1,309)	(2,723)	-	-
Share of results of a joint venture	10	1	30	-	-
Prepayments written off		-	50	-	-
Property, plant and equipment written off	5	1	-	-	-
Provision for post employment benefits	26	575	397	-	-
Unwinding of discount on contingent consideration		130	-	-	-
Operating profit/(loss) before working capital changes		85,323	73,062	(49)	665
Contract assets		(22,005)	(5,105)	-	-
Contract liabilities		(28)	(615)	-	-
Inventories		(12,328)	5,720	-	-
Receivables		(35,058)	68,460	(397)	(1,193)
Payables		42,348	(12,206)	1,854	1,439
Net cash generated from operations		58,252	129,316	1,408	911
Interest paid		(846)	(231)	(4,512)	(5,516)
Tax paid		(6,223)	(10,928)	-	(1,099)
Net cash from/(used in) operating activities		51,183	118,157	(3,104)	(5,704)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Cash flows from investing activities					
Acquisition of a subsidiary, net of cash acquired	8(a)	-	(472)	-	-
Advances to an associate		-	(2)	-	(1)
Repayment from/(Advances to) subsidiaries		-	-	11,014	(61,446)
Change in pledged deposits	16	(4,937)	9,810	(58)	(891)
Dividend received		340	980	1,260	29,947
Interest received		1,527	1,649	2,752	3,913
Acquisition of an associate	9	-	(2,250)	-	-
Acquisition of a joint venture	10	-	(31)	-	-
Withdrawal/(Placement) of fixed deposits	16	1,496	(12,277)	-	-
Proceeds from disposal of property, plant and equipment		5,654	1,059	-	3
Disposal of a subsidiary, net of cash disposed	8(c)	(22)	(337)	-	-
Proceeds from disposal of an associate	9	-	8,000	-	-
Subscription of shares by non-controlling interests in subsidiaries		-	735	-	-
Net decrease/(increase) of other investments		-	179	(2)	(3)
Purchase of intangible assets		(442)	-	-	-
Purchase of property, plant and equipment	(a)	(22,228)	(59,179)	(5)	(52)
Net cash (used in)/from investing activities		(18,612)	(52,136)	14,961	(28,530)
Cash flows from financing activities	(b)				
Interest paid		(19,291)	(24,681)	-	-
Advances from an associate		680	37	-	-
Proceeds from government grant	27	10,000	-	-	-
Proceeds from issuance of perpetual sukuk	22	-	40,852	-	40,852
Proceeds from issuance of shares	17	17,466	-	17,466	-
Distribution to perpetual sukuk holders		(2,202)	(452)	(2,202)	(452)
Net payments of lease liabilities		(6,927)	(7,338)	(54)	(64)
Net repayment of revolving credit		(16,191)	(492)	(13,088)	(8,493)
Net drawdown of invoice financing		35,642	3,539	-	-
Net repayment of term loans		(31,912)	(48,174)	(12,760)	(6,863)
Net repayment of medium term notes		(49,585)	(24,585)	-	-
Advances from/(Repayment to) a director		32	(6,499)	28	(6,499)
Advances from shareholders of subsidiaries		932	292	-	-
(Repayment to)/Advances from subsidiaries		-	-	(634)	16,819
Dividends paid to non-controlling interests by subsidiaries		(2,353)	(2,545)	-	-
Net cash (used in)/from financing activities		(63,709)	(70,046)	(11,244)	35,300
Net (decrease)/increase in cash and cash equivalents		(31,138)	(4,025)	613	1,066

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

	Note	Group 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Cash and cash equivalents at the beginning of the financial year		50,731	69,343	(12,410)	(13,476)
Effect of exchange rate changes on cash and cash equivalents		1,540	(14,587)	-	-
Cash and cash equivalents at the end of the financial year	16	21,133	50,731	(11,797)	(12,410)

(a) Purchase of property, plant and equipment

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash payments on purchase of property, plant and equipment	22,228	59,179	5	52

(b) Reconciliations of liabilities arising from financing activities:

Group	1.7.2021 RM'000	Cash flows RM'000	Non-cash: Acquisition of new leases RM'000	Non-cash: Foreign exchange movement RM'000	Non-cash: Others RM'000	30.6.2022 RM'000
Term loans	186,367	(31,912)	-	-	(316)	154,139
Lease liabilities	12,794	(6,927)	10,734	-	-	16,601
Revolving credit	51,865	(16,191)	-	-	-	35,674
Invoice financing	8,987	35,642	-	-	-	44,629
Medium term notes	223,237	(49,585)	-	-	-	173,652
Amount owing to a director	53	32	-	-	-	85
Amount owing to an associate	1,037	680	-	-	-	1,717
Amounts owing to shareholders of subsidiaries	292	932	-	-	-	1,224
	484,632	(67,329)	10,734	-	(316)	427,721

Company	1.7.2021 RM'000	Cash flows RM'000	Non-cash: Others RM'000	30.6.2022 RM'000
Term loans	85,067	(12,760)	-	72,307
Lease liabilities	229	(54)	-	175
Revolving credit	21,793	(13,088)	-	8,705
Amount owing to a director	53	28	-	81
Amounts owing to subsidiaries	16,819	(634)	(1,994)	14,191
	123,961	(26,508)	(1,994)	95,459

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (continued)

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

Group	1.7.2020 RM'000	Cash flows RM'000	Non-cash: Acquisition of new leases RM'000	Non-cash: Foreign exchange movement RM'000	Non-cash: 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
Amounts owing to shareholders of subsidiaries	-	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
Amount owing to subsidiaries	-	16,819	16,819
	129,061	(5,100)	123,961

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

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	29	20,628	21,280	1,621	1,663
Payment relating to leases of low-value assets	29	63	86	-	-
Interest paid in relation to lease liabilities	29	610	763	17	55
Included in net cash from financing activities:					
Payment of lease liabilities		6,927	7,338	54	64
Total cash outflows of leases		28,228	29,467	1,692	1,782

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

The principal place of business of the Company is located at Uzma Tower, No.2, Jalan PJU 8/8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, 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 31 October 2022.

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 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

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 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2023#
MFRS 9	Financial Instruments	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 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 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 101 Presentation of Financial Statements

The Amendments include specifiying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The Amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

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 disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

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

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

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

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

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

(b) Non-controlling interests

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

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

(c) Associates

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

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

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

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

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

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

(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; and
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

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.

(c) Software development costs

Software development cost are recognised in profit or loss as incurred.

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Software development costs are amortised on straight-line basis based on its estimated useful lives. Amortisation charge is recognised in profit or loss upon commercialisation.

The useful lives and amortisation methods are reviewed at the end of each reporting period.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Defined benefit plans

Certain subsidiaries of the Company operate an unfunded defined benefit scheme. Each subsidiary's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees would have earned in return for their service in the current and prior financial years, that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds.

The calculation is performed by an actuarist using the projected unit credit method. In the intervening years, the calculation may be updated by the actuarist based on approximations unless material changes in demographics or business processes have been identified that would cause doubt in the application of approximations, in which case detailed analysis would be necessary at the interim date.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return of plan assets (excluding amounts included in net interest on the net defined benefit liability) and the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in other comprehensive income. Remeasurements are not reclassified to profit or loss in subsequent periods.

The net interest is calculated by applying the discount to the net balance of the defined benefit obligation and fair value of plan assets, if any.

The Group recognises the following costs in profit or loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense

3.14 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.15 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Revenue and other income (continued)

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.

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, 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 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 and contract assets

The impairment provisions for trade receivables and contract assets 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 and contract assets. 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 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 and contract assets 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 future sales, profit margins and operating expenses. 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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
2022												
Cost												
At 1 July 2021		14,552	24,000	668	651,787	963	12,762	9,162	20,336	2,740	21,065	758,035
Additions		-	-	-	7,022	-	5	-	279	-	14,922	22,228
Adjustments		-	-	-	-	-	-	-	(109)	-	-	(109)
Disposals		-	-	-	(14,051)	-	-	(350)	-	-	-	(14,401)
Written off		-	-	-	-	-	-	-	(22)	-	-	(22)
Reclassifications		-	-	-	15,279	-	91	-	224	-	(15,594)	-
Transfer from right-of-use assets		-	-	-	-	-	-	155	-	-	-	155
Disposal of a subsidiary		-	-	-	-	-	-	-	(440)	-	-	(440)
Exchange differences		-	-	(23)	(2,924)	-	15	(226)	(29)	-	-	(3,187)
At 30 June 2022		14,552	24,000	645	657,113	963	12,873	8,741	20,239	2,740	20,393	762,259

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2021		922	3,177	367	177,148	697	10,765	8,351	15,890	342	-	217,659
Depreciation charge for the financial year	29	225	480	36	40,908	96	371	175	1,580	137	-	44,008
Disposals		-	-	-	(9,139)	-	-	(350)	-	-	-	(9,489)
Written off		-	-	-	-	-	-	-	(21)	-	-	(21)
Transfer from right-of-use assets		-	-	-	-	-	-	144	-	-	-	144
Disposal of a subsidiary		-	-	-	-	-	-	-	(387)	-	-	(387)
Exchange differences		-	-	(13)	(1,876)	-	16	(221)	(32)	-	-	(2,216)
At 30 June 2022		1,147	3,657	390	207,041	793	11,152	8,099	17,030	479	-	249,788

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 loss												
At 1 July 2021		772	-	-	20,531	-	-	-	-	-	-	21,303
Disposals		-	-	-	(4,657)	-	-	-	-	-	-	(4,657)
Impairment loss	29	-	-	-	523	-	-	-	-	-	-	523
Reversal of Impairment loss	29	-	-	-	(1,136)	-	-	-	-	-	-	(1,136)
Exchange differences		-	-	-	(326)	-	-	-	-	-	-	(326)
At 30 June 2022		772	-	-	14,935	-	-	-	-	-	-	15,707
Carrying amount												
At 30 June 2022		12,633	20,343	255	435,137	170	1,721	642	3,209	2,261	20,393	496,764

NOTES TO THE FINANCIAL STATEMENTS (continued)

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
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
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 loss												
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Note	Office equipment RM'000	Equipment RM'000	Total RM'000
Cost				
At 1 July 2020		2,072	21	2,093
Additions		52	-	52
Disposal		(5)	-	(5)
At 30 June 2021		2,119	21	2,140
Additions		5	-	5
At 30 June 2022		2,124	21	2,145
Accumulated depreciation				
At 1 July 2020		436	4	440
Depreciation charge for the financial year	29	421	4	425
Disposal		(2)	-	(2)
At 30 June 2021		855	8	863
Depreciation charge for the financial year	29	425	4	429
At 30 June 2022		1,280	12	1,292
Carrying amount				
At 30 June 2021		1,264	13	1,277
At 30 June 2022		844	9	853

(a) Assets pledged as security

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 2022 RM'000	Group 2021 RM'000
Freehold properties	11,632	11,856
Leasehold properties	20,343	20,823
Operating equipment	260,596	271,583
	292,571	304,262

(b) Impairment loss and subsequent reversal

During the financial year, an impairment loss of RM523,000 was recognised in profit or loss under other operating expenses, representing the impairment of certain operating equipment in the services segment that had lower utilisation rate.

The Group had also reassessed the recoverable amount of an operating equipment previously impaired and RM1,136,000 of the loss was reversed and recognised in profit or loss under other income, as a result of recovery of utilisation of that operating equipment.

(c) Included in the additions of capital work-in-progress of the Group during the financial year are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Salaries and related costs		
- directors (Note 29)	495	-
- staff (Note 29)	647	-
	1,142	-

(d) During the financial year, the Group received the list of items included in the property, plant and equipment balance and re-assessed the estimated useful lives for certain operating equipment of a subsidiary. The revision in the estimated useful lives of certain operatings equipment from 10 years to 20 years has been applied prospectively from 1 July 2021.

The adjustment above resulted in a net decrease in depreciation expense by RM 1,801,000 for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2021		5,973	10,262	3,656	342	5,260	4,678	30,171
Additions		7,213	-	-	-	2,333	1,188	10,734
Disposal of a subsidiary		-	-	(635)	-	-	-	(635)
Derecognition*		-	-	-	-	(1,803)	(2,289)	(4,092)
Transfer to property, plant and equipment		-	-	(155)	-	-	-	(155)
Exchange differences		-	-	-	-	72	(60)	12
At 30 June 2022		13,186	10,262	2,866	342	5,862	3,517	36,035
Accumulated depreciation								
At 1 July 2021		562	3,212	2,480	125	2,761	2,877	12,017
Depreciation for the financial year	29	220	782	371	68	1,631	1,931	5,003
Disposal of a subsidiary		-	-	(560)	-	-	-	(560)
Derecognition*		-	-	-	-	(1,803)	(2,289)	(4,092)
Transfer to property, plant and equipment		-	-	(144)	-	-	-	(144)
Exchange differences		-	-	-	-	12	(43)	(31)
At 30 June 2022		782	3,994	2,147	193	2,601	2,476	12,193
Carrying amount								
At 30 June 2022		12,404	6,268	719	149	3,261	1,041	23,842

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 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

* Derecognition of the right-of-use assets during the financial year was a result of termination of certain leases.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. RIGHT-OF-USE ASSETS (continued)

Company	Note	Office equipment RM'000
Cost		
At 1 July 2020/30 June 2021/30 June 2022		342
Accumulated depreciation		
At 1 July 2020		57
Depreciation for the financial year	29	68
At 30 June 2021		125
Depreciation for the financial year	29	69
At 30 June 2022		194
Carrying amount		
At 30 June 2021		217
At 30 June 2022		148

(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 24 years (2021: 2 to 9 years).

(b) The Group and the Company also lease motor vehicles, operating equipment and office equipment with lease terms of 2 to 9 years (2021: 2 to 9 years) and have options to purchase the assets at the end of the contract term.

(c) The remaining useful lives of leasehold land are ranging from 24 to 53 years (2021: 54 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	
	2022 RM'000	2021 RM'000
Leasehold land	5,291	5,411

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Other intangible assets RM'000 (Restated)	Software development costs RM'000	Total RM'000 (Restated)
Cost					
At 1 July 2020		179,874	47,750	-	227,624
Addition		-	864	-	864
Exchange differences		(2,105)	(780)	-	(2,885)
At 30 June 2021		177,769	47,834	-	225,603
Additions		-	-	442	442
Exchange differences		4,129	1,531	-	5,660
At 30 June 2022		181,898	49,365	442	231,705
Accumulated amortisation					
At 1 July 2020		-	13,745	-	13,745
Amortisation charge for the financial year	29	-	4,506	-	4,506
Exchange differences		-	(215)	-	(215)
At 30 June 2021		-	18,036	-	18,036
Amortisation charge for the financial year	29	-	3,944	-	3,944
Exchange differences		-	716	-	716
At 30 June 2022		-	22,696	-	22,696
Accumulated impairment loss					
At 1 July 2020		-	-	-	-
Impairment loss	29	-	4,110	-	4,110
At 30 June 2021/30 June 2022		-	4,110	-	4,110
Carrying amount					
At 30 June 2021, restated		177,769	25,688	-	203,457
At 30 June 2022		181,898	22,559	442	204,899

(a) Goodwill

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

	Group	
	2022 RM'000	2021 RM'000
Services - CGU 1	171,625	167,496
Trading - CGU 2	10,273	10,273
	181,898	177,769

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTANGIBLE ASSETS (continued)

(a) Goodwill (continued)

CGU 2

Based on the sensitivity analysis performed, the directors believe that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts. The estimated recoverable amount of the CGU 2 exceeds the carrying amount of the CGU 2. As a result of the analysis, the directors did not identify an impairment for this CGU.

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

	Group	
	2022	2021
CGU 1		
Average profit margin	40%	35%
Average revenue growth rate	11%	14%
Pre-tax discount rate	13.4%	9.7%
CGU 2		
Average profit margin	25%	24%
Average revenue growth rate	10%	13%
Pre-tax discount rate	14.8%	10.1%

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 previous 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 RM3,944,000 (2021: RM4,506,000) relating to the customer base, technical know-how, customer contracts and RPS are included in other operating expenses.

(c) Software development costs

Software development costs relate to development work carried out in developing a software solution specifically for early detection of illegal constructions in urban area and agriculture area. Costs that are clearly associated with an identifiable and unique product which will be controlled by the Group and has a probable benefit exceeding the cost beyond one year are recognised as software development expenditure. Costs include salaries and incidental costs specifically attributable to each project.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTANGIBLE ASSETS (continued)

(c) Software development costs (continued)

Included in development costs of the Group is an amount of RM442,405 (2021: RM Nil) representing software under development and yet to be commercialised. Amortisation charge is recognised in profit or loss upon commercialisation.

Included in the additions of development costs during the financial year is as follows:

	2022 RM'000	2021 RM'000
Salaries and related costs - staff (Note 29)	440	-

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost		
At beginning of the financial year	230,592	231,329
Additions	1,958	100
Less: Disposal	-	(837)
Less: Derecognition	(216)	-
At end of the financial year	232,334	230,592
Loans that are part of net investment	166,015	168,015
	398,349	398,607

Loans that are part of net investment represents amounts owing by subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as a long-term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

The details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2022	Proportion equity interest 2021	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 Engineering Pty. Ltd. >	Australia	-	100%	Dormant
Geospatial AI 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2022	Proportion equity interest 2021	Principal activities
Direct subsidiaries (continued)				
Premier Enterprise Corporation (M) Sdn. Bhd.	Malaysia	100%	100%	Trading of hardware and equipment for oil refinery
Uzma (Labuan) Ltd.	Labuan	100%	100%	Dormant
Uzma Teluk Kalong Sdn. Bhd.	Malaysia	100%	100%	Dormant
Uzma Laboratory Sdn. Bhd.	Malaysia	100%	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
Uzma Nexus Sdn. Bhd.	Malaysia	60%	-	Provision of renewable energy services
Uzma Well Services Sdn. Bhd.	Malaysia	100%	-	Investment holding
Uzma Production Enhancement Sdn. Bhd	Malaysia	100%	-	Investment holding
Subsidiary of Geospatial AI Sdn. Bhd.				
Mapri Sdn. Bhd.	Malaysia	70%	70%	Provision of satellite services in oil and gas market, participating in aerospace business and manufacturing satellite
Subsidiary of Uzma Environergy Sdn. Bhd.				
Mahendran Surya Innovations Sdn. Bhd.	Malaysia	100%	100%	Provision of renewable energy services
Uzma Kuala Muda Sdn. Bhd.	Malaysia	100%	-	Provision of renewable energy services
Uzma Solar Sdn. Bhd.	Malaysia	100%	-	Provision of renewable energy services
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%	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
Uzma LNG Sdn. Bhd.	Malaysia	70%	-	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

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2022	Proportion equity interest 2021	Principal activities
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%	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
Subsidiaries of Uzma Energy Venture (Sarawak) Sdn. Bhd.				
Uzma Energy Venture SK433 Sdn. Bhd.	Malaysia	100%	-	Providing of geoscience and reservoir engineering, drilling, project and operation services and other specialised services within the oil and gas industry
Subsidiaries of Uzma Production Enhancement Sdn. Bhd.				
Uzma Artificial Lift Sdn. Bhd.	Malaysia	75%	-	Provision of artificial lift and pumping solutions service
Subsidiaries of Uzma Artificial Lift Sdn. Bhd.				
Uzma Production Enhancement (Thailand) Co.,Ltd. *~	Malaysia	49%	-	Provision of artificial lift and pumping solutions service
Uzma Artificial Lift(Thailand) Co.,Ltd. *~	Malaysia	49%	-	Provision of artificial lift and pumping solutions service
Subsidiaries of Uzma Production Enhancement (Thailand) Co.,Ltd.				
Uzma Artificial Lift(Thailand) Co.,Ltd. *~	Malaysia	51%	-	Provision of artificial lift and pumping solutions service

* Audited by other auditors other than Baker Tilly Monteiro Heng PLT.

~ Uzma Well Services (Thailand) Co., Ltd., Uzma Production Enhancement (Thailand) Co., Ltd. and Uzma Artificial Lift (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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Incorporation/Acquisition of subsidiaries

2022

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

(ii) 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 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.

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

Subsequently on 20 April 2022, Nexus allotted 9,999 ordinary shares of RM1 each to the Company and Nexuscorpgroup Sdn. Bhd. at 5,999 ordinary shares and 4,000 ordinary shares respectively. Consequently, Nexus became a 60% owned subsidiary of the Company.

(iv) 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 share of RM1 each. The principal activity of Uzma Solar was provision of renewable energy services.

(v) 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 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.

(vi) 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 principal activity of UWS was provision of repair and maintenance petroleum exploration and production wells and all kind of related services.

(vii) On 7 December 2021, the Company's wholly-owned subsidiary, namely Uzma Engineering Sdn. Bhd. ("UESB") had incorporated a 70% owned subsidiary, namely Uzma LNG Sdn. Bhd. ("LNG") with an issued and paid-up capital of 700 ordinary shares of RM1 each. The principal activity of LNG was liquefied natural gas trading.

2021

(i) On 27 October 2020, the Company's wholly-owned subsidiary, Geospatial AI 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

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(a) Incorporation/Acquisition of subsidiaries (continued)

2021 (continued)

(ii) (continued)

(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 were 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)

(b) Subscription for additional interests in subsidiaries

2022

Uzma Laboratory Sdn. Bhd.

On 24 March 2022, the Company had acquired additional 6 ordinary shares in Uzma Laboratory Sdn. Bhd. ("ULSB"), representing additional 6% equity interest in ULSB for a total purchase consideration of RM952,000, to be satisfied via share swap of investment in an associate, Rockwash Geodata Ltd.. Consequently, the Group's effective ownership in ULSB increased from 94% to 100% as a result of the additional shares purchased.

Effect of the increase in the Group's ownership interest is as follows:

	RM'000
Fair value of consideration transferred	952
Less: Increase in share of net liabilities	(7)
Excess charged directly to equity	959

Uzma Environergy Sdn. Bhd.

On 28 February 2022, the Company had subscribed an additional 900,000 new ordinary shares at the price of RM1 each in the share capital of a subsidiary, Uzma Environergy Sdn. Bhd. ("Enviro") by way of capitalising the amount owing to the Company of RM900,000.

Geospatial AI Sdn. Bhd.

On 15 June 2022, the Company had subscribed an additional 99,998 new ordinary shares at the price of RM1 each in the share capital of a subsidiary, Geospatial AI Sdn. Bhd. ("Geospatial AI") by way of capitalising the amount owing to the Company of RM99,998.

2021

Uzma Environergy Sdn. Bhd.

On 12 August 2020, the Company had subscribed an additional 99,999 new ordinary shares at the price of RM1 each in the share capital of a subsidiary, Enviro by way of capitalising the amount owing to the Company of RM99,999.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(c) Disposal of subsidiaries

2022

On 16 August 2021, the Company's wholly-owned subsidiary, Uzma Engineering Sdn. Bhd. ("UESB") had disposed its entire 60% equity investment in Uzma Integrated Solution Sdn. Bhd. ("UIS") for a total cash consideration of RM120,000.

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

	RM'000
Recognised:	
Fair value of consideration received	120
Derecognised:	
Fair value of identifiable net liabilities at disposal date	273
Non-controlling interests	(109)
Net liabilities disposed	164
Loan on disposal of UIS	(44)

(ii) Effects of disposal of cash flows:

	RM'000
Fair value of consideration received	120
Less: Receivable	(120)
Consideration received in cash	-
Less: Cash and cash equivalents of the subsidiary disposed	(22)
Net cash outflows on disposal	(22)

2021

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

(iii) 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

(iv) 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)

(d) Striking off of a subsidiary

On 1 July 2021, the Company's wholly-owned subsidiary, Uzma Engineering Pty. Ltd. ("UEPL") had been struck-off from the Australian Securities & Investments Commission ("ASIC").

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(c) Non-controlling interests in subsidiaries

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

	Malaysian Energy Chemical & Services Sdn. Bhd. RM'000	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000	Others RM'000	Total RM'000
2022					
NCI percentage of ownership interest and voting interest	30%	10%	14%		
Carrying amount of NCI	15,166	1,099	18,217	(5,695)	29,582
Profit/(Loss) allocated to NCI	610	(198)	1,692	(569)	1,535
Total comprehensive income/(loss) allocated to NCI	610	(238)	1,692	(447)	1,617

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(e) 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	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000 (Restated)	Others RM'000	Total RM'000 (Restated)
2021						
NCI percentage of ownership interest and voting interest	30%	40%	10%	14%		
Carrying amount of NCI	15,756	1,407	1,335	17,470	(5,020)	30,948
Profit/(Loss) allocated to NCI	920	423	(61)	1,064	(1,628)	718
Total comprehensive income/(loss) allocated to NCI	920	423	(72)	1,064	(1,610)	725

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(f) Summarised financial information of material non-controlling interests

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	PT Uzma Development Services RM'000	Setegap Ventures Petroleum Sdn. Bhd. RM'000
2022			
Summarised statements of financial position			
Non-current assets	4,031	11,426	113,156
Current assets	49,934	16,001	165,924
Non-current liabilities	(670)	(13,490)	(53,478)
Current liabilities	(5,544)	(17,453)	(104,961)
Net assets/(liabilities)	47,751	(3,516)	120,641
Summarised statements of comprehensive income			
Revenue	37,346	8,189	108,081
Profit/(Loss) for the financial year	2,032	(104)	12,228
Total comprehensive income/(loss)	2,032	(167)	12,228
Summaried cash flows information			
Cash flows (used in)/from operating activities	(2,124)	(51)	10,813
Cash flows from/(used in) investing activities	2,712	-	(8,385)
Cash flows used in financing activities	(7,828)	(86)	(4,007)
Net decrease in cash and cash equivalents	(7,240)	(137)	(1,579)
Dividends paid to non-controlling interests	2,040	-	150

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT IN SUBSIDIARIES (continued)

(f) 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	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

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENT IN ASSOCIATES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Unquoted shares, at cost				
At beginning of the financial year	9,281	8,791	4,392	4,392
Addition	-	4,890	-	-
Disposal of an associate	(765)	(4,400)	(765)	-
At end of the financial year	8,516	9,281	3,627	4,392
Share of post-acquisition results				
At beginning of the financial year	2,832	3,257	-	-
Share of profits	1,309	2,723	-	-
Dividend received	(340)	(980)	-	-
Disposal	(828)	(2,168)	-	-
At end of the financial year	2,973	2,832	-	-
Less: Impairment loss	-	-	(237)	(237)
	11,489	12,113	3,390	4,155

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 2022	Proportion equity interest 2021	Principal activities
Rockwash Geodata Ltd @	United Kingdom	24%	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%	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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENT IN ASSOCIATES (continued)

(a) Acquisitions/Disposals of associates

2022

On 24 March 2022, the Company had disposed 106 ordinary shares in Rockwash Geodata Ltd. ("Rockwash"), representing 6% equity interest in Rockwash for a total consideration of RM952,000, to be satisfied via share swap investment in Uzma Laboratory Sdn. Bhd..

2021

(i) In the previous financial year, the Company's wholly-owned subsidiary, Geospatial AI 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.

(ii) In the previous financial year, 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENT IN ASSOCIATES (continued)

(b) 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:

	Rockwash Geodata Ltd RM'000	Aerosun Uzma Malaysia Sdn. Bhd RM'000	Suria Infiniti Sdn. Bhd. RM'000	Total RM'000
Group				
2022				
Assets and liabilities:				
Non-current assets	4,323	466	1,444	6,233
Current assets	15,574	16,488	29,163	61,225
Current liabilities	(948)	(20,153)	(30,581)	(51,682)
Net assets/(liabilities)	18,949	(3,199)	26	15,766
Results:				
Revenue	4,227	-	28,325	32,552
Profit/(Loss) for the financial year	7,682	-	(1,642)	6,040
Total comprehensive income/(loss)	7,682	-	(1,642)	6,040
Reconciliation of net assets/(liabilities) to carrying amount:				
Share of net assets/(liabilities) at the acquisition date	795	(1,536)	744	3
Goodwill on acquisition	3,571	-	4,146	7,717
Cost of investment	4,366	(1,536)	4,890	7,720
Share of post-acquisition profits/(loss)	3,132	-	(899)	2,233
Share of unrecognised losses	-	1,536	-	1,536
Carrying amount in the statements of financial position	7,498	-	3,991	11,489
Group's share of results				
Group's share of profit/(loss), representing Group's share of total comprehensive income/(loss)	2,114	-	(805)	1,309

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENT IN ASSOCIATES (continued)

(b) 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)

	Rockwash Geodata Ltd RM'000	Aerosun Uzma Malaysia Sdn. Bhd RM'000	Suria Infiniti Sdn. Bhd. RM'000	Total RM'000
Group				
2021				
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

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. INVESTMENT IN ASSOCIATES (continued)

(c) The Group had not recognised its share of losses of Aerosun Uzma Malaysia Sdn. Bhd. because the Group's cumulative share of losses had exceeded its interest in this associate and the Group had no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM1,536,000 (2021: RM1,536,000).

10. INVESTMENT IN JOINT VENTURES

	Group 2022 RM'000	Group 2021 RM'000
Unquoted share, at cost	31	31
Share of post-acquisition reserves	(31)	(30)
	-	1

Details of joint ventures are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest 2022	Proportion equity interest 2021	Principal activities
Khausar Energy Sdn. Bhd. ^	Malaysia	50%	50%	Dormant
Rizqma Energy Sdn. Bhd. ^	Brunei	40%	40%	Provision of well intervention, production enhancement, artificial lift and production solution

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

The Group had not recognised its share of losses of Khausar Energy Sdn. Bhd. and Rizqma Energy Sdn. Bhd. because the Group's cumulative share of losses had exceeded its interest in these joint ventures and the Group had no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM352,564 (2021: RM349,728) and RM59,263 (2021: RM Nil) respectively.

(a) 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. 2022 RM'000	Rizqma Energy Sdn. Bhd. 2021 RM'000
Assets and liabilities		
Non-current assets	1	-
Current assets	20	35
Current liabilities	(221)	(85)
Net liabilities	(200)	(50)
Results:		
Revenue	-	-
Loss for the financial year, representing total comprehensive loss	(151)	(74)
Reconciliation of net liabilities to carrying amount:		
Cost of investment	31	31
Share of post-acquisition losses	(31)	(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	(1)	(30)

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. DEFERRED TAX (LIABILITIES)/ASSETS

	Group		Company	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Deferred tax (liabilities)/assets				
At beginning of the financial year	(12,243)	(11,701)	(61)	107
Acquisition of a subsidiary (Note 8(a))	-	(207)	-	-
Disposal of a subsidiary (Note 8(c))	(57)	-	-	-
Recognised in profit or loss (Note 30)	(8,648)	(131)	(111)	(168)
Exchange differences	(332)	(204)	-	-
At end of the financial year	(21,280)	(12,243)	(172)	(61)

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

	Group		Company	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Deferred tax assets	2,365	5,693	-	-
Deferred tax liabilities	(23,645)	(17,936)	(172)	(61)
	(21,280)	(12,243)	(172)	(61)

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

	Group		Company	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Deferred tax assets				
Unutilised tax losses	2,108	5,421	-	-
Provisions	257	272	-	-
	2,365	5,693	-	-
Deferred tax liabilities				
Differences between the carrying amounts of property, plant and equipment and their tax bases	(18,231)	(11,771)	(172)	(61)
Deferred tax relating to intangible assets	(216)	(1,173)	-	-
Deferred tax liabilities arising from acquisition of subsidiaries	(5,198)	(4,992)	-	-
	(23,645)	(17,936)	(172)	(61)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

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

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unabsorbed capital allowances	38	35	-	-
Unutilised tax losses	28,365	24,070	-	-
	28,403	24,105	-	-

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 8 of the Finance Act 2021 (Act 833), the amendment to Section 44(5F) of Income Tax Act 1967, the time limit on the carried forward unutilised tax losses has been extended to maximum 10 consecutive years. This amendment is deemed to have effect for the year of assessment 2019 and subsequent year of assessment.

Any unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 10 years consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

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

	Group	
	2022 RM'000	2021 RM'000
2028	4,812	5,926
2029	14,844	14,844
2030	3,300	3,300
2031	1,513	-
2032	3,896	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. TRADE AND OTHER RECEIVABLES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current:					
Other receivables					
- Amounts owing by subsidiaries	(c)	-	-	522	522
- Third parties		5,869	6,781	-	-
- Deposits		155	115	-	-
		6,024	6,896	522	522
Less: Impairment losses for non-current other receivables					
- Third parties	(b)	(67)	(146)	-	-
		5,957	6,750	522	522
Current:					
Trade receivables					
- Third parties		115,550	100,772	-	-
- Related parties		1,362	1,310	-	-
		116,912	102,082	-	-
Less: Impairment losses for trade receivables					
- Third parties	(a)	(18,798)	(17,989)	-	-
Total trade receivables, net	(a)	98,114	84,093	-	-
Other receivables					
- Third parties	(g)	38,642	14,421	4,704	3,172
- Amounts owing by subsidiaries	(c)	-	-	70,873	79,999
- Amount owing by a related party	(d)	583	923	-	-
- Amount owing by an associate	(e)	5	5	5	5
- Amounts owing by shareholders of subsidiaries	(f)	15	83	-	-
- Amount owing by a joint venture	(e)	535	178	-	-
		39,780	15,610	75,582	83,176
Less: Impairment losses for other receivables					
- Third parties	(b)	(4,144)	(3,958)	(1,805)	(1,805)
- Subsidiaries	(b)	-	-	(1,343)	-
		(4,144)	(3,958)	(3,148)	(1,805)
Total other receivables, net		35,636	11,652	72,434	81,371
Deposits		6,554	7,684	465	915
Advances to sub-contractors		19,257	23,251	-	-
GST refundable		540	1,041	-	79
Prepayments	(h)	9,973	7,625	747	480
		71,960	51,253	73,646	82,845
Total trade and other receivables (current)		170,074	135,346	73,646	82,845
Total trade and other receivables (non-current and current)		176,031	142,096	74,168	83,367

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 (2021: 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 2022 RM'000	Group 2021 RM'000
Trade receivables		
At beginning of the financial year	17,989	16,800
Charge for the financial year (Note 29)		
- individually assessed	773	1,675
- collectively assessed	34	32
Reversal of impairment losses (Note 29)	-	(517)
Exchange differences	2	(1)
At end of the financial year	18,798	17,989

(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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Other receivables				
At beginning of the financial year	4,104	25,130	1,805	-
Charge for the financial year (Note 29)				
- individually assessed	552	3,602	1,343	1,805
Written off	(440)	(24,526)	-	-
Exchange differences	(5)	(102)	-	-
At end of the financial year	4,211	4,104	3,148	1,805

(c) Amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash except for amounts of RM54,416,000 (2021: RM65,978,000) which bear interest at rate of 5.5% (2021: 5.5%) per annum. Included in non-current other receivables are amounts owing by subsidiaries of RM522,000 (2021: RM522,000) which are not expected to be settled within the next twelve months.

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

(e) Amounts owing by an associate and a joint venture are non-trade in nature, unsecured, interest-free and repayable upon demand in cash.

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

(g) Included in other receivables of the Group is an amount of approximately RM4,682,000 (2021: RM4,682,000) which represents materials purchased in advance for customers. The installation services had yet to be performed at the end of the reporting period.

Included in other receivables of the Group is also an amount owing by a director of RM119,000 (2021: RM Nil) which represents the advanced payment made to the director for operational purposes.

(h) Included in prepayments of the Group is a down payment of RM4,184,000 (2021: RM1,368,000) for the purchase of equipment.

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. OTHER INVESTMENT

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current:				
Financial assets at designated fair value through other comprehensive income ("DFVOCI")				
At fair value:				
- Unquoted equity securities				
At beginning of the financial year	4,285	4,285	-	-
Fair value loss	(205)	-	-	-
At end of the financial year	4,080	4,285	-	-
Current:				
Financial assets at fair value through profit or loss ("FVPL")				
At fair value:				
- Quoted equity securities	241	1,374	141	139
Total other investments (non-current and current)	4,321	5,659	141	139

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 2022 RM'000	Group 2021 RM'000
At cost:		
Raw materials	3,330	3,241
Work-in-progress	861	1,999
Finished goods	19,979	10,599
Consumable goods	22,038	19,974
	46,208	35,813

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year is RM262,716,000 (2021: RM243,329,000). In addition, the expenses recognised in the profit or loss include the following:

	Group 2022 RM'000	Group 2021 RM'000
Inventories written off	1	-
Inventories written down	2,179	118
Inventories written back	(138)	(505)
	(2,042)	(387)

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. CONTRACT ASSETS/(LIABILITIES)

	Group 2022 RM'000	Group 2021 RM'000 (Restated)
Contract assets relating to service contracts	166,090	144,085
Contract liabilities relating to service contracts	(357)	(385)

Significant changes in contract balances

	2022 Contract assets increase/ (decrease) RM'000	2022 Contract liabilities (increase)/ decrease RM'000	2021 Contract assets increase/ (decrease) RM'000 (Restated)	2021 Contract liabilities (increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liability at the beginning of the financial year	-	76	-	828
Increase due to consideration received from customers, but revenue not recognised	-	(48)	-	(213)
Increase due to revenue recognised for unbilled goods or services transferred to customers	165,902	-	144,056	-
Transfers from contract assets recognised at the beginning of the period to receivables	(144,096)	-	(138,651)	-
Translation difference	199	-	(300)	-

16. DEPOSITS, CASH AND BANK BALANCES

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash and bank balances	55,996	84,646	1,521	1,560
Cash deposits placed with licensed banks	54,619	52,188	11,279	11,221
Cash and cash equivalents as reported in the statements of financial position	110,615	136,834	12,800	12,781
Less: Fixed deposits with tenure more than 3 months	(18,978)	(20,474)	-	-
Less: Pledged deposits	(27,756)	(22,819)	(11,279)	(11,221)
Less: Bank overdrafts (Note 23)	(42,748)	(42,810)	(13,318)	(13,970)
Cash and cash equivalents as reported in the statements of cash flows	21,133	50,731	(11,797)	(12,410)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 0.80% to 3.10% (2021: 0.60% to 3.35%) per annum.

(b) Fixed deposits with tenure more than 3 months bear interest at rates ranging from 1.80% to 1.85% (2021: 1.80% to 3.35%) per annum and mature within one year.

(c) Cash deposits placed with licensed banks amounting of RM27,756,000 (2021: RM22,819,000) and RM11,279,000 (2021: RM11,221,000) 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	
	2022 Unit'000	2021 Unit'000	2022 RM'000	2021 RM'000
Issued and fully paid up: (no par value)				
At beginning of the financial year	320,029	320,029	290,069	290,069
Issuance of shares pursuant to private placement	32,002	-	17,466	-
At the end of financial year	352,031	320,029	307,535	290,069

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company:

(i) issued 16,000,000 new ordinary shares at a price of RM0.5599 per ordinary share pursuant to private placement for a total consideration of RM8,958,400.

(ii) issued 16,002,000 new ordinary shares at a price of RM0.5418 per ordinary share pursuant to private placement for a total consideration of RM8,669,884.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. CAPITAL RESERVE

	Group	
	2022 RM'000	2021 RM'000
Statutory reserve	25	25
Other capital reserve	350	350
	375	375

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	
	2022 RM'000	2021 RM'000
Issuance nominal value	42,250	42,250
Less: Transaction costs, net of tax	(1,398)	(1,398)
	40,852	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 were part of the first tranche of the programme.

The proceeds from the issuance of the perpetual sukuk were 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 was accounted for as an equity instrument as the payment of any distribution or dissolution of the Proposed Sukuk Musharakah was at the option of the Company and the enforcement events, other than the Company's liquidation, was regarded as within the control of the Company. As at 30 June 2022, a periodic distribution for Perpetual Sukuk payable was RM2,202,325 (2021: RM452,133).

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. PERPETUAL SUKUK (continued)

The salient features of the perpetual sukuk were 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) 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).

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. PERPETUAL SUKUK (continued)

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

(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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current:					
Term loans	(a)	110,464	131,946	59,173	71,933
Medium term notes	(e)	123,652	173,237	-	-
		234,116	305,183	59,173	71,933
Current:					
Term loans	(a)	43,675	54,421	13,134	13,134
Revolving credit	(b)	35,674	51,865	8,705	21,793
Invoice financing	(c)	44,629	8,987	-	-
Bank overdrafts (Note 16)	(d)	42,748	42,810	13,318	13,970
Medium term notes	(e)	50,000	50,000	-	-
		216,726	208,083	35,157	48,897
		450,842	513,266	94,330	120,830
Total loans and borrowings:					
Term loans	(a)	154,139	186,367	72,307	85,067
Revolving credit	(b)	35,674	51,865	8,705	21,793
Invoice financing	(c)	44,629	8,987	-	-
Bank overdrafts (Note 16)	(d)	42,748	42,810	13,318	13,970
Medium term notes	(e)	173,652	223,237	-	-
		450,842	513,266	94,330	120,830

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. LOANS AND BORROWINGS (continued)

(a) Term loans

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Term loan 1	12,384	13,233	-	-
Term loan 2	21,247	27,493	-	-
Term loan 3	660	2,214	-	-
Term loan 4	7,951	9,859	-	-
Term loan 5	27,810	32,718	27,810	32,718
Term loan 6	44,497	52,349	44,497	52,349
Term loan 7	2,374	8,030	-	-
Term loan 8	20,775	20,891	-	-
Term loan 9	11,653	11,994	-	-
Term loan 10	1,594	3,114	-	-
Term loan 11	3,194	4,472	-	-
	154,139	186,367	72,307	85,067

The term loans are repayable as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current liabilities:				
- due more than 1 year but not later than 5 years	92,212	105,349	52,536	52,536
- due after 5 years	18,252	26,597	6,637	19,397
	110,464	131,946	59,173	71,933
Current liabilities:				
- due within 1 year	43,675	54,421	13,134	13,134
	154,139	186,367	72,307	85,067

The term loans bear interest at rates ranging from 3.77% to 7.85% (2021: 3.27% to 7.20%) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 6.85% (2021: 3.88% to 6.72%) 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 3.65% to 6.92% (2021: 3.93% to 6.95%) 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 4.40% to 6.74% (2021: 5.45% to 7.20%) 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 rate of 4.43% (2021: 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 Contracts' proceeds;
(ii) Assignment of Takaful/Insurance by a subsidiary in relation to D18 Contracts; and
(iii) Vessel mortgage by a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current:				
Lease liabilities	12,954	6,806	90	162
Current:				
Lease liabilities	3,647	5,988	85	67
	16,601	12,794	175	229

The incremental borrowing rates applied to the lease liabilities ranging from 2.50% to 7.32% (2021: 2.50% to 7.32%) per annum.
Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows:

	Group	
	2022 RM'000	2021 RM'000
Future minimum lease payments	23,275	14,126
Less: Future finance charges	(6,674)	(1,332)
Present value of minimum lease payments	16,601	12,794
Payable within one year		
Future minimum lease payments	4,302	6,499
Less: Future finance charges	(731)	(511)
Present value of minimum lease payments	3,571	5,988
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	7,558	5,320
Less: Future finance charges	(2,019)	(676)
Present value of minimum lease payments	5,539	4,644
Payable more than 5 years		
Future minimum lease payments	11,415	2,307
Less: Future finance charges	(3,924)	(145)
Present value of minimum lease payments	7,491	2,162
Total present value of minimum lease payments	16,601	12,794

	Company	
	2022 RM'000	2021 RM'000
Future minimum lease payments	187	254
Less: Future finance charges	(12)	(25)
Present value of minimum lease payments	175	229
Payable within one year		
Future minimum lease payments	93	80
Less: Future finance charges	(8)	(13)
Present value of minimum lease payments	85	67
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	94	174
Less: Future finance charges	(4)	(12)
Present value of minimum lease payments	90	162
Total present value of minimum lease payments	175	229

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Non-current:					
Trade payables					
- Third party		4,149	3,910	-	-
Current:					
Trade payables					
Third parties		127,483	114,786	-	-
Related parties		2,253	1,697	-	-
Accruals		42,190	21,615	-	-
	(a)	171,926	138,098	-	-
Other payables					
Other payables		25,619	19,064	2,056	1,019
Contingent consideration		2,525	2,395	-	-
Accruals		18,506	16,851	3,167	2,350
Amounts owing to subsidiaries	(b)	-	-	14,191	16,819
Amount owing to an associate	(c)	1,717	1,037	-	-
Amount owing to a director	(d)	85	53	81	53
Amounts owing to shareholders of subsidiaries	(e)	1,224	292	-	-
		49,676	39,692	19,495	20,241
Total trade and other payables (current)		221,602	177,790	19,495	20,241
Total trade and other payables (non-current and current)		225,751	181,700	19,495	20,241

(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 (2021: 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) Amounts owing to shareholders of subsidiaries are 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).

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. POST EMPLOYMENT BENEFIT LIABILITIES

	Group 2022 RM'000	Group 2021 RM'000
At beginning of the financial year	2,898	2,932
Recognised in profit or loss (Note 29)	575	397
Paid during the financial year	(471)	(22)
Actuarial gain recognised in other comprehensive income	(142)	(96)
Translation differences	(116)	(313)
At end of the financial year	2,744	2,898

(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 2022 RM'000	Group 2021 RM'000
Discount rate	7.83%	7.71%
Normal retirement age	56 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 56.

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			
2022			
Discount rate	1.0%	(25)	29
Future salary growth	1.0%	29	(25)
2021			
Discount rate	1.0%	(49)	57
Future salary growth	1.0%	58	(51)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. DEFERRED INCOME

	Group 2022 RM'000	Group 2021 RM'000
Non-current:		
Government grants:		
At beginning of the financial year	5,995	7,467
Received during the financial year	10,000	-
Released to profit or loss (Note 29)	(1,133)	(1,472)
At end of the financial year	14,862	5,995

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 2022 RM'000	Group 2021 RM'000 (Restated)	Company 2022 RM'000	Company 2021 RM'000
Revenue from contract customers:				
At a point in time				
Sales of goods	60,339	80,408	-	-
Dividend income	-	-	5,100	29,947
	60,339	80,408	5,100	29,947
Over time				
Services rendered	162,172	153,294	-	-
Management fee	-	-	17,039	18,485
	162,172	153,294	17,039	18,485
	222,511	233,702	22,139	48,432
Revenue from other source:				
Rental income	155,424	155,320	-	-
	377,935	389,022	22,139	48,432

NOTES TO THE FINANCIAL STATEMENTS (continued)

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	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Auditors' remuneration:				
- statutory audit				
- current year	496	403	152	138
- non-statutory audit				
- current year	12	12	12	12
Amortisation of government grant	(1,133)	(1,472)	-	-
Amortisation of intangible assets	3,944	4,506	-	-
Bad debts written off	2	32	-	-
Bargain purchase arising from acquisition of a subsidiary	-	(2,650)	-	-
Deposit written off	109	-	-	-
Depreciation of property, plant and equipment	44,008	43,070	429	425
Depreciation of right-of-use assets	5,003	5,570	69	68
Directors' remuneration (Note (a))	5,148	6,407	2,417	3,138
Employee benefits expenses (Note (b))	68,993	80,115	7,926	7,274
Fair value gain on quoted equity securities	-	(155)	-	-
Fair value gain on contingent consideration	-	(245)	-	-
Gain on disposal of an associate	-	(1,432)	-	-
Gain on disposal of property, plant and equipment	(5,399)	(284)	-	-
Gain on lease modification	-	(2)	-	-
GST written off	79	-	79	-
Impairment loss on investment in an associate	-	-	-	237
Impairment losses on:				
- trade receivables	807	1,707	-	-
- other receivables	552	3,602	-	1,805
- property, plant and equipment	523	-	-	-
- other tangible assets	-	4,110	-	-
- subsidiaries	-	-	1,343	-
Reversal of impairment losses on:				
- trade receivables	-	(517)	-	-
- property, plant and equipment	(1,136)	-	-	-
Interest expense:				
- bank overdrafts	2,287	2,092	620	617
- bank guarantee	-	757	-	-
- invoice financing	845	130	-	-
- lease liabilities	610	763	17	55
- medium term notes	8,110	10,033	-	-
- revolving credit	1,651	3,729	882	1,691
- term loans	5,788	6,880	2,993	3,153
- others	707	97	-	-
- unwinding of discount on payables	139	134	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

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		Company	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Interest income:				
- deposits	(1,527)	(1,649)	-	-
- inter-company loans	-	-	(2,515)	(3,601)
- others	-	-	(237)	(312)
Inventories written off	1	-	-	-
Inventories written down	2,179	118	-	-
Inventories written back	(138)	(505)	-	-
Loss on derecognition of a subsidiary	258	-	216	-
Loss/(Gain) on disposal of a subsidiary	44	(928)	-	-
Loss/(Gain) on reduction in stake in an associate	641	-	(187)	-
Net loss/(gain) on foreign exchange:				
- realised	369	(6,588)	3	607
- unrealised	(37)	1,547	-	-
Prepayments written off	-	50	-	-
Property, plant and equipment written off	1	-	-	-
Provision for post employment benefits	575	397	-	-
Expenses relating to short-term leases:				
- office equipment	148	58	77	46
- premises	605	719	-	-
- office	35	10	1,485	1,490
- warehouses	2,546	5,768	-	31
- forklift, cranes and others	17,036	14,013	-	-
- car park	67	96	59	96
- motor vehicles	191	616	-	-
Expenses relating to low-value assets:				
- office equipment	63	86	-	-
Share of results in associates, net of tax	(1,309)	(2,723)	-	-
Share of results in a joint venture, net of tax	1	30	-	-
Unwinding of discount on contingent consideration	130	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

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		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors of the Company				
Executive Directors:				
- fees	36	216	-	-
- salaries, bonus and other benefits	1,738	2,253	655	1,227
- defined contribution plans	200	259	76	140
	1,974	2,728	731	1,367
Non-executive Directors:				
- fees	531	432	531	432
- salaries, bonus and other benefits	32	22	32	22
	563	454	563	454
Directors of the subsidiaries				
Executive Directors:				
- fees	156	120	90	-
- salaries, bonus and other benefits	2,214	2,825	936	1,185
- defined contribution plans	241	280	97	132
	2,611	3,225	1,123	1,317
Total directors' remuneration	5,148	6,407	2,417	3,138

The analysis of the director's remuneration is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Recognised in profit or loss	5,148	6,407	2,417	3,138
Capitalised as property, plant and equipment (Note 5)	495	-	-	-
	5,643	6,407	2,417	3,138

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

(b) Employee benefits expenses are:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, wages, bonuses, allowances and other benefits	63,390	73,705	7,086	6,441
Defined contribution plans	5,603	6,410	840	833
	68,993	80,115	7,926	7,274

The analysis of the employee benefits expenses is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Recognised in profit or loss	68,993	80,115	7,926	7,274
Capitalised as property, plant and equipment (Note 5)	647	-	-	-
Capitalised as intangible assets (Note 7)	440	-	-	-
	70,080	80,115	7,926	7,274

30. TAX EXPENSE

The major components of income tax expense for the financial years ended 30 June 2022 and 30 June 2021 are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	3,220	4,696	857	1,347
- Adjustment in respect of prior years	(1,440)	(1,572)	(617)	2
	1,780	3,124	240	1,349
Deferred tax (Note 11):				
- Origination/(Reversal) of temporary differences	9,912	1,527	(2)	(101)
- Adjustment in respect of prior years	(1,264)	(1,396)	113	269
	8,648	131	111	168
	10,428	3,255	351	1,517

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2021: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. TAX EXPENSE (continued)

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	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Profit/(Loss) before tax	17,008	(4,027)	1,342	26,474
Tax at Malaysian statutory income tax rate of 24%	4,082	(966)	322	6,354
Tax effects arising from:				
- non-deductible expenses	12,205	21,025	1,758	2,080
- non-taxable income	(3,854)	(11,244)	(1,225)	(7,188)
Effect of different tax rates in foreign jurisdictions	(333)	362	-	-
Deferred tax assets not recognised during the financial year	425	561	-	-
Utilisation of deferred tax assets not recognised in the previous financial years	(607)	(3,515)	-	-
Adjustments in respect of prior years:				
- income tax	(1,440)	(1,572)	(617)	2
- deferred tax	(1,264)	(1,396)	113	269
Tax expense	10,428	3,255	351	1,517

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	
	2022 RM'000	2021 RM'000 (Restated)
Profit/(Loss) attributable to owners of the Company	5,045	(8,000)
Distribution to holders of perpetual sukuk	(2,202)	(452)
	2,843	(8,452)
Weighted average number of ordinary shares for basic earnings per share	341,641	320,029
Basic earnings/(loss) per ordinary share (sen)	0.83	(2.64)

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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")

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2022				
Financial assets				
Group				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	146,261	146,261	-	-
Other investments	4,321	-	241	4,080
Deposits, cash and bank balances	110,615	110,615	-	-
	261,197	256,876	241	4,080
Company				
Trade and other receivables, net of GST refundable, advances to sub-contractors and prepayments	73,241	73,421	-	-
Other investments	141	-	141	-
Deposits, cash and bank balances	12,800	12,800	-	-
	86,362	86,221	141	-
Financial liabilities				
Group				
Loans and borrowings	450,842	450,842	-	-
Trade and other payables	225,751	225,751	-	-
	676,593	676,593	-	-
Company				
Loans and borrowings	94,330	94,330	-	-
Trade and other payables	19,495	19,495	-	-
	113,825	113,825	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. FINANCIAL INSTRUMENTS (continued)

(a) Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2021 (Restated)				
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	-	-
Trade and other payables	181,700	181,700	-	-
	694,966	694,966	-	-
Company				
Loans and borrowings	120,830	120,830	-	-
Trade and other payables	20,241	20,241	-	-
	141,071	141,071	-	-

(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 (2021: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (continued)

32. FINANCIAL INSTRUMENTS (continued)

(b) Fair value of financial instruments (continued)

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									
2022									
Financial assets									
Other investments	4,321	241	-	4,080	4,321	-	-	-	-
2021									
Financial assets									
Other investments	5,659	1,374	-	4,285	5,659	-	-	-	-
Company									
2022									
Financial assets									
Other investments	141	141	-	-	141	-	-	-	-
Amounts owing by subsidiaries	522	-	-	-	-	-	-	522	522
2021									
Financial assets									
Other investments	139	139	-	-	139	-	-	-	-
Amounts owing by subsidiaries	522	-	-	-	-	-	-	522	522

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 56% (2021: 41%) of the Group trade receivables was due from four (2021: two) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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:

	Expected credit loss rate %	Gross carrying amount at default RM'000	Impairment losses RM'000
Group			
2022			
Contract assets	0%	166,090	-
Trade receivables			
Current	0%	76,568	57
1 to 30 days past due	0%	3,189	2
31 to 60 days past due	0%	2,521	1
61 to 90 days past due	0%	10,210	11
More than 91 days past due	0%	5,709	12
		98,197	83
Impaired - individually		18,715	18,715
		116,912	18,798
		283,002	18,798
Group			
2021 (Restated)			
Contract assets	0%	144,085	-
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
		17,906	17,906
Impaired - individually		102,082	17,989
		246,167	17,989

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

As at the end of the reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible. Refer to Note 3.10(a) for the Group's and the Company's other accounting policies for impairment of 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 to liquidity risk arises principally from its trade and other payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

		Contractual undiscounted cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2022					
Group					
Financial liabilities					
Trade and other payables	225,751	221,602	4,367	-	225,969
Term loans	154,139	56,327	108,527	25,716	190,570
Revolving credit	35,674	35,674	-	-	35,674
Invoice financing	44,629	44,629	-	-	44,629
Bank overdrafts	42,748	42,748	-	-	42,748
Medium term notes	173,652	50,000	125,000	-	175,000
	676,593	450,980	237,894	25,176	714,590
Company					
Financial liabilities					
Trade and other payables	19,495	19,495	-	-	19,495
Term loans	72,307	15,656	57,552	6,609	79,817
Revolving credit	8,705	8,705	-	-	8,705
Bank overdrafts	13,318	13,318	-	-	13,318
Financial guarantee contracts	-	450,842	-	-	450,842
	113,825	508,016	57,552	6,609	572,177
2021 (Restated)					
Group					
Financial liabilities					
Trade and other payables	181,700	177,790	4,133	-	181,923
Term loans	186,367	58,070	132,579	38,477	229,126
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
	694,966	389,522	311,712	38,477	739,711
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
Revolving credit	21,793	21,793	-	-	21,793
Bank overdrafts	13,970	13,970	-	-	13,970
Financial guarantee contracts	-	513,266	-	-	513,266
	141,071	585,430	59,596	20,221	665,247

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 that are not denominated in their functional currencies are as follows:

	Group USD RM'000
2022	
Trade and other receivables	62.072
Cash and cash equivalents	825
Loans and borrowings	(27,493)
Trade and other payables	(64,956)
	(29,552)
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)

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	
	2022 RM'000	2021 RM'000
USD/RM - strengthen by 10% (2021: 10%)	(2,246)	(1,961)
- weaken by 10% (2021: 10%)	2,246	1,961

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 RM3,426,000 (2021: RM3,901,000) and RM717,000 (2021: RM918,000) 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	
	2022 RM'000	2021 RM'000
Property, plant and equipment - approved and contracted for	3,772	8,389

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
Perf Maestro (M) Sdn. Bhd.	A corporate shareholder of a subsidiary (Uzma Artificial Lift Sdn. Bhd.)
Chemical Tracer Services Sdn. Bhd.	A corporate shareholder of a subsidiary (Uzma Tracer Sdn. Bhd.)
Nexuscorpgroup Sdn. Bhd.	A corporate shareholder of a subsidiary (Uzma Nexus Sdn. Bhd.)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Subsidiaries				
Dividend income received/ receivable	-	-	(5,100)	(29,947)
Management fees received/ receivable	-	-	(17,039)	(18,485)
Interest income received/ receivable	-	-	(2,515)	(3,601)
Rental expenses paid/ payable	-	-	1,485	1,485
Entities in which Directors have substantial interests				
Service fee received/receivable	(4,910)	(6,485)	-	-
Purchases paid/payable	19,280	18,014	-	-
Associate				
Dividend received/receivable	(340)	(980)	-	-
Purchases paid/payable	27,493	-	-	-
Corporate shareholder of subsidiaries				
Disposal of property, plant and equipment	(5,028)	-	-	-
Dividend paid/payable	164	-	-	-

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).

NOTES TO THE FINANCIAL STATEMENTS (continued)

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 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Directors of the Company **Executive Directors:**				
- fees	36	216	-	-
- salaries, bonus and other benefits	1,738	2,253	655	1,227
- defined contribution plans	200	259	76	140
	1,974	2,728	731	1,367
Non-executive Directors:				
- fees	531	432	531	432
- salaries, bonus and other benefits	32	22	32	22
	563	454	563	454
Directors of the subsidiaries **Executive Directors:**				
- fees	156	120	90	-
- salaries, bonus and other benefits	2,214	2,825	936	1,185
- defined contribution plans	241	280	97	132
	2,611	3,225	1,123	1,317
Total directors' remuneration	5,148	6,407	2,417	3,138
Other key management personnel				
Short-term employee benefits	3,657	2,357	1,784	1,084
Defined contribution plans	362	297	194	119
	4,019	2,654	1,978	1,203
	9,167	9,061	4,395	4,341

The estimated monetary value of directors' and key management personnel's benefits-in-kind are RM325,000 (2021: RM Nil) and RM325,000 (2021: RM Nil) respectively.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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
O&G upstream services	Provision of geoscience and reservoir engineering, drilling, project and operation services, and other specialised services within oil and gas industry.
Trading/Other O&G services	Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
Others	New energy, digitalisation and tech and investment holding.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SEGMENT INFORMATION (continued)

	Note	O&G Upstream Services RM'000	Trading/Other O&G Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
Group						
2022						
Revenue:						
Revenue from external customers		307,923	41,513	28,499	-	377,935
Inter-segment revenue	(a)	42,541	1,547	23,189	(67,277)	-
		350,464	43,060	51,688	(67,277)	377,935
Results:						
Included in the measure of segment profit/ (loss) are:						
Interest income	(a)	4,280	301	10,124	(13,178)	1,527
Finance costs	(a)	(16,998)	(56)	(15,181)	12,098	(20,137)
Depreciation and amortisation		(46,994)	(1,009)	(869)	(4,083)	(52,955)
Amortisation of government grant		1,133	-	-	-	1,133
Other non-cash (expense)/income	(b)	2,080	(70)	(8,496)	7,295	809
Not included in the measure of segment profit/(loss) but provided to Group's CEO are:						
Share of results of associates, net of tax		-	-	-	1,309	1,309
Share of results of a joint venture, net of tax		-	-	-	(1)	(1)
Segment profit/(loss) after tax	(c)	24,728	1,716	(13,862)	(6,002)	6,580
Assets:						
Investment in associates		-	-	-	11,489	11,489
Additions to non-current assets	(d)	19,008	237	13,717	-	32,962
Segment assets	(e)	1,190,471	62,455	860,671	(853,594)	1,260,003
Liabilities:						
Segment liabilities	(f)	785,813	10,203	398,093	(458,730)	735,379

NOTES TO THE FINANCIAL STATEMENTS (continued)

36. SEGMENT INFORMATION (continued)

	Note	O&G Upstream Services RM'000 (Restated)	Trading/Other O&G Services RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000 (Restated)
Group						
2021						
Revenue:						
Revenue from external customers		340,171	47,020	1,831	-	389,022
Inter-segment revenue	(a)	39,772	1,607	57,863	(99,242)	-
		379,943	48,627	59,694	(99,242)	389,022
Results:						
Included in the measure of segment profit/ (loss) are:						
Interest income	(a)	3,516	309	13,232	(15,408)	1,649
Finance costs	(a)	(19,363)	(49)	(20,728)	15,228	(24,912)
Depreciation and amortisation		(45,991)	(1,529)	(892)	(4,737)	(53,146)
Amortisation of government grant		1,472	-	-	-	1,472
Other non-cash (expense)/income	(b)	(10,975)	330	4,112	1,688	(4,845)
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)	(10,449)	2,001	38,111	(36,945)	(7,282)
Assets:						
Investment in associates		-	-	-	12,113	12,113
Additions to non-current assets	(d)	60,095	2,472	110	-	62,677
Segment assets	(e)	1,135,275	70,568	891,953	(861,560)	1,236,236
Liabilities:						
Segment liabilities	(f)	756,454	11,233	427,819	(459,981)	735,525

NOTES TO THE FINANCIAL STATEMENTS (continued)

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:

	2022 RM'000	2021 RM'000 (Restated)
Bad debts written off	2	32
Bargain purchase arising from acquisition of a subsidiary	-	(2,650)
Deposits written off	109	-
Loss/(Gain) on disposal of a subsidiary	44	(928)
Loss on derecognition of a subsidiary	258	-
Loss on reduction in stake in an associate	641	-
Impairment losses on:		
- trade receivables	807	1,707
- other receivables	552	3,602
- property, plant and equipment	523	-
- other intangible assets	-	4,110
Inventories written off	1	-
Inventories written down	2,179	118
Inventories written back	(138)	(505)
Fair value gain on quoted equity securities	-	(155)
Fair value gain on contingent consideration	-	(245)
Gain on disposal of an associate	-	(1,432)
Gain on disposal of property, plant and equipment	(5,399)	(284)
Gain on lease modification	-	(2)
GST written off	79	-
Net unrealised loss on foreign exchange	(37)	1,547
Prepayments written off	-	50
Property, plant and equipment written off	1	-
Provision for post employment benefits	575	397
Reversal of impairment losses on:		
- trade receivables	-	(517)
- property, plant and equipment	(1,136)	-
Unwinding of discount on contingent consideration	130	-
	(809)	4,845

(c) Inter-segment transactions eliminated on consolidation.

(d) Additions to non-current assets (excluding financial instruments, intangible assets and deferred tax assets) consist of:

	2022 RM'000	2021 RM'000
Property, plant and equipment	22,228	59,179
Right-of-use assets	10,734	3,498
	32,962	62,677

(e) The following items are deducted from segment assets to arrive at total assets reported in the statements of financial position:

	2022 RM'000	2021 RM'000 (Restated)
Investment in associates	11,489	12,113
Inter-segment assets	(865,083)	(873,673)
	(853,594)	(861,560)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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:

	2022 RM'000	2021 RM'000 (Restated)
Deferred tax liabilities	6,980	8,718
Inter-segment liabilities	(465,710)	(468,699)
	(458,730)	(459,981)

(g) Geographical information

Revenue information based on the geographical location of subsidiaries is as follows:

	Revenue	
	2022 RM'000	2021 RM'000 (Restated)
Malaysia	301,885	317,137
Outside Malaysia	76,050	71,885
	377,935	389,022

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	
	2022 RM'000	2021 RM'000 (Restated)
Malaysia	629,287	621,054
Outside Malaysia	107,707	131,744
	736,994	752,798

(h) Major customers

Revenue from one (2021: two) customers in services segment represents approximately RM90,254,000 (2021: RM171,570,000) or 24% (2021: 45%) of the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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	
	2022 RM'000	2021 RM'000 (Restated)	2022 RM'000	2021 RM'000
Loans and borrowings	450,842	513,266	94,330	120,830
Lease liabilities	16,601	12,794	175	229
Less: Deposits, cash and bank balances	(110,615)	(136,834)	(12,800)	(12,781)
Net debt	356,828	389,226	81,705	108,278
Total equity	524,624	500,711	375,333	359,078
Gearing ratio	68%	78%	22%	30%

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 16 March 2021, Uzma Engineering Sdn Bhd ("UESB") filed a Writ and Statement of Claim against Khan Co. Ltd ("Khan") and Kong Offshore Malaysia Sdn Bhd ("Kong") in relation to a project known as the Procurement, Construction and Commissioning (PCC) of KNPG-B Topside PH II, Kinabalu Non-Associated Gas (NAG) Development Project (the "Project"). UESB is claiming for a sum of RM63,135,051.46, general damages, interests and costs against Khan and Kong in the High Court Suit.

On 29 March 2021, Kong entered appearance after the Writ and Statement of Claim were served. Kong has filed an application to stay the High Court Suit under Section 10 of the Arbitration Act on 12 April 2021 ("Kong's Stay Application").

On 1 March 2022, Khan Co Ltd ("Khan") issued a Notice of Arbitration against Uzma Engineering Sdn Bhd ("UESB") ("Notice of Arbitration") based on the arbitration clause provided in the Letter Award dated 24 August 2016 for the provision of manpower, materials, consumables, machineries including transportation for the completion of carry over work (offshore) complete with project materials for the abovementioned project. Khan claims the sum of USD 1,090,218.01 in the Notice of Arbitration.

NOTES TO THE FINANCIAL STATEMENTS (continued)

38. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR(continued)

(a) (continued)

UESB has filed an Injunction Application under the High Court Suit. The High Court has granted an Ad Interim Injunction to restrain Khan from proceeding with the arbitration until the disposal of UESB's Injunction Application or any further order.

On 1 June 2022, Khan entered appearance after the Writ and Statement of Claim were served to Khan at South Korea. Khan has filed an application to stay the Suit under Section 10 of the Arbitration Act on 24 June 2022 ("Khan's Stay Application").

The matter is now fixed for case management for Khan's Stay application, Kong's Stay Application and UESB's Injunction Application on 28 October 2022.

(b) On 4 July 2022, the Company's wholly-owned subsidiary, Enviro had incorporated a wholly-owned subsidiary, namely Environergy Bakti Sdn. Bhd. ("Bakti") with an issued and paid-up capital of 1,000 ordinary shares of RM1 each. The intended principal activity of Bakti was solar system construction.

39. RETROSPECTIVE ADJUSTMENTS

Retrospective adjustments are in respect of (i) understatement of impairment losses on other intangible assets and (ii) net overstatement of contract assets and accrued costs in prior financial year. The effects of the adjustment have been accounted for retrospectively and the effects on prior year have been taken up as retrospective adjustments in the financial statements. Accordingly, the following accounts in prior year have been restated as follows:

	As previously stated RM'000	Retrospective adjustments RM'000	As restated RM'000
Group			
30.6.2021			
Statements of Financial Position			
Non-current assets			
Intangible assets	207,567	(4,110)	203,457
Current assets			
Contract assets	172,958	(28,873)	144,085
Non-current liabilities			
Deferred tax liabilities	18,922	(986)	17,936
Current liabilities			
Trade and other payables	187,907	(10,117)	177,790
Equity			
Retained earnings	164,763	(21,443)	143,320
Non-controlling interests	31,385	(437)	30,948
Statements of Comprehensive Income			
Revenue	384,167	4,855	389,022
Cost of sales	(246.329)	(23,611)	(269,940)
Other operating expenses	(45,287)	(4,110)	(49,397)
Tax expense	(4,241)	986	(3,255)

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 155 to 252 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 2022 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: 31 October 2022

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 155 to 252 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 31 October 2022.

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 2022 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 155 to 252.

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 2022, 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

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 forecast growth rates and 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.

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 and contract assets (Note 4(b), Note 12 and Note 15 to the financial statements)

The impairment provisions for trade receivables and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring of outstanding trade receivables and contract assets 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 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 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 future sales, profit margins and operating expenses. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (continued)
(Incorporated in Malaysia)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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. 03229/09/2024 J
Chartered Accountants

Kuala Lumpur

Date: 31 October 2022

ADDITIONAL INFORMATION

LIST OF PROPERTIES

The details of buildings and land owned by the Group are as follows: -

Title/Location	Description/ Existing Use	Registered Owner	Date of Acquisition	Age of Building	Built-Up Area	Tenure	Net Book Value as at 30.06.2022 (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, Malaysia	Semi-detached industrial premises / Geological laboratory	Uzma Engineering Sdn. Bhd.	13/10/2008	25 years	9,601.49 sq.ft	Freehold	3,113	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, Malaysia	12-Storey commercial building / Office	Uzma Engineering Sdn. Bhd.	22/11/2013	9 years	38,901 sq.ft	Leasehold (expiring on 13/05/2108)	20,343	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, Malaysia	Two-adjacent multi-storey building / Office	Setegap Ventures Petroleum Sdn. Bhd	14/01/2018	17 years	751.12 sq.m	Freehold	8,518	9,310

Title/Location	Description/ Existing Use	Registered Owner	Date of Acquisition	Remaining Lease	Land Area	Tenure	Net Book Value as at 30.06.2022 (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, Malaysia	Commercial land	Uzma Engineering Sdn. Bhd.	01/10/2019	-	6,114 sq.m 6,318 sq.m	Freehold	560 440	1,772
Teluk Kalung Industrial Land, Teluk Kalung, Kemaman, Terengganu Darul Iman, Malaysia	Industrial land	Uzma Engineering Sdn. Bhd.	30/06/2016	44 years	20,000 sq.m	Leasehold	5,291	5,973

ANALYSIS OF SHAREHOLDINGS

AS AT 3 OCTOBER 2022

Total Number of Issued Shares	:	352,030,500
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of Shareholders	:	8,214

Distribution Schedule of Share

AS AT 3 OCTOBER 2022

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares Held	Percentage of Share Capital (%)
Less than 100	44	0.53	593	0.00
100 to 1,000	1,201	14.62	604,849	0.17
1,001 to 10,000	3,921	47.74	22,830,010	6.49
10,001 to 100,000	2,692	32.77	88,968,600	25.27
100,001 to 17,601,524 (*)	353	4.30	129,099,774	36.67
17,601,525 and above (**)	3	0.04	110,526,674	31.40
TOTAL	**8,214**	**100.00**	**352,030,500**	**100.00**

Notes:
(*) Less than 5% of issued shares
(**) 5% and above of issued shares

Directors' Shareholdings as per the Registrar Pursuant to the Companies Act 2016

AS AT 3 OCTOBER 2022

No.	Names of Directors	Designation	No. of Shares: Direct: No. of Shares Held	Direct: Percentage of Issued Capital (%)	Indirect: No. of Shares Held	Indirect: Percentage of Issued Capital (%)
1	Datuk Abdullah Bin Karim	Chairman	-	-	-	-
2	Dato' Kamarul Redzuan Bin Muhamed	Managing Director / Group Chief Executive Officer	-	-	110,526,674 ^	31.40
3	Dato' Che Nazahatuhisamudin Bin Che Haron	Executive Director	4,343,780	1.23	-	-
4	Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	Independent Non-Executive Director	-	-	-	-
5	Yahya Bin Razali	Independent Non-Executive Director	-	-	-	-
6	Datuk Seri Zurainah Binti Musa	Independent Non-Executive Director	-	-	-	-
7	Ikhlas Bin Abdul Rahman	Independent Non-Executive Director	-	-	-	-
8	Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad	Independent Non-Executive Director	-	-	-	-
9	Datuk Farisha Binti Pawan Teh	Independent Non-Executive Director	-	-	-	-
10	Mazli Zakuan Bin Mohd Noor	Independent Non-Executive Director	-	-	-	-

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 3 OCTOBER 2022

No.	Name	Direct		Indirect	
		No. of Shares Held	Percentage of Issued Capital (%)	No. of Shares Held	Percentage of Issued Capital (%)
1	Tenggiri Tuah Sdn. Bhd.	110,526,674	31.40	-	-
2	Dato' Kamarul Redzuan Bin Muhamed	-	-	110,526,674 ^	31.40
3	Datin Rozita Binti Mat Shah @ Hassan	-	-	110,526,674 ^	31.40

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.

Thirty (30) Largest Shareholders

AS AT 3 OCTOBER 2022

No.	Name of Shareholders	No. of Shares Held	%
1	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tenggiri Tuah Sdn. Bhd.	110,441,600	31.37
2	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Che Nazahatuhisamudin Bin Che Haron	4,343,780	1.23
3	Citigroup Nominees (Tempatan) Sdn. Bhd. Employees Provident Fund Board	4,222,500	1.20
4	Citigroup Nominees (Tempatan) Sdn. Bhd. Universal Trustee (Malaysia) Berhad for Principal Islamic Small Cap Opportunities Fund	3,789,700	1.08
5	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy	3,400,400	0.97
6	Tengku Ab Malek Bin Tengku Mohamed	2,484,800	0.71
7	Maybank Nominees (Tempatan) Sdn. Bhd. Etiqa Life Insurance Berhad	2,450,300	0.70
8	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Toh Hooi Pak	2,198,500	0.62

Thirty (30) Largest Shareholders (continued)

AS AT 3 OCTOBER 2022

No.	Name of Shareholders	No. of Shares Held	%
9	Mohd Zulhaizan Bin Mohd Noor	2,130,400	0.61
10	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chung Kai Sun	2,000,000	0.57
11	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Keh Wee Kiet	1,790,200	0.51
12	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for Citibank New York (Norges Bank 1)	1,740,700	0.49
13	Kong Kok Choy	1,500,000	0.43
14	PM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kong Kok Choy (B)	1,500,000	0.43
15	Lim Hock Chan	1,455,000	0.41
16	CIMB Group Nominees (Tempatan) Sdn. Bhd. Pembangunan Sumber Manusia Berhad	1,284,100	0.36
17	Asia New Venture Capital Holdings Sdn. Bhd.	1,250,000	0.36
18	Mau Kam Wai	1,200,000	0.34
19	Citigroup Nominees (Tempatan) Sdn. Bhd. UBS AG Singapore for Tan Yu Yeh	1,168,600	0.33
20	Lee Kok Hin	1,152,900	0.33
21	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Chong Soo	1,100,000	0.31
22	Syed Alwi Bin Syed Abbas Al-Habshee	1,100,000	0.31
23	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Kok Siang	1,070,000	0.30
24	Dato' Nasri Bin Nasrun	1,050,000	0.30
25	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Chee Kuan	1,000,000	0.28
26	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Bank Julius Baer & Co. Ltd.	1,000,000	0.28
27	HSBC Nominees (Asing) Sdn. Bhd. Exempt An for Credit Suisse (SG BR-TST-ASING)	960,000	0.27
28	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chan Cheu Leong	930,000	0.26
29	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Hin Wee	930,000	0.26
30	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Kay Keong	900,000	0.26

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting ("15th AGM") of UZMA BERHAD will be held and conducted on a virtual basis through live streaming and remote voting using the remote participation and voting facilities for the purpose of considering and if thought fit, passing the resolutions setting out in this notice: -

Meeting Date	:	Wednesday, 14 December 2022
Time	:	10.00 a.m.
Meeting Platform	:	**ConveneAGM** at https://conveneagm.my/uzmaagm2022
Mode of Communication	:	i. Submit questions to the Board prior to the 15th AGM by emailing to **communications@uzmagroup.com** or via typed texts at ConveneAGM at **https://conveneagm.my/uzmaagm2022** not later than 10.00 a.m. on 12 December 2022 (Monday). ii. Pose questions to the Board via real time submission of typed texts at Convene AGM at **https://conveneagm.my/uzmaagm2022** during the live streaming of the 15th AGM.
Broadcast Venue	:	Level 2, 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 2022 together with the Directors' and Auditors' Reports thereon. *(Explanatory Note 1)*

2. To approve the Directors' fees and benefits payable to the Directors up to an aggregate amount of RM850,000.00 for the period from 15 December 2022 until the next Annual General Meeting of the Company and the payment thereof. ***Ordinary Resolution 1***

3. To re-elect Datuk Abdullah Bin Karim who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company. ***Ordinary Resolution 2***

4. To re-elect Dato' Kamarul Redzuan Bin Muhamed who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company. ***Ordinary Resolution 3***

5. To re-elect Encik Yahya Bin Razali who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company. ***Ordinary Resolution 4***

6. To re-elect Tengku Ezuan Ismara Bin Tengku Nun Ahmad who is retiring in accordance with Clause 106 of the Constitution of the Company. ***Ordinary Resolution 5***

7. To re-elect Datuk Farisha Binti Pawan Teh who is retiring in accordance with Clause 106 of the Constitution of the Company. ***Ordinary Resolution 6***

8. To re-elect Encik Mazli Zakuan Bin Mohd Noor who is retiring in accordance with Clause 106 of the Constitution of the Company. ***Ordinary Resolution 7***

9. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Board of Directors to fix their remuneration. ***Ordinary Resolution 8***

As Special Business

To consider and, if thought fit, to pass the following resolutions: -

10. **Authority Under Sections 75 and 76 of the Companies Act 2016 ("Act") for the Directors to Allot and Issue Shares; and Waiver of Pre-Emptive Rights Over New Ordinary Shares ("Shares") or Other Convertible Securities in the Company Under Section 85(1) of the Act to be Read Together with Clause 59 of the Constitution of the Company** ***Ordinary Resolution 9***

"**THAT** pursuant to Sections 75 and 76 of the Act, the Directors be and are hereby authorised to allot and issue new Shares in the Company, grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer at any time in the Company, 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 and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, does not exceed ten per centum (10%) of the total number of issued Shares of the Company (excluding treasury shares) for the time being and that the Directors be and are also hereby empowered to obtain approval for the listing of and quotation for the additional Shares so allotted on Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the approval of all relevant regulatory authorities (if any) being obtained for such allotment and issuance.

AND THAT in connection with the above, pursuant to Section 85(1) of the Act read together with Clause 59 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new Shares, options over or grants of new Shares or any other convertible securities in the Company and/or any new Shares to be issued pursuant to such options, grants or other convertible securities, such new Shares when issued, to rank pari passu with the existing Shares in the Company."

11. **Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares ("Proposed Renewal of Share Buy-Back Mandate")** ***Ordinary Resolution 10***

"**THAT** subject to the Companies Act 2016 ("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 deem 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 Sixteenth 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;

ii. The expiration of the period within which the Sixteenth 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 purchase 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."

As Special Business (continued)

To consider and, if thought fit, to pass the following resolutions (continued): -

BY 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

MAZIAH BINTI MARTIN
Membership No.: MACS M01864
SSM Practicing Certificate No.: 202208000294

Company Secretaries
Selangor Darul Ehsan
Date: 31 October 2022

NOTES:

1. The AGM of the Company will be held and conducted on a virtual basis through live streaming and online remove 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.

   The Administrative Guide on the conduct of a virtual AGM of the Company is available on the Company's website at **www.uzmagroup.com**.

2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform the shareholders where the electronic AGM production and streaming would be conducted from. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the broadcast venue.

3. A member [other than an exempt authorized 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 authorized 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 authorized nominee may appoint in respect of each omnibus account it holds.

   An exempt authorized nominee refers to an authorized 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.

NOTES (continued):

6. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointed or by his attorney duly authorized in writing and in the case of corporation shall be given under its common seal or signed on its behalf by an attorney of the corporation so authorized.

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: -

   a. **In hard copy form**

   The original instrument appointing a proxy ("Proxy Form") must be deposited at **KPMG Management & Risk Consulting Sdn. Bhd.** at Concourse, KPMG Tower, No. 8, First Avenue, Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

   b. **By electronic means**

   The Proxy Form can also be lodged electronically via online portal at **https://conveneagm.my/uzmaagm2022**. Please follow the procedures provided in the Administrative Guide for the 15th 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 **support_conveneagm@kpmg.com.my** 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 in this meeting, the Company be requesting from Bursa Malaysia Depository Sdn. Bhd. to make available a Record of Depositors as at **6 December 2022**. Only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting and be entitled to appoint a proxy or proxies.

11. Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim was appointed as an Independent Non-Executive Director of the Company on 26 May 2011 and will reach his twelve (12)-year term limit on 25 May 2023 as prescribed under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). In view of his long-serving as Independent Director of the Company, he has expressed that he does not wish to be retained as Independent Director of the Company at the 15th AGM and wishes to retire from the board at the conclusion of the 15th AGM. Accordingly, he shall retire at the conclusion of the 15th AGM in pursuance of the Malaysian Code on Corporate Governance 2021 and MMLR of Bursa Securities.

Explanatory Notes on Ordinary Business and Special Business

1. **Audited Financial Statements for the Financial Year Ended 30 June 2022**

   The Audited Financial Statements in Agenda 1 is meant for discussion only, as approval from the 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.

2. **Ordinary Resolution 1 – Fees and Benefits Payable to the Directors**

   Section 230(1) of the Companies Act 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("Board") of the Company wishes to seek shareholders' approval for the payment of fees and benefits payable to the Directors up to an aggregate amount of RM850,000.00 for the period from 15 December 2022 until the next AGM to be held in 2023. The aggregate amount of RM850,000.00 consists of the Directors' fees of up to RM750,000.00 payable to the Directors of the Company as members of the Board and benefits of RM100,000.00 payable to the Directors of the Company as meeting allowances.

   The current structure of the annual Directors' fees and benefits payable to the Directors of the Company, which was last approved by the Board in 2021 had remained unchanged since financial year 2020. During a review in 2022, the Nomination and Remuneration Committee ("NRC") recommended, and the Board has approved, that the Directors' fees and benefits payable to the Directors shall remain unchanged, subject to the shareholders' approval at this Fifteenth AGM.

3. **Ordinary Resolutions 2, 3, 4, 5, 6 and 7 – Re-election of Directors**

   For the purpose of determining the eligibility of the Directors to stand for re-election at the Fifteenth Annual General Meeting of the Company, the Board through its NRC undertakes a formal evaluation to determine the eligibility of each retiring Director in line with the Malaysian Code on Corporate Governance, which includes the following:-

   i. The performance and effectiveness of the Board of Directors as a whole, Board Committees and individual Directors;
   ii. The independence of the Independent Non-Executive Directors; and
   iii. The fit and proper assessment.

Explanatory Notes on Ordinary Business and Special Business (continued)

3. **Ordinary Resolutions 2, 3, 4, 5, 6 and 7 – Re-election of Directors (continued)**

   The NRC and the Board are satisfied that the Directors, namely Datuk Abdullah Bin Karim, Dato' Kamarul Redzuan Bin Muhamed, Encik Yahya Bin Razali, Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad, Datuk Farisha Binti Pawan Teh and Encik Mazli Zakuan Bin Mohd Noor (collectively, "the retiring Directors") standing for re-election have performed their duties as per the Board of Charter and they will continue to bring to bear their knowledge, experience and skills, and contribute effectively to the Board's discussions, deliberations and decisions. In view thereof, the Board recommends that they be re-elected as Directors of the Company.

   The retiring Directors that are eligible have offered themselves for re-election at the Fifteenth AGM.

   The retiring Directors have abstained from deliberations and decisions on their own eligibility and suitability to stand for re-election at the relevant Board meeting.

   The profiles of the Directors who are standing for re-election under Ordinary Resolutions 2, 3, 4, 5, 6 and 7 are set out in the Directors' Profile on pages 62 to 73 of the Annual Report 2022.

4. **Ordinary Resolution 8 – Re-appointment of Auditors**

   Messrs Baker Tilly Monteiro Heng PLT, the auditors of the Company, have expressed their willingness to continue in office as auditors of the Company for the financial year ending 30 June 2023. The Board has approved the Audit Committee's recommendation that they be retained after taking into account the relevant feedback on their experience, performance and independence following a formal assessment.

5. **Ordinary Resolution 9 – Authority Under Section 75 and 76 of the Companies Act 2016 for the Directors to Allot and Issue Shares and Waiver of Pre-Emptive Rights**

   The Company had, during its Fourteenth AGM held on 16 December 2021, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to the Sections 75 and 76 of the Companies Act 2016 ("Act"), which would lapse at the conclusion of the 15th AGM. The Company did not issue any shares pursuant to this mandate obtained.

   The Ordinary Resolution 9 proposed under item 10 of the Agenda is a renewal of the general mandate for issuance of ordinary shares ("Shares") by the Company under Sections 76 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 from time to time and expand the mandate to grant rights to subscribe for Shares in the Company, convert any security into Shares in the Company, or allot Shares under an agreement or option or offer, provided that the aggregate number of Shares issued and allotted, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution does not exceed 10% of the total number of issued Shares (excluding treasury shares, if any) of the Company for the time being 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 the 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.

   Pursuant to Section 85(1) of the Act is read together with Clause 59 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new Shares which ranks equally to the existing issued Shares or other convertible securities.

   Please refer to Section 85(1) of the Act and Clause 59 of the Constitution of the Company as detailed below: -

   Details of Section 85(1) of the Act and Clause 59 of the Constitution of the Company

   Section 85(1) of the Act provides as follows: -

   "85. Pre-emptive rights to new shares

   (1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

   Clause 59 of the Constitution of the Company provides as follows: -

   "Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares from time to time to be created shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ..... The Board may likewise also dispose of any new shares or securities which (by reason of the ration which the new shares or securities held by persons entitled to an offer of new shares or securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

Explanatory Notes on Ordinary Business and Special Business (continued)

6. **Ordinary Resolution 10 – Proposed Renewal of Share Buy-Back Mandate**

   Ordinary Resolution 10 proposed under item 11 of the Agenda, if passed, will give the Directors of the Company the authority to take all such steps, as are unecessary 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 15th AGM is required by law to be held.

   Please refer to the Statement to Shareholders dated 31 October 2022 for further information.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participated and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents) , the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

UZMA BERHAD
[Registration No. 200701011861(769866-V)]
(Incorporated in Malaysia)

PROXY FORM

No. of shares held	
CDS Account No.	

I/We*, ____________________ (full name of member, in capital letters)
NRIC No./Passport No./Company No.* ____________ of ____________
____________ (full address) being a member 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 ____________ or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Fifteenth Annual General Meeting ("AGM") of Uzma Berhad ("the Company") to be held and conducted on a virtual basis through live streaming from the broadcast venue at Level 2 Uzma Tower, No. 2, Jalan PJU 8/8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia via the meeting platform at **https://conveneagm.my/uzmaagm2022** (Domain Registration No. with MYNIC - D6A475992 on Wednesday, 14 December 2022 at 10.00 a.m. and at each and any adjournment thereof, on the following resolutions referred to in the Notice of the Fifteenth AGM.

My/Our proxy is to vote as indicated below:-

No.	Resolution	For	Against
Ordinary Resolution 1	To approve the Directors' fees and benefits payable to the Directors up to an aggregate amount of RM850,000.00 for the period from 15 December 2022 until the next Annual General Meeting.		
Ordinary Resolution 2	To re-elect Datuk Abdullah Bin Karim who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company.		
Ordinary Resolution 3	To re-elect Dato' Kamarul Redzuan Bin Muhamed who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect Encik Yahya Bin Razali who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company.		
Ordinary Resolution 5	To re-elect Tengku Ezuan Ismara Bin Tengku Nun Ahmad who is retiring in accordance with Clause 106 of the Constitution of the Company.		
Ordinary Resolution 6	To re-elect Datuk Farisha Binti Pawan Teh who is retiring in accordance with Clause 106 of the Constitution of the Company.		
Ordinary Resolution 7	To re-elect Encik Mazli Zakuan Bin Mohd Noor who is retiring in accordance with Clause 106 of the Constitution of the Company.		
Ordinary Resolution 8	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 9	Authority under Sections 75 and 76 of the Companies Act 2016 for the Directors to allot and issue shares and Waiver of Pre-Emptive Rights.		
Ordinary Resolution 10	Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares.		

**Strike out whichever is not desired.*

[Please indicate with an 'X' in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Signed this .... day of 2022

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	No. of shares
Proxy 1		%
Proxy 2		%
Total		100%

____
Signature/Common Seal of Member/(s)

Notes:

1. The AGM of the Company will be held and conducted on a fully 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.

   The Administrative Guide on the conduct of a virtual AGM of the Company is available in this Annual Report.

2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. The venue of the AGM is to inform shareholders where the electronic AGM production and streaming would be conducted from. **NO SHAREHOLDER(S)/PROXY(IES)** from the public will be allowed to be physically present at the broadcast venue.

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 **KPMG Management & Risk Consulting Sdn. Bhd.** Concourse, KPMG Tower, No.8 First Avenue, Bandar Utama 47800 Petaling Jaya Selangor Darul Ehsan Malaysia.

   ii. **By electronic means**
   The Proxy Form can also be lodged electronically via ConveneAGM Meeting Platform at https://conveneagm.my/uzmaagm2022 or email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 15th 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 support_conveneagm@kpmg.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting. Alternatively, please follow the steps provided in the Administrative Guide for the 15th AGM to register for RPEV facility or appoint another proxy. In such an appointment your earlier appointment of proxy shall be revoked. Please advise your proxy accordingly.

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 6 December 2022 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. Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim was appointed as an Independent Non-Executive Director of the Company on 26 May 2011 and will reach his twelve (12)-year term limit on 25 May 2023 as prescribed under the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). In view of his long-serving as Independent Director of the Company, he has expressed that he does not wish to be retained as Independent Director of the Company at the 15th AGM and wishes to retire from the board at the conclusion of the 15th AGM. Accordingly, he shall retire at the conclusion of the 15th AGM in pursuance of the Malaysian Code on Corporate Governance 2021 and MMLR of Bursa Securities.

Personal Data Privacy:-

By submitting an instrument on 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 Administration and Polling Agent of

UZMA BERHAD
KPMG Management & Risk Consulting Sdn. Bhd.
Concourse, KPMG Tower
No.8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

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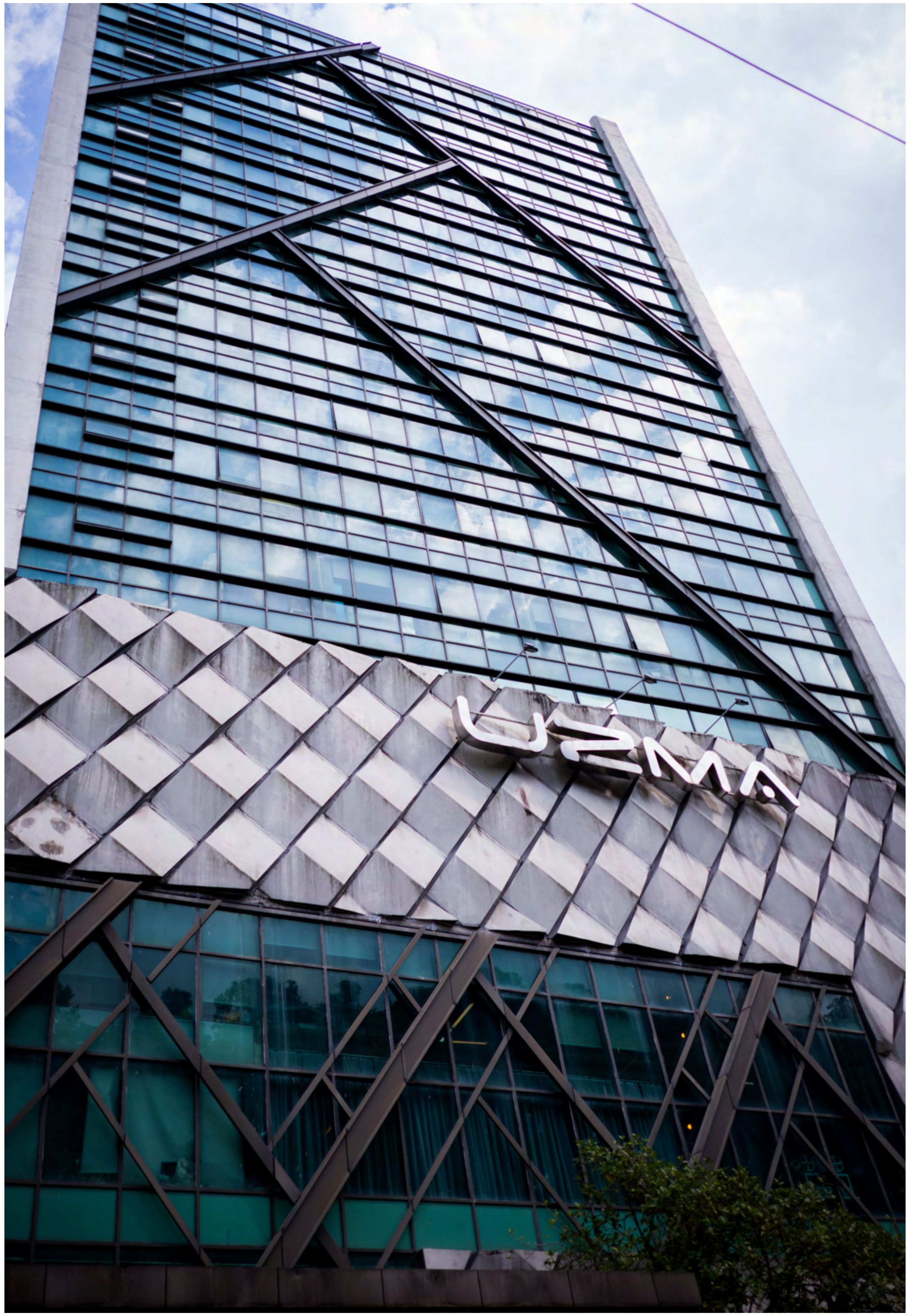
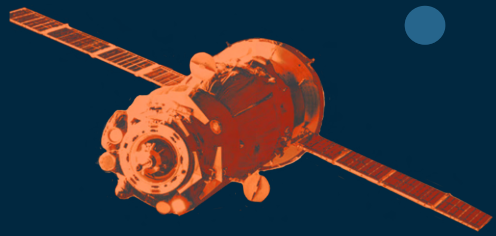




ADMINISTRATIVE GUIDE FOR THE FIFTEENTH ANNUAL GENERAL MEETING ("15th AGM")

Meeting Date	:	Wednesday, 14 December 2022
Time	:	10.00 a.m.
Meeting Platform	:	ConveneAGM at https://conveneagm.my/uzmaagm2022
Mode of Communication	:	i. Submit questions to the Board prior to the 15th AGM by emailing to **communications@uzmagroup.com** or via typed texts at ConveneAGM at https://conveneagm.my/uzmaagm2022 not later than 10.00 a.m. on 12 December 2022 (Monday). ii. Pose questions to the Board via real time submission of typed texts at ConveneAGM at https://conveneagm.my/uzmaagm2022 during the live streaming of the 15th AGM.
Broadcast Venue	:	**Level 2,** Uzma Tower, No. 2, Jalan PJU 8/8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Dear Shareholders,

The Company will conduct its forthcoming 15th AGM **on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV")** facilities (hereinafter as "**Virtual AGM**").

The Broadcast Venue mentioned above is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 64 of the Constitution of the Company which stipulates that the Chairman of the Meeting shall be at the main venue of the 15th AGM.

In line with the Practice 13.3 of the Malaysian Code on Corporate Governance, by conducting a Virtual AGM, this would promote greater shareholder participation as it facilitates electronic voting and remote members' participation. With the RPEV Facilities, you may exercise your right as a member of the Company to participate (including to pose questions to the Board of Directors and/or Management of the Company) and vote at the AGM. Alternatively, you may also appoint the Chairman of the Meeting as your proxy to attend and vote on your behalf at the AGM.

No Members/Proxies/Corporate Representatives from the public shall be physically present nor admitted at the Broadcast Venue on the day of the AGM.

Digital Copies of Annual General Meeting Documents

As part of our dedicated commitment to sustainable practices, please scan the QR code for the following documents of the Company, which are also available and can be downloaded from Bursa Malaysia Securities Berhad and the Company's website at http://www.uzmagroup.com/uzma-investor-relations.html.

1. Annual Report 2022
2. Corporate Governance Report 2022
3. Notice of the 15th AGM and Proxy Form
4. Administrative Guide for the 15th AGM
5. Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own ordinary shares **("Proposed Renewal of Share Buy-Back Mandate") ("Statement to Shareholders")**

As a shareholder of the Company, you may submit your request for a printed copy of the Annual Report 2022 and/or Statement to Shareholders to communications@uzmagroup.com and must provide all the required information accurately, i.e. full name, CDS account number, full mailing address and shareholder's mobile number. Barring any inforeseen circumstances, we will send a printed Annual Report 2022 and/or Statements to Shareholders to you as reasonably practicable from the date of receipt of your request. Nevertheless, it is hoped that you would consider the environment before you decide to request for the printed copy.

Entitlement to Participate and Vote

In respect of deposited securities, only members whose names appear in the Record of Depositors on **6 December 2022** (General Meeting Record of Depositors) shall be eligible to participate the AGM or appoint proxy(ies) to participate and/or vote on his/her behalf.

Form(s) of Proxy

Shareholders who are unable to participate in our online AGM are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the proxy form. Please take note that you must complete the proxy form for the AGM should you wish to appoint proxy(ies).

The proxy form may be made in hard copy or by electronic means, not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. latest by 10:00 a.m., Monday, 12 December 2022 as follows:-

(i) In hard copy form

The proxy form must be deposited at the office of our Administration and Polling Agent:
KPMG Management & Risk Consulting Sdn Bhd
Concourse, KPMG Tower,
No. 8, First Avenue, Bandar Utama,
47800 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

Form(s) of Proxy (continued)

The proxy form may be made in hard copy or by electronic means, not less than forty-eight (48) hours before the time appointed for holding the meeting, i.e. latest by Monday, 12 December 2022 at 10:00 am, as follows:- (continued)

(ii) **By electronic means**

The proxy form can also be lodged electronically through ConveneAGM Meeting Platform at https://conveneagm.my/uzmaagm2022 or email to support_conveneagm@kpmg.com.my.

You may follow the steps below to lodge electronic proxy via ConveneAGM Meeting Platform:-

- Go to https://conveneagm.my/uzmaagm2022.
- Select "**Register Now**" and choose "**Register as Shareholder**".
- Fill out the form with the required information and select "Submit Registration".
- A confirmation will be displayed after a successful registration.
- Check your email for the next step.
- Open the email from AGM@Convene (agmaccounts@conveneagm.com)
- Select "**Verify Your Email**".
- After the email verification, you will be redirected to create your own personalised password.
- Sign in to https://conveneagm.my/uzmaagm2022.
- Select "**Fill Out proxy form**".

Revocation of Proxy

If you have submitted your proxy form prior to the meeting and subsequently decide to participate at the meeting yourself, please write in to support_conveneagm@kpmg.com.my to revoke the appointment of your proxy(ies) at least forty-eight (48) hours before the 15th AGM.

Alternatively, you may register for RPEV facility or appoint another proxy. In such an event, your earlier appointment of proxy shall be revoked. Please advise your proxy accordingly. Follow the steps listed in Procedures for RPEV FACILITIES to register and/or withdraw proxy form.

Voting Procedure

The voting procedure will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed KPMG Management & Risk Consulting Sdn . Bhd . ("KPMG") as Poll Administrator to conduct the poll by way of electronic voting ("e-voting") and Independent Scrutineer to verify and validate the poll results.

During the AGM, the Chairman of the meeting will invite the poll Administrator to brief on the e-voting housekeeping rules. The e-voting session will commence as soon as the Chairman call for the poll to be opened and until such time when the Chairman announces the closure of the poll.

For the purposes of the virtual AGM, e-voting will be carried out via personal smart phones, tablets, or personal computers/laptops.

Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by declaration by the chairman of the meeting whether the resolutions put to vote were successfully carried or not.

Procedures for RPEV Facilities

All shareholders including (i) individual shareholders; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees shall use the RPEV facility at https://conveneagm.my/uzmaagm2022 to participate and vote remotely at the 15th AGM.

All shareholders who wish to participate at the 15th AGM are required to register online at ConveneAGM Meeting Platform (https://conveneagm.my/uzmaagm2022).

Registration for remote access will open from Monday, 31 October 2022 until the day of the 15th AGM on Wednesday 14 December 2022. Shareholders are encouraged to register at least 48 hours before the commencement of the 15th AGM to allow some time for the Company to verify the shareholder status and to avoid any delay in registration.

Kindly follow the steps below or provided in the AGM User Guide at https://cdn.azeusconvene.com/wpcontent/uploads/brochures/Getting-Started-with-ConveneAGM.pdf on how to register online:-

Pre Meeting Day - Registration for Shareholders and/or Corporate Representatives	• Go to https://conveneagm.my/uzmaagm2022. • Select "**Register Now**" and choose "**Register as Shareholder**". • Fill out the form with the required information and click to "**Submit Registration**". • A confirmation will be displayed after a successful registration. • Check your email for the next step. • Open the email from AGM@Convene (agmaccounts@conveneagm.com). • Select "**Verify Your Email**". • After the email verification, you will be redirected to create your own personalised password. • Upon system verification against the Record of Depositors and Register of Members as at 6 December 2022, you will receive email from AGM@Convene indicating that your registration is approved or rejected. **Please note that the corporate shareholders who require their corporate representative to participate and vote at the AGM must deposit their certificate of appointment of corporate representative to KPMG not later than Monday, 12 December 2022 at 10:00 am.**

Procedures for RPEV Facilities (continued)

Kindly follow the steps below or provided in the AGM User Guide at https://cdn.azeusconvene.com/wpcontent/uploads/brochures/Getting-Started-with-ConveneAGM.pdf on how to register online:- (continued)

Pre Meeting Day - Registration for Proxyholders	• As Proxy, you will receive email from AGM@Convene with your proxy code once you are appointed by your shareholder. • Click on the link in the email or go to https://conveneagm.my/uzmaagm2022. • Select "**Register Now**" and choose "**Register as Proxyholder**". • Fill out the form with the required information and click to "**Submit Registration**". • A confirmation will be displayed after a successful registration. • Check your email for the next step. • Open the email from AGM@Convene (agmaccounts@conveneagm.com). • Select "**Verify Your Email**". • After the email verification, you will be redirected to create your own personalised password. **Please note that in the event the shareholder who appointed you cannot be authenticated against the Record of Depositors and Register of Members as at 6 December 2022, your registration will not be valid.**
Meeting Day - Participation by Shareholders, Proxies and/or Corporate Representatives during AGM	• Login to https://conveneagm.my/uzmaagm2022 • Click to start live webcast. • Proceed to ask question and/or vote when permissible.

No Door Gift/E-Voucher/Food Voucher

There will be NO door gift/e-voucher/food voucher for participating at the AGM since the meeting is being conducted on a virtual basis.

Recording or Photography at the AGM

Strictly NO recording or photography of the AGM proceedings is allowed.

Enquiries

Should you require any assistance on the RPEV facility, kindly contact KPMG, details as follows:-

(a) For matters relating to proxy processing and eligibility to participate at the 15th AGM [During office hours on Mondays to Fridays (except on public holidays) from 8:30 a.m. to 5:30 p.m].

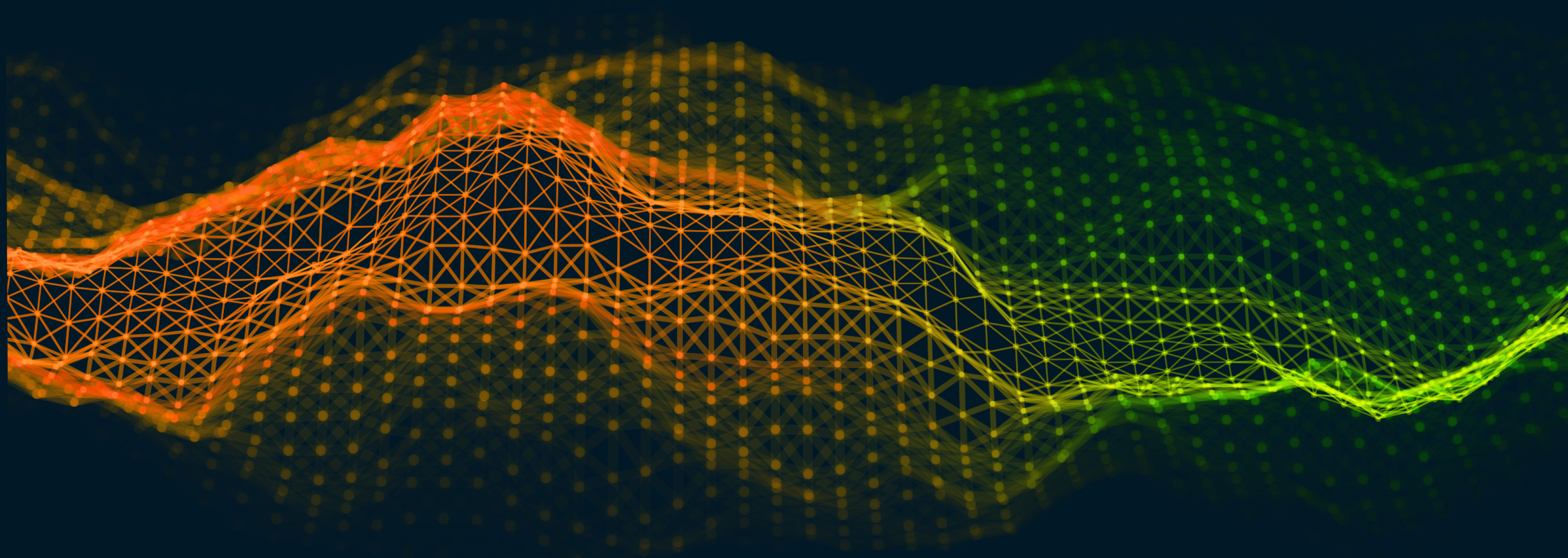
Email	:	**support_conveneAGM@kpmg.com.my**
Telephone No.	:	603-7721 3109/ 7329/ 7954/ 7780

(b) For ConveneAGM Technical Support (available 24/7)

Toll Free No	:	1 800 817 240
Email	:	**support@conveneagm.com**
Live Chat	:	Click on the chat icon at the bottom right side of https://conveneagm.my/uzmaagm2022

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
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