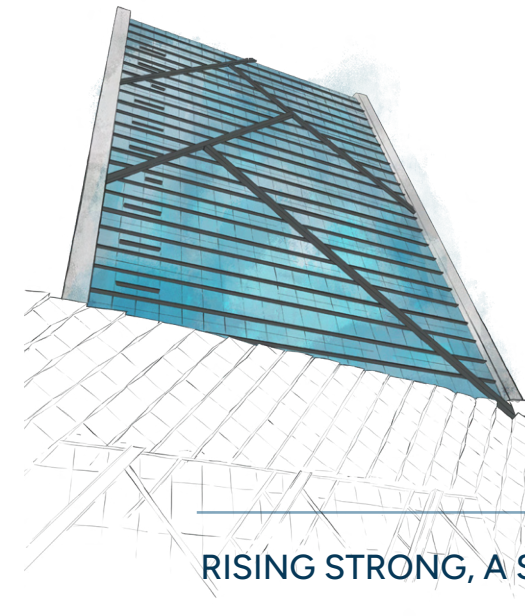




ANNUAL REPORT 2023

RISING STRONG, A SUSTAINABLE RESURGENCE



UZMA BERHAD'S

ANNUAL REPORT 2023

RISING STRONG, A SUSTAINABLE RESURGENCE

ABOUT THIS REPORT

Uzma Berhad (“Uzma” or “the Company”) is pleased to present our Annual Report 2023 for the Financial Year Ended 30 June 2023. This report reflects our capability and commitment to creating sustainable value for our stakeholders. Our mission is to provide a comprehensive overview of our strategies, progress, and value creation journey. We also aim to shed light on how we manage business risks and seize opportunities in the ever-evolving external landscape.

In this report, we provide clear and transparent insights into our value creation strategies for all stakeholder groups. Our goal is to empower our stakeholders with the information they need to make informed decisions regarding the Company. This report underscores our dedication to transparency and accountability.

REPORTING SCOPE AND BOUNDARY

The scope of this Report encompasses Uzma Berhad and its subsidiaries (collectively referred to as “Uzma Group” or “the Company”). It covers the financial reporting period from 1 July 2022 to 30 June 2023 (“FY2023”), adhering to the Malaysian Financial Reporting Standards (“MFRSs”). This includes, all entities within Uzma Group where we hold a substantial interest and majority ownership.

The report provides disclosures related to our business segments, subsidiaries, and joint venture operations, including significant events occurring after 30 June 2023 up to the publication date.

MATERIALITY

This report highlights material matters identified by our Board of Directors with support from management. These matters are essential to our ability to generate value and achieve our core business objectives. The identification of these significant issues takes into account both internal and external factors, as well as the needs, expectations, and concerns of our stakeholders and Uzma’s strategic priorities.

The principle of materiality guided the disclosure and content of this report. A topic is considered material if it substantially influences decision-making processes and decisions of the Uzma Group and its stakeholders affecting our ability to create value over the short, medium, and long term. We reviewed our material matters through a desktop validation against industry peers and international reporting frameworks to ensure their relevance and currency.

SUSTAINABILITY REPORTING

Sustainability considerations are integral to our business, and they are woven throughout this Annual Report. Our Sustainability Statement within this report provides disclosures on sustainability governance, framework, strategic priorities, programs, initiatives, outcomes, and future plans.

Uzma is committed to managing its business in a holistic, responsible, and sustainable manner, aligning with Bursa Malaysia’s Sustainability Reporting Guide.

REPORTING FRAMEWORKS AND GUIDELINES

In preparing this report, we followed various frameworks and regulations to ensure compliance and transparency. These include:

- Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“MMLR”)
- Malaysian Code on Corporate Governance 2021 (“MCCG 2021”)
- Companies Act 2016 (“Act”)
- Malaysian Financial Reporting Standards (“MFRSs”)

Our Sustainability Statement was developed in alignment with the following frameworks and indicators:

- Bursa Malaysia Sustainability Reporting Guide
- United Nations’ Sustainable Development Goals (“UN SDGs”)
- Global Reporting Initiative (“GRI”) Standards (Core)
- Task Force on Climate-related Financial Disclosures (“TCFD”)

ASSURANCE

The entire report has undergone careful review and approval by the Board of Directors. Our external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT, have ensured the accuracy of all financial data. Financial data in this report has been audited by Messrs. Al Jafree Salihin Kuzaimi PLT, adhering to reporting standards and processes. Non-financial performance data in this report has not undergone formal auditing. However, the Management of Uzma Group has exercised due diligence to provide an accurate and fair judgment on all material matters, including strategic plans.

INFORMATION ON EXCLUSION

Certain categories of information have been withheld in line with our disclosure strategy. These include information that could jeopardize our strategic and competitive advantage, information subject to contractual restrictions, and information we are unable to verify.

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements of Uzma’s financial position, results, operations, and businesses. These statements involve risk and uncertainty and are based on information available as of 30 June 2023. Actual results may differ from projections due to various factors, and readers are encouraged to conduct due diligence.

DIRECTORS’ RESPONSIBILITY STATEMENT

The Board of Directors takes responsibility for the accuracy and reliability of Uzma’s Annual Report 2023. We believe it provides a fair assessment of the Group’s performance and covers all essential material issues contributing to value creation. This report was approved by the Board on 31 October 2023.

FEEDBACK AND INQUIRIES

We welcome your feedback form and inquiries to enhance our reporting communications. We are committed to ongoing improvements in our reporting quality.



Please feel free to reach out to our Group Communications unit:

Tel: +603 7611 4000

Email: communications@uzmagroup.com



COVER THEME RATIONALE

Building upon the foundation laid by the previous year's theme, "Transitioning to a Sustainable Future," as featured in our Annual Report 2022, the theme "Rising Strong: A Sustainable Resurgence" for Uzma's Annual Report 2023 seamlessly continues the narrative of progress and evolution towards a sustainable future. This theme signifies not only Uzma's resilience, determination, and commitment to surmounting challenges, but also our dedication to embedding sustainability at the heart of every endeavor.

"Rising Strong" signifies Uzma's ability to adapt, learn from experiences, and bounce back stronger. It demonstrates how the organization has embraced sustainability as a guiding principle, making it an integral part of our growth and recovery strategy.

The phrase "A Sustainable Resurgence" emphasizes that sustainability is not just an add-on or an afterthought but an essential aspect of Uzma's resurgence. The theme showcases the organization's efforts in embedding sustainability into its operations, culture, and decision-making processes, contributing to a renewed and sustainable approach to business and growth.

Sustainability is not just a response to external pressures but an integral part of our identity and future aspirations. It communicates to our stakeholders that Uzma's journey towards sustainability is not just a momentary trend but a deeply rooted commitment to creating a lasting positive impact.

Overall, this theme captures the tenacity to triumph over adversity, the pursuit of progress, and the principles of sustainability. It mirrors Uzma's unwavering resolve to emerge stronger while concurrently fostering a future that is sustainable, responsible, and responsive to the needs of both our organization and the communities we serve.

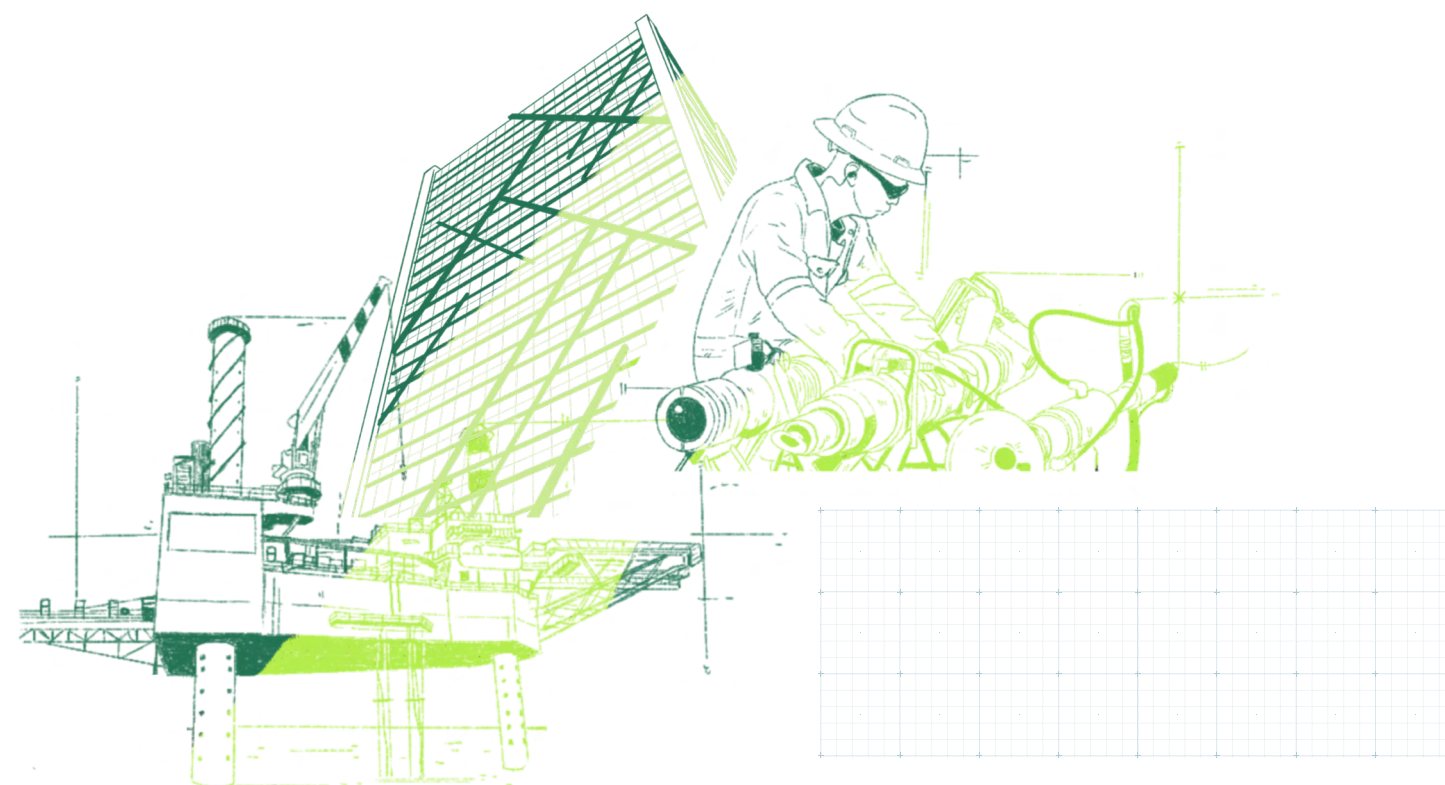
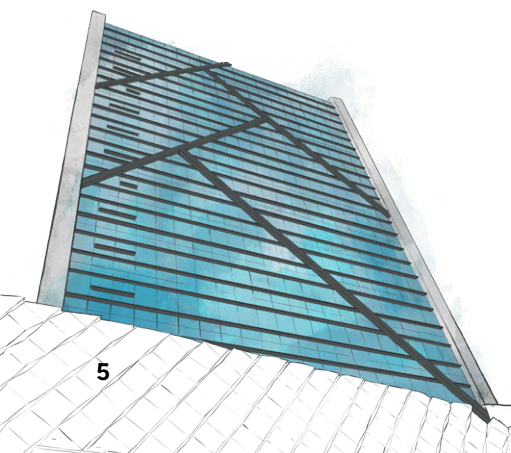


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16TH ANNUAL GENERAL MEETING

Day & Date :	Thursday, 30 th November 2023
Time :	10.00 am
Broadcast Venue :	Level 2, Uzma Tower, No. 2, Jalan PJU 8/8A, Damansara Perdana, 47820 Petaling Jaya, Selangor, Malaysia
Method :	Virtual Meeting through LIVE Streaming

Read Uzma's
Annual Report 2023
via our Website



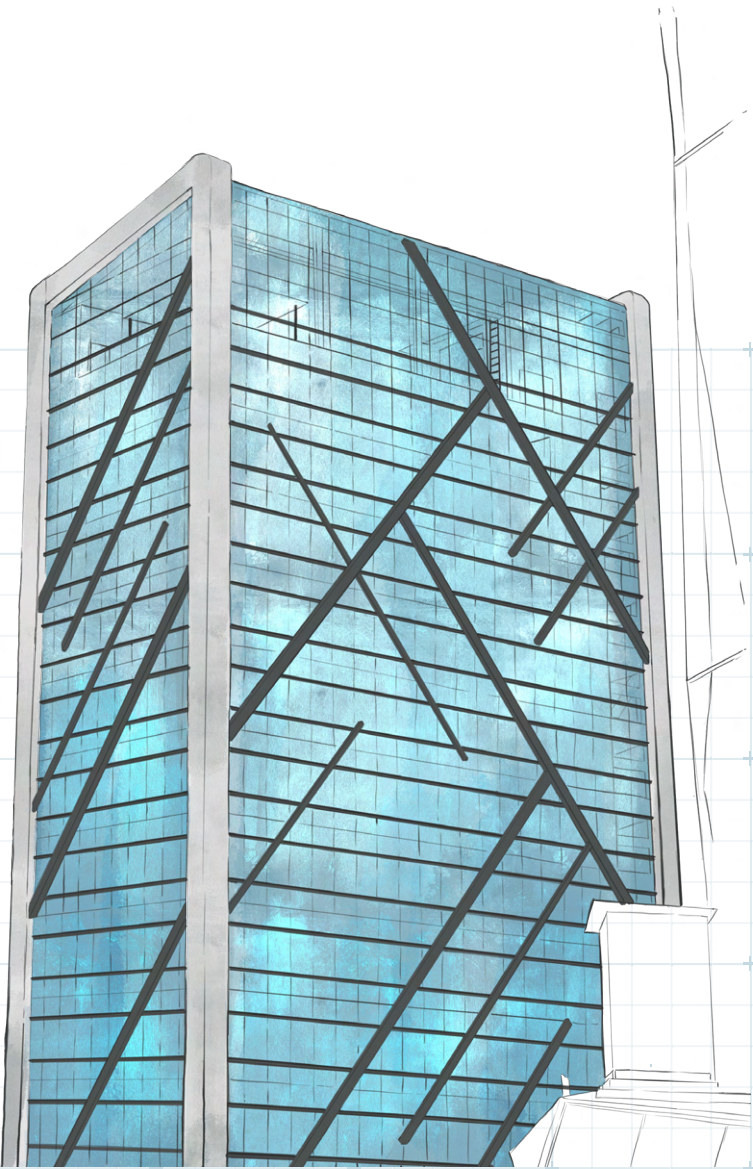
In line with Uzma's commitment to sustainability and the environment, we will not be distributing hard copies of this Report, except upon request.

We encourage you to read the Report on our website, which is available at www.uzmagroup.com, you can also access it by scanning this QR code.

SECTION 1

OVERVIEW OF UZMA

- Who We Are
- Unveiling A New Chapter: Uzma’s Logo Evolution and Rebranding Journey
- What We Do
- Our Assets
- Uzma’s Year in Brief
- Corporate Information
- Corporate Structure



WHO WE ARE

OUR STORY

From its humble beginnings as a manpower consultancy supply company in 2000, Uzma has evolved into a prominent player in the energy and technology industry. Our operational footprint extends across Malaysia, Thailand, Indonesia, and the Philippines, firmly establishing Uzma's presence in the region. Our hallmark has been the delivery of exceptional customer service and the provision of high-quality solutions.

Driven by an unwavering passion for technological innovation, we have embarked on a trajectory of rapid growth, venturing into new markets and pioneering innovative service offerings that transcend Malaysia's borders. Our transformative Five-Year Plan, known as uzma5YP, has strategically realigned our business, placing a strong emphasis on integrated solutions, asset and technology-based approaches, and diversification into emerging growth sectors such as New Energy, Digitalisation, and Downstream business.

At Uzma, a commitment to continuous innovation is at the core of our ethos. Our DNA, embodied in the uzmaWAY, encapsulates our unwavering pursuit of excellence. This guiding principle empowers us to tackle the ever-evolving challenges of the industry and deliver exceptional value to our clients. With steadfast dedication and a focused approach, we take pride in our contribution to a more sustainable industry ecosystem, consistently innovating solutions that benefit all our stakeholders.

Uzma Berhad has been proudly listed on Bursa Malaysia's Main Board since July 2008. For more information on Uzma and our transformative solutions, visit us at www.uzmagroup.com.

OUR VISION

We aspire to become a leading energy and technology company in the region, dedicated to fostering sustainable growth and enhancing value for all stakeholders. We aim to achieve this by fostering excellence through continuous innovation.

OUR MISSION

As a dynamic, integrated regional energy and technology company, we are committed to delivering lasting excellence and value to our stakeholders through our niche and innovative solutions across a diverse portfolio.

OUR VALUES

Uzma Group is an integrated group of companies that provides cost-effective solutions to the energy and technology industries throughout the value chain. We are driven by the aspiration to exceed our stakeholders' expectations. We deliver this aspiration by adhering to a set of unified corporate values known as the **uzmaWAY**. These values serve as the foundational pillars of our corporate identity and culture across our organization.

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. A positive health and safety culture is instilled within our organization. Our stakeholders and their loved ones shall have a peace of mind knowing that they are always in good hands.

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 to achieve our common goals. We develop the personal and professional competencies of our people. We remain humble, respectful, and exude positive attributes in our communication with stakeholders.

QUALITY



Uzma embraces proactivity and cost-effectiveness in planning, executing, and continuously improving our deliverables to exceed the expectations of all 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 strive to be the best in everything we do.

INTEGRITY



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

ENVIRONMENT



Uzma believes in coexisting with and preserving the environment. Our stakeholders can rest assured that we constantly strive to leave minimal environmental footprints in every activity we undertake on this precious planet.

These core values are embraced, practiced, and demonstrated by everybody at Uzma.

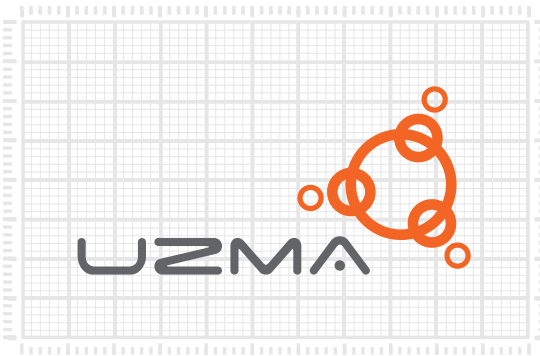
Recognizing that we are only as strong as our weakest link, we ensure that our employees, partners, consultants, and supply chain fully understand and voluntarily subscribe to the **uzmaWAY**.

UNVEILING A NEW CHAPTER: UZMA'S LOGO EVOLUTION AND REBRANDING JOURNEY

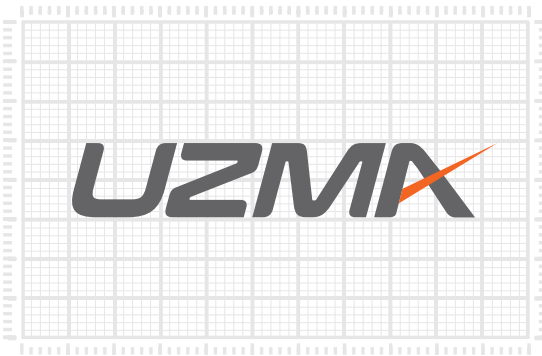
We are thrilled to introduce Uzma's new logo, a symbol that encapsulates our company's evolution, values, and aspirations. This rebranding initiative marks a significant milestone in our journey, reaffirming our commitment to innovation, growth, and excellence.

As the business landscape continues to evolve, companies must remain adaptable and relevant. Uzma's decision to embark on this logo redesign stems from our desire to align our visual identity with the dynamic nature of our industry and the forward-thinking spirit that defines our organization.

Previous Logo



Current Logo



Our new logo is a harmonious blend of tradition and modernity. It pays homage to our rich history and accomplishments while projecting our vision for the future. The design elements symbolize our core values of integrity, collaboration, and progress, which have been instrumental in shaping Uzma's identity over the years.

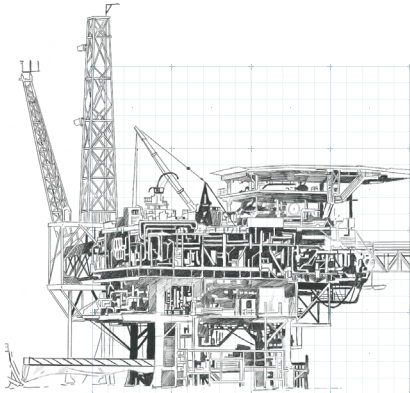
The vibrant orange and fluid line in the logo mirror the energy and agility that characterize Uzma's approach to business. It reflects our ability to adapt to change, seize opportunities, and overcome challenges. The design also signifies our commitment to maintaining a strong connection with our clients, partners, and stakeholders, while consistently pushing the boundaries of innovation.

At Uzma, we believe that a brand is more than just a logo; it's a representation of our dedication to excellence, our promise to deliver exceptional solutions, and our unwavering focus on growth. This new logo encapsulates these ideals and serves as a beacon guiding us into the future.

As we unveil this new logo, we express our gratitude to all those who have supported us on our journey. We look forward to continuing our tradition of excellence while embracing change and innovation, delivering value to our clients and stakeholders.

This logo is not just a symbol; it's a reflection of Uzma's spirit, character, and aspirations. We are excited about the possibilities it represents and the journey it signifies as we move forward into a new era of growth and success.

WHAT WE DO REVOLUTIONIZING ENERGY, EMPOWERING SUCCESS



OIL & GAS DIVISION

GROUP WELL SOLUTIONS

- Hydraulic Workover Services
- Plug and Abandonment
- Workover Services
- Coiled Tubing
- Wireline
- Perforation Services
- Well Pumping
- Cementing
- Desander
- Directional Drilling
- Well Stimulation
- Well Chemicals
- Drilling/Well Services Consultancy

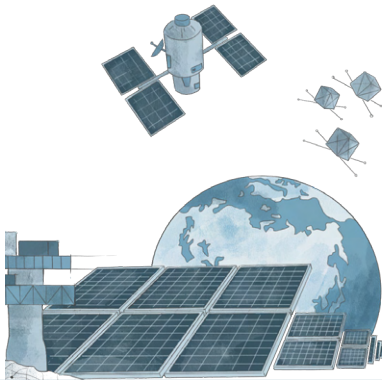
GROUP PRODUCTION SOLUTIONS

- Advanced Production Enhancement System (uzmaPRES™)
- Water Injection Facilities (uzmaWIF)
- Portable Water Injection Module (uzmaWIM)
- Gas Handling System
- Early Production Facilities
- Filtration Services
- Artificial Lift
- Production Chemicals
- Pump Manufacturing
- Supply and Installation of Non-Metallic Pipeline
- Supply of Equipment and Consumables
- Geoscience Studies & Laboratory Services
- Well Testing Equipment Rental & Services

NON-OIL & GAS DIVISION

NEW ENERGY & DIGITALIZATION

- Developer and Operator of Renewable and Clean Energy
- Engineering, Procurement and Construction ("EPC") Contractor for Solar Photovoltaic ("PV")
- Geothermal Services
- Liquefied Natural Gas ("LNG") & Petrochemical Trading
- Geospatial & Remote Sensing Services
- Satellite Imagery and Analytics
- Satellite IOT



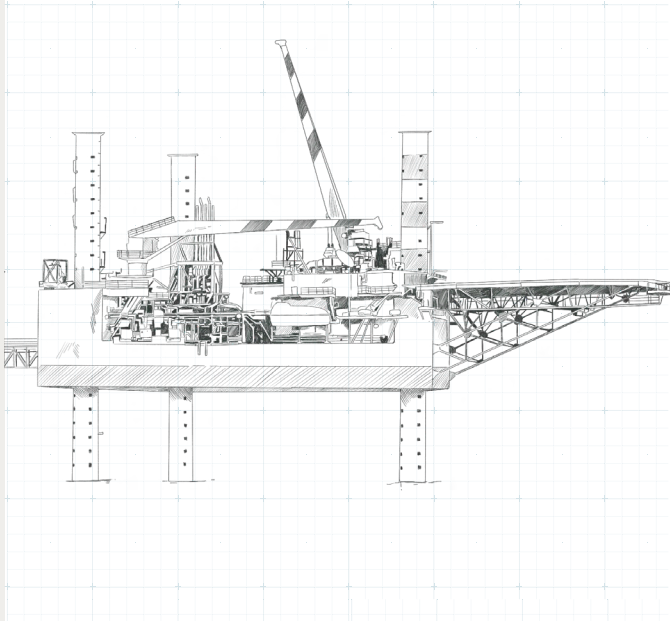
OUR ASSETS

Our expertise lies in services that caters to the needs of the exploration, development, and production value chain within the Oil and Gas industry.

WATER INJECTION FACILITIES (uzmaWIF)

KEY HIGHLIGHTS

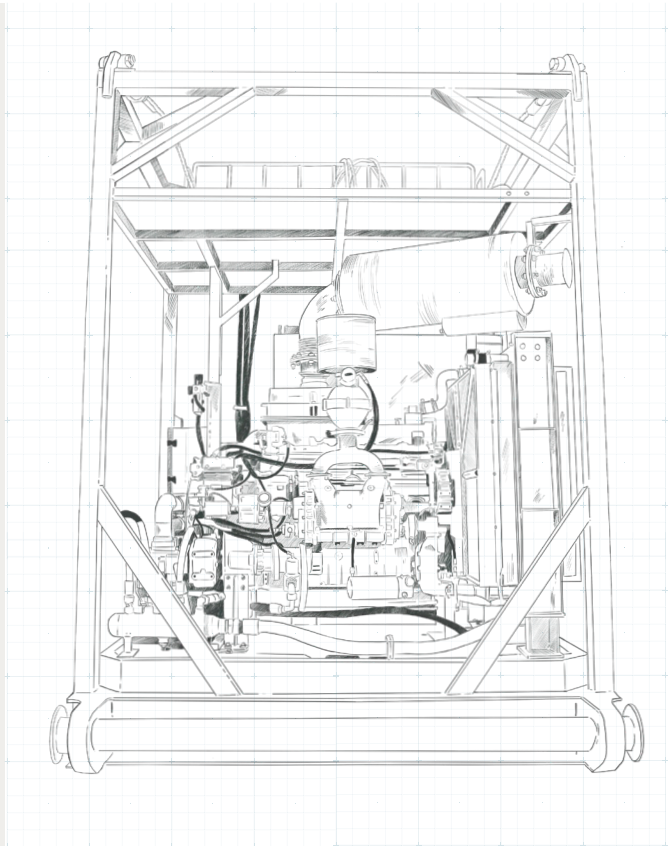
- Injection Capacity**
Our facility boasts an impressive injection capacity of up to 66,000 barrels of water per day (bwpd), ensuring efficient and reliable operations.
- Robust Design**
The mobile self-elevated platform is meticulously designed to withstand the harshest conditions, with the capability to operate even under the stress of a 100-year storm return.
- Extended Service Life**
Our platform is engineered for longevity, featuring a remarkable 10-year service life at its location without the need for drydocking, ensuring sustained operational efficiency.
- Cost-Effective Solution**
With our solution, clients can benefit from a zero capital expenditure ("CAPEX") approach, streamlining operations and reducing financial burden while maintaining top-notch performance.



PORTABLE WATER INJECTION MODULE (uzmaWIM)

KEY HIGHLIGHTS

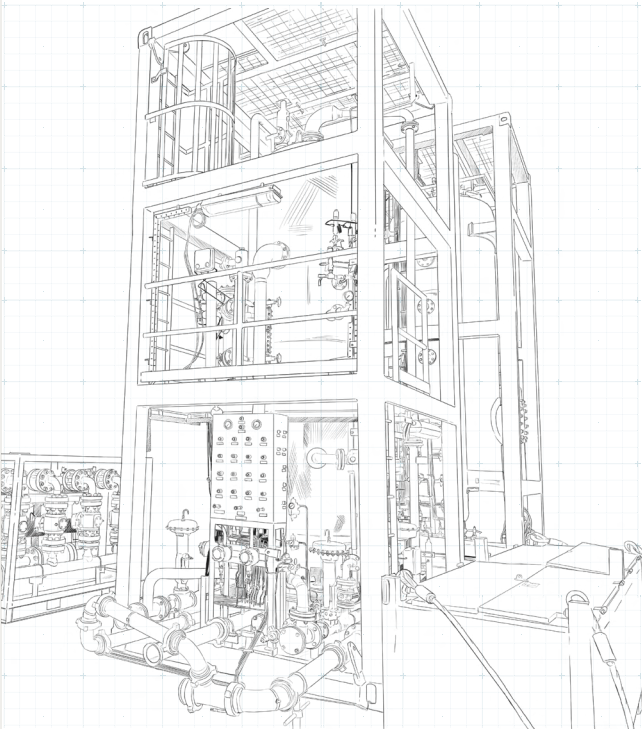
- Rapid Deployment**
Our solution offers quick deployment, typically within 12 to 16 weeks, ensuring minimal downtime and timely project execution.
- Deferred CAPEX**
Clients can defer capital expenditure, as project-related costs are covered during the project cycle, providing financial flexibility and cost-effectiveness.
- Relocatability**
Designed for versatility, our solution can be easily relocated across platforms, offering adaptability to changing operational needs.
- International Standards and Efficiency**
Our system adheres to international standards while being tailored for efficiency and cost-effectiveness in equipment and material selection, ensuring both quality and cost savings.
- Skid Delivery**
Equipment is conveniently delivered in skids, streamlining mobilization and installation processes, saving time and resources.
- Proven Success**
With a track record of demonstrated success in Malaysia since 2013, we have cumulatively injected over 10 million barrels of water, highlighting our reliability and expertise in the field.



ADVANCED PRODUCTION ENHANCEMENT SYSTEM (uzmAPRES™)

KEY HIGHLIGHTS

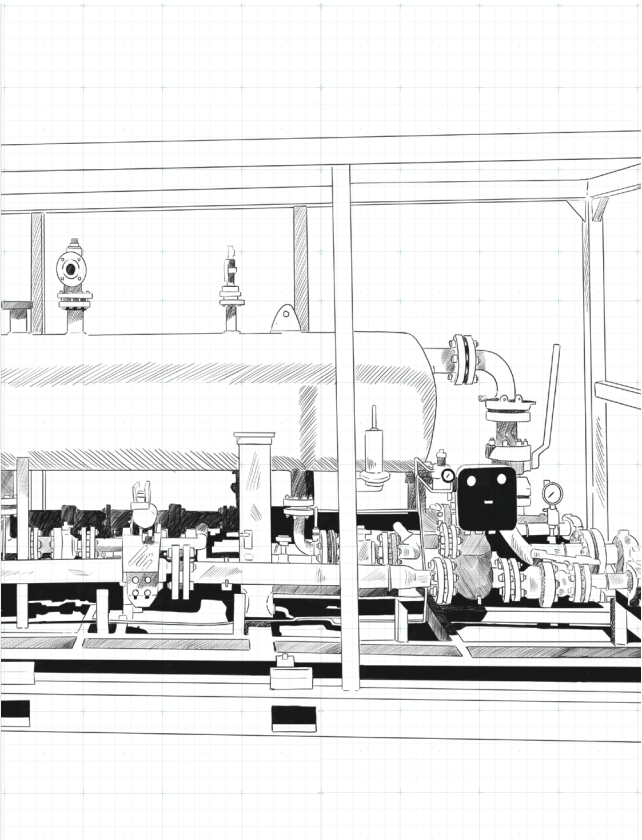
- Proven Track Record**
With over 12 years of experience, uzmAPRES boasts a remarkable track record that includes a total of 13 successful installations.
- Emission Reduction**
By introducing a Gas Compressor to the package, uzmAPRES has been instrumental in achieving zero flaring, significantly reducing emissions and environmental impact.
- Innovation Pioneers**
uzmAPRES was the pioneer behind the first mobile low-pressure system in Malaysia, revolutionizing industry practices and showcasing a commitment to innovation.
- Oil Gain Achievement**
uzmAPRES has proudly achieved a total cumulative oil gain of over 9 million BBLs, exemplifying its capacity to optimize production and boost efficiency.
- Cost-Efficiency**
uzmAPRES delivers substantial CAPEX savings and effectively minimizes field unit production costs ("UPC") by eliminating the need for major surface facilities modification. This commitment to efficiency benefits both the company and its stakeholders alike.



LIGHT WEIGHT WELL TESTING

KEY HIGHLIGHTS

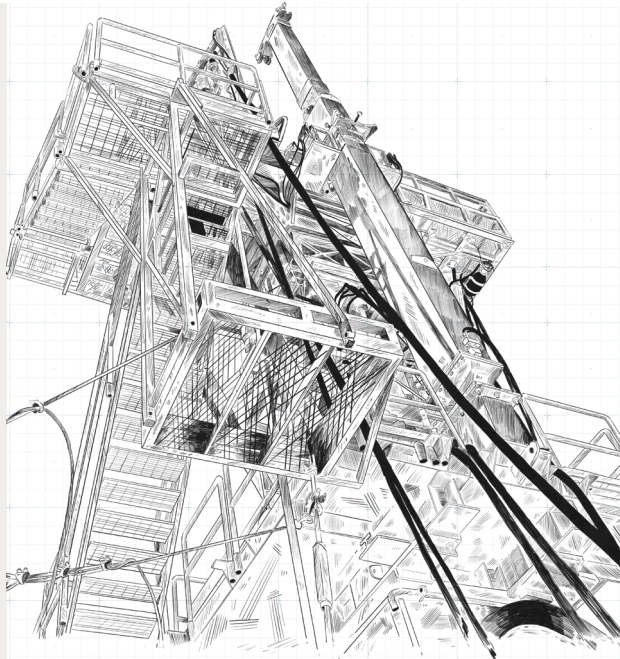
- Cost-Efficiency**
Our solutions are designed with a strong focus on cost-effectiveness, ensuring optimal value for our clients.
- Small Footprint**
The compact footprint of our systems allows for flexibility in deployment, making them suitable for various settings and applications.
- Modular Design**
Our modular designs offer scalability and adaptability, meeting the evolving needs of our clients with ease.
- Rapid Mobilization/Demobilization**
Quick and efficient mobilization and demobilization capabilities are integral to our service, ensuring timely responses to changing demands.
- PANMal Contract Holder**
As a contract holder for PANMal (2017-2023), we proudly serve esteemed clients like Exxon, PTTEP, and Shell, reflecting our commitment to excellence and our trusted reputation in the industry.



HYDRAULIC WORKOVER UNIT (HWU)

KEY HIGHLIGHTS

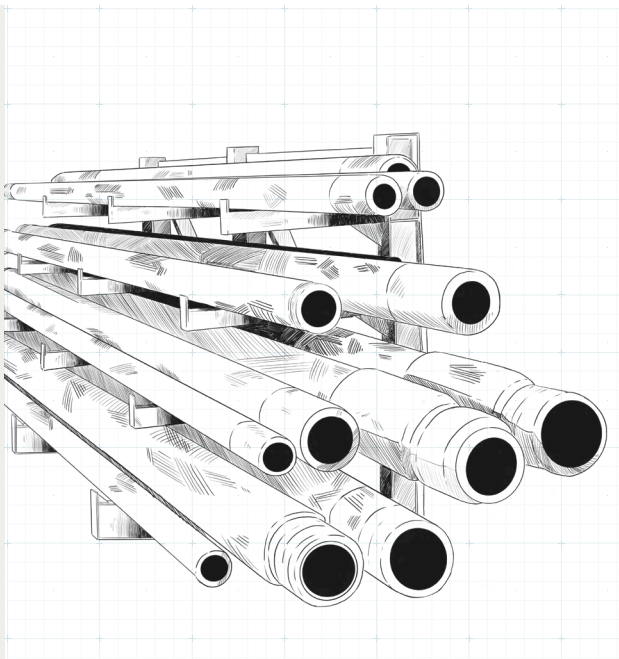
- Uzma sets a new record with the operation of a Light Weight Hydraulic Workover Unit (HWU) on one of the smallest platforms in Malaysia, a Tripod Jacket.
- Demonstrated expertise with a track record of over 500 workover and Plug & Abandon (P&A) wells in Southeast Asia.
- The Light Weight HWU boasts an impressive 500,000 lbs pulling capability, making it the first of its kind in Southeast Asia.



DIRECTIONAL DRILLING (DD) UNIT

KEY HIGHLIGHTS

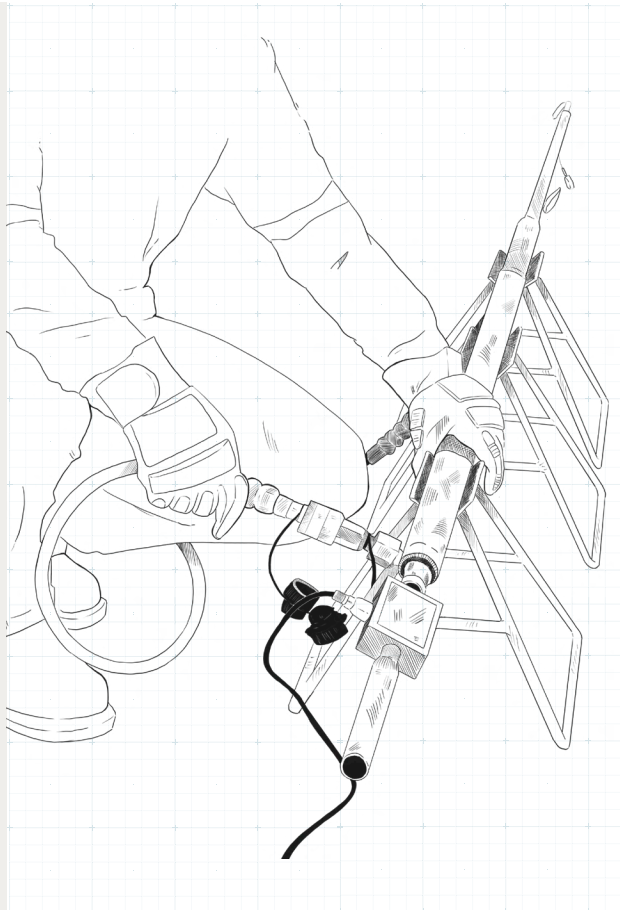
- From 2019 onwards, Uzma Directional Drilling Services has achieved a significant milestone by successfully drilling over 50 wells, covering a cumulative depth of more than 55 kilometers.
- Uzma's Directional Drilling and Measurement While Drilling (DD/MWD) equipment demonstrates remarkable durability, accumulating over 9,700 operating hours with minimal non-productive time (NPT).
- The Hi-temp series of equipment is designed to excel in High-Pressure High-Temperature (HPHT) and geothermal applications, further expanding Uzma's capabilities.



WIRELINE

KEY HIGHLIGHTS

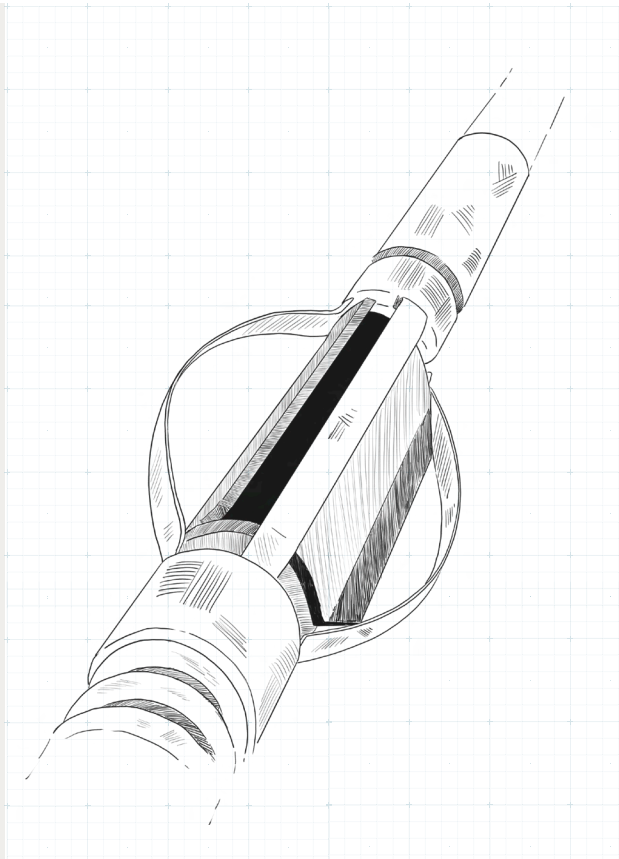
- **Cutting-Edge Technology**
Uzma Wireline provides advanced technology tools designed to optimize overall well production. These innovative solutions are deployed by a team of highly skilled and experienced professionals, ensuring efficiency and reliability.
- **Operational Excellence**
We pride ourselves on robust operational management that focuses on the seamless execution of wireline operations. Our fully trained personnel are equipped to deliver swift and effective solutions, directly contributing to maximizing well production.
- **Stringent Safety and Quality Compliance**
Uzma Wireline adheres to international safety and operational excellence standards. Our commitment to compliance guarantees that all our operations prioritize safety and quality, meeting or surpassing industry benchmarks.



MEASUREMENT WHILE DRILLING (MWD) UNIT

KEY HIGHLIGHTS

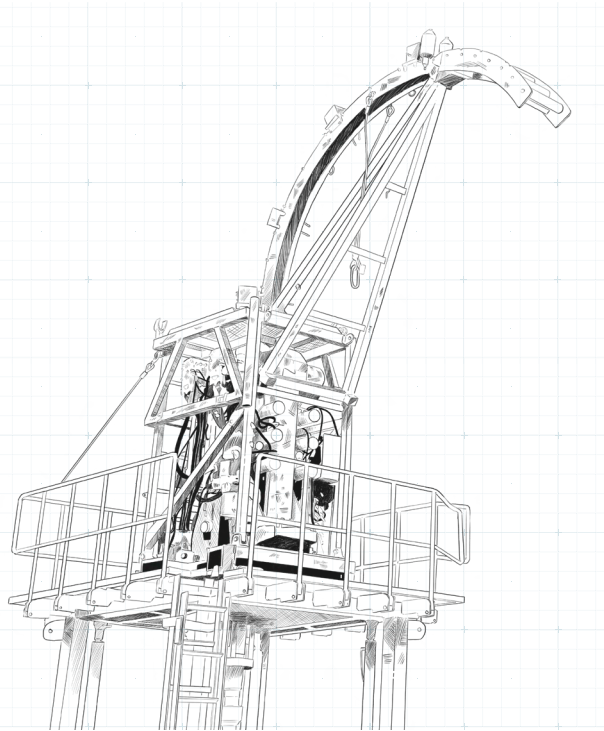
- **Cost-Effective**
Uzma's Measurement While Drilling (MWD) technology offers a cost-effective solution, providing value for clients while maintaining high-quality data and performance.
- **Multiple Modes of Telemetry**
Our MWD systems support various telemetry modes, enhancing flexibility and adaptability to different drilling environments and conditions.
- **Retrievable**
The MWD equipment is designed to be easily retrievable, ensuring efficient operation and maintenance in the field.



COILED TUBING UNIT (CTU)

KEY HIGHLIGHTS

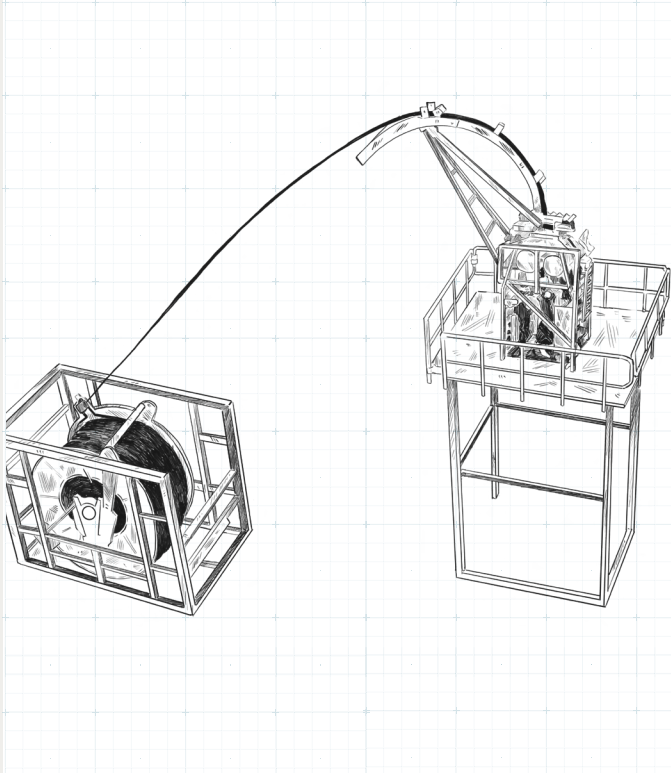
- **Established Coiled Tubing Services Since 2016**
A proven track record in delivering coiled tubing services in Malaysia for over five years, showcasing extensive experience and expertise.
- **Comprehensive Coiled Tubing Service Portfolio**
A broad range of coiled tubing services, including coiled tubing services, well pumping services, well stimulation solutions, nitrogen services, well flowback services, desander services, downhole tool services, cementing, and chemical solutions.
- **Largest Fleet of CTU in Malaysia**
Boasts the most extensive fleet of Coiled Tubing Units (CTUs) in Malaysia, featuring seven complete packages, ensuring a versatile and efficient operation.
- **Diverse Package Range**
Offers services through a variety of packages, including Standard Package, Lightweight Package, and Small Footprint Package, tailored to meet diverse project needs.
- **Advanced Engineering Software Support**
Utilizes cutting-edge engineering software, including CIRCA, CYCLE, and STIMPRO, to enhance precision and efficiency in service delivery.



CATENARY COILED TUBING UNIT

KEY HIGHLIGHTS

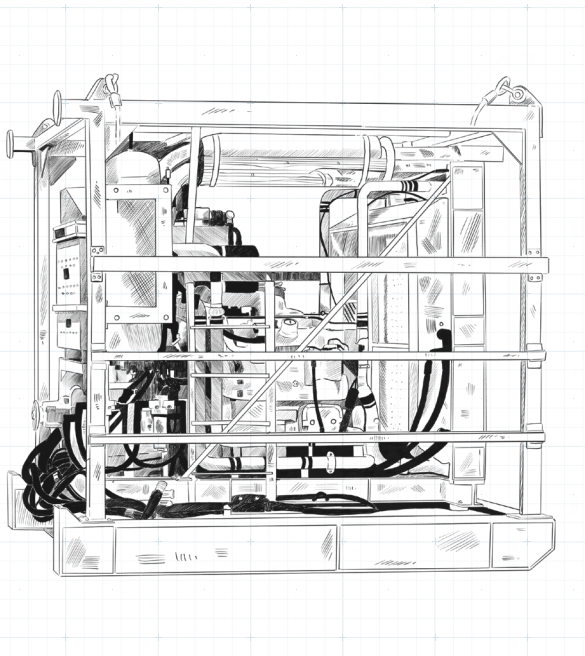
- **Optimal for Space-Constrained Decks**
Ideal solution for platforms with limited deck space or those equipped with cranes of limited capabilities.
- **Unique Catenary Coiled Tubing Package**
At present, SVP proudly operates a single active catenary coiled tubing package, offering cutting-edge technology and services.
- **Proven Track Record**
Demonstrated expertise through the successful execution of five catenary coiled tubing jobs across PCSB and SEAH Platforms.
- **Diverse Package Range**
Significantly reduced heavy lifting, operational time, associated costs, and, above all, elevated safety measures during the preparation phase.



WELL PUMPING

KEY HIGHLIGHTS

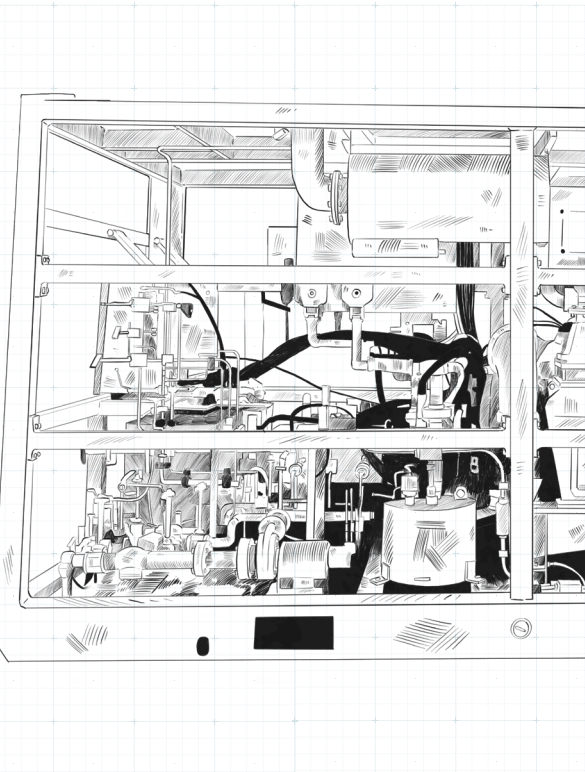
- **Pioneering Service Providers**
Trailblazing the industry as the first Malaysian-owned and operated service providers to the upstream oil and gas sector, with a proud history dating back to 2009.
- **Cutting-Edge Pumping Data Acquisition System (PDAS)**
Leveraging state-of-the-art technology, our Pumping Data Acquisition System (PDAS) ensures real-time data monitoring and acquisition, enhancing operational efficiency and decision-making.
- **Expansive Pumping Package Fleet**
Operating a total of eleven (11) pumping packages, strategically covering operations in West Malaysia, East Malaysia, and Thailand.
- **Comprehensive Well Pumping Services**
Our well pumping services encompass a wide scope of activities, including well stimulation, water flooding, wellbore cleanout, well injectivity, well kill operations, wellhead, and surface integrity testing, pumping brine/diesel, pipeline descaling and cleaning, annular displacement, and support for various well intervention activities like slickline, braided line, coil hose, and coiled tubing, among others.



NITROGEN CONVERTOR UNIT

KEY HIGHLIGHTS

- **Certification and Approval**
We are proud to hold certifications from recognized certifying authorities, underlining our commitment to the highest industry standards.
- **Zone II Compatibility**
Our equipment and services are approved for usage in Zone II areas, ensuring safety and compliance with stringent regulations.
- **Extensive Nitrogen Fleet**
SVP boasts a diverse fleet of seven (7) nitrogen packages, strategically positioned to serve operations in West Malaysia, East Malaysia, and Thailand.
- **Versatile Nitrogen Services**
Our nitrogen services encompass a wide spectrum of capabilities, including nitrogen lifting, unloading, gas lift support, pipeline services, coiled tubing purging, assistance in coiled tubing cleanout and milling operations, plug setting and removal, as well as foam and inert stimulation, providing comprehensive solutions to meet diverse operational needs.



DESANDER / FLOWBACK

KEY HIGHLIGHTS

- Desander Service Establishment**

SVP introduced its desander services in 2016, and since then, we have expanded to operate six fully active desander packages. These packages are strategically positioned to facilitate operations in both Malaysia and Thailand.
- Supporting Coiled Tubing Operations**

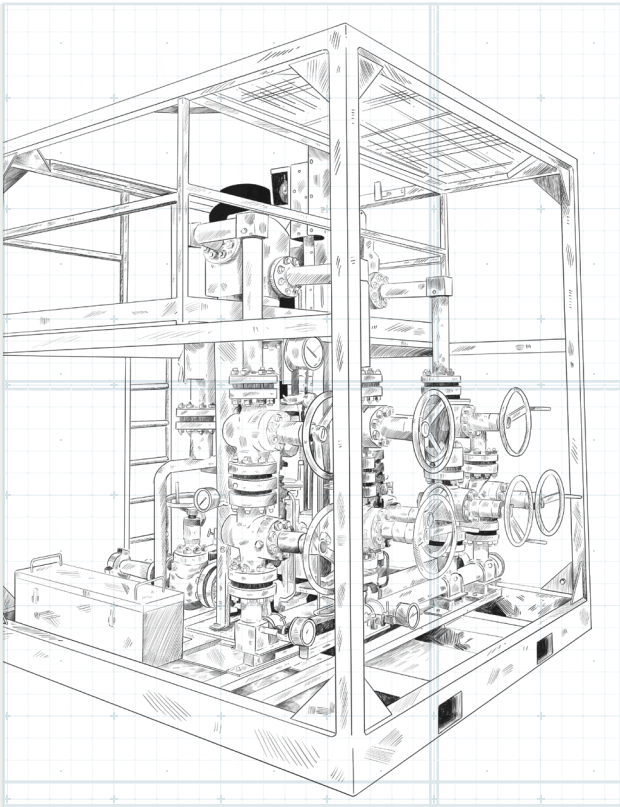
Aiding in coiled tubing clean-up procedures, enhancing efficiency and operational cleanliness.
- Integral Part of Well Testing**

Playing a pivotal role in well-testing operations, contributing to data collection and analysis.
- Tailored Process Equipment**

Flexibility in supporting process equipment based on client requirements, including pilot projects, to ensure bespoke solutions.
- Temporary Jumper Pipeline**

Facilitating the creation of temporary jumper pipelines between wells. This innovation provides clients with the ability to redirect flow without the need for fabricating new piping or while waiting for new piping to arrive on-site.
- Well Flowback**

Essential support for well flowback procedures, ensuring optimal functionality and safety.



CEMENTING

KEY HIGHLIGHTS

- Local Cementing Expertise**

SVP's cementing services are actively operational in Malaysia and the Philippines, boasting four independent cementing packages to cater to diverse client needs.
- Proven Track Record**

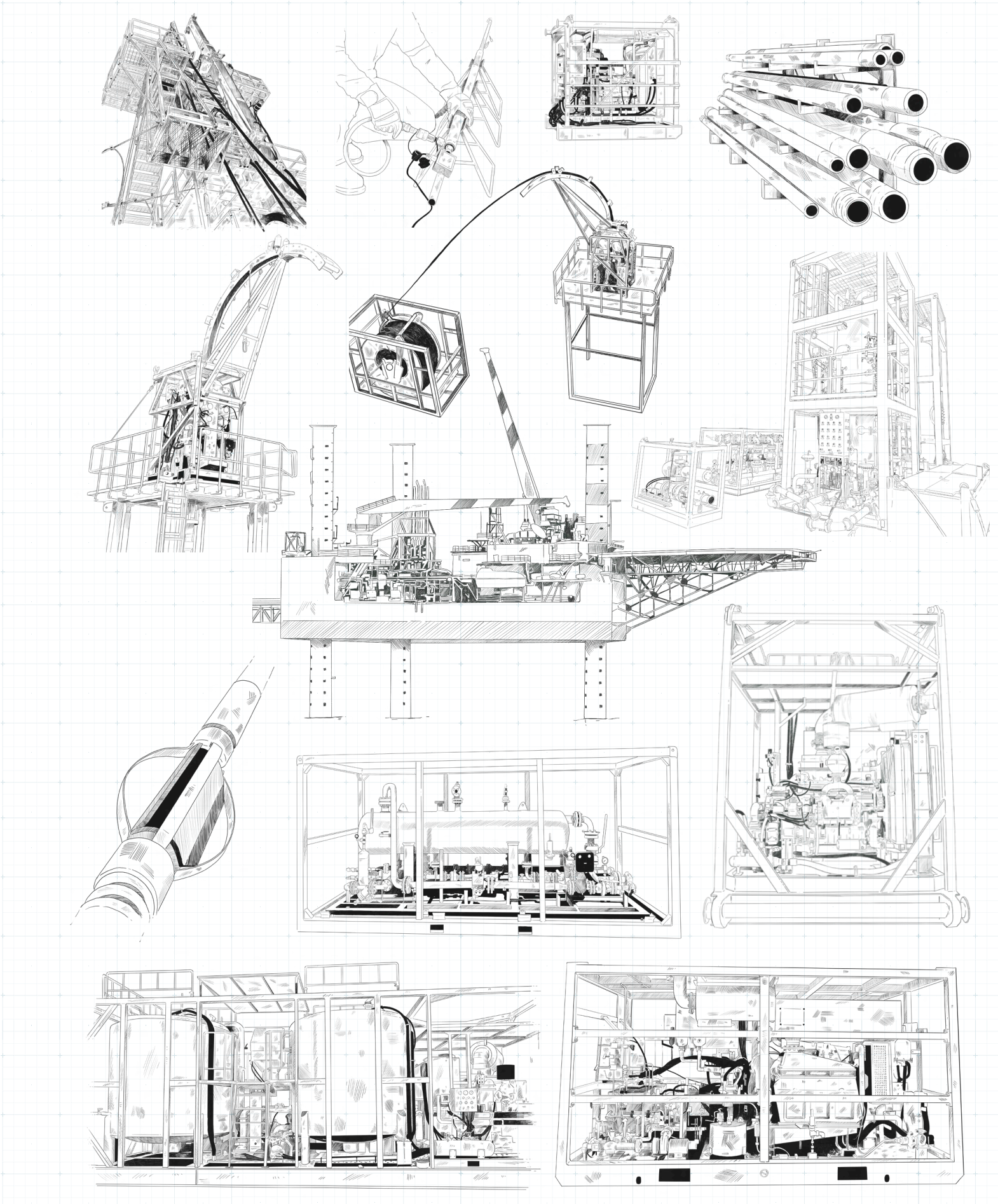
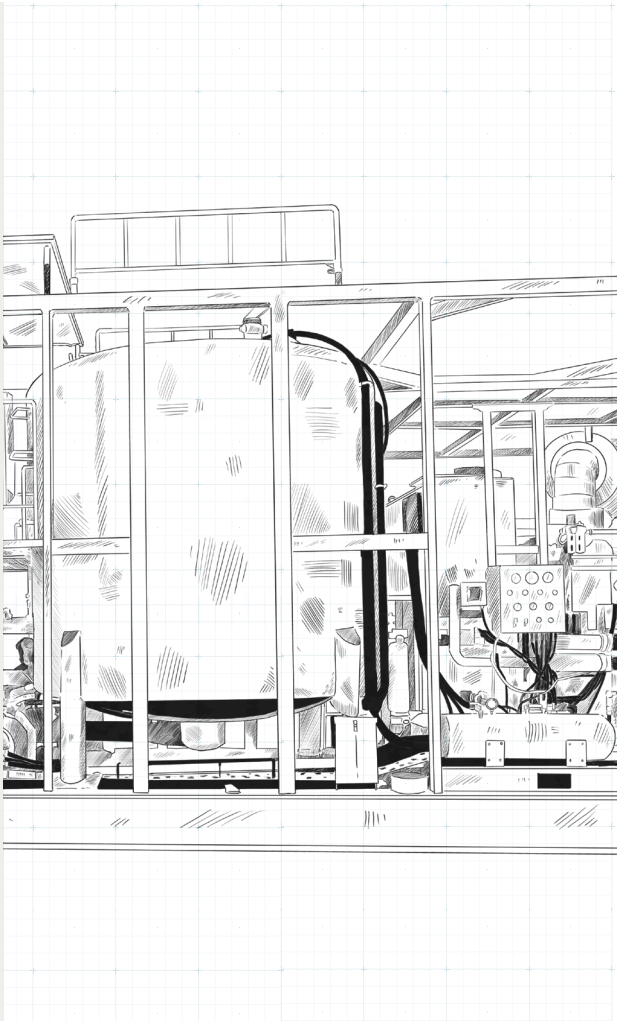
Since 2018, SVP has excelled in delivering Remedial Cementing services, especially in the complex Annulus-Wash-Cement-Assurance (AWCA) operations. This strong track record in Malaysia underscores our commitment to quality service.
- Comprehensive Equipment Arsenal**

Beyond pumping units, SVP maintains a robust inventory of batch mixers/blenders, storage tanks, and surface treating line packages, complete with high-pressure irons and hoses. Notably, SVP possesses the largest batch mixer in Malaysia, boasting a remarkable capacity of 140 barrels.
- Certified Cementing Supplier**

SVP is a well-organized and certified supplier of various cementing chemicals and products, prioritizing efficient operational compliance with industry standards.
- Advanced Cementing Software**

Employing state-of-the-art cementing software developed by Pegasus Vertex Inc. (PVI), SVP addresses a wide range of challenges from fundamental applications to complex situations like high-temperature and high-pressure (HTHP) environments, deepwater operations, foamed cementing, horizontal wells, and slim holes.
- Fully Equipped Cementing Laboratories**

SVP boasts fully developed cementing laboratories in both East and West Malaysia, enhancing our capacity to meet client requirements comprehensively and ensure top-quality results.



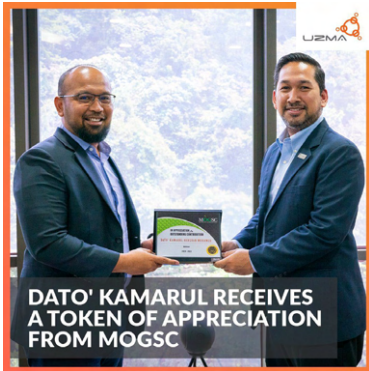
UZMA'S YEAR IN A BRIEF

EVENTS IN UZMA

JULY 2022



AUGUST 2022



SEPTEMBER 2022



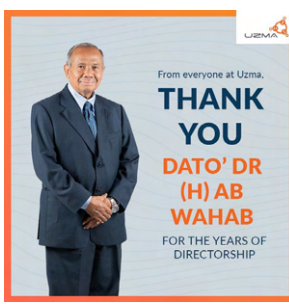
OCTOBER 2022



NOVEMBER 2022



DECEMBER 2022



FEBRUARY 2023



MARCH 2023



APRIL 2023



EVENTS IN UZMA

MAY 2023



JUNE 2023



AWARDS & RECOGNITIONS

JULY 2022

Uzma Recognised For Their Safety Excellence & Contribution to 162,000 Safe-Manhours & LTI-Free to SKA-QEB (July 2016 - Jun 2022)



DECEMBER 2022

2022 IAP Members Appreciation



AUGUST 2022

Dato' Kamarul Receives A Token of Appreciation from MOGSC



JANUARY 2023

Uzma was Awarded with Outstanding HSE Performance by IPC



OCTOBER 2022

Uzma Recognised For Their Outstanding Accomplishment and Services for SEA Hibiscus Integrated Wells Non-Routine Campaign Zero-LTI Over 165,492 Safe Manhours



APRIL 2023

Uzma was awarded the CEO Trophy for more than 4 consecutive years of achievement



2nd Place for the Jom Patuh & Tegur Video Competition



Uzma has been Recognised for HSE Excellence by Jadestone Energy



CONTRACTS AWARDED

12 SEPTEMBER 2022

AWARD OF CONTRACT FOR THE PROVISION OF LIGHT WEIGHT HYDRAULIC WORKOVER UNIT FOR PETRONAS

Uzma Engineering Sdn. Bhd. has been awarded a contract valued at RM17 million from PETRONAS Carigali Sdn. Bhd. for the provision of light weight hydraulic workover unit services, encompassing a well abandonment campaign for two offshore East Malaysia wells, scheduled from September to October 2022.

3 NOVEMBER 2022

AWARD OF CONTRACT FOR THE PROVISION OF PULSE TESTING ANALYSIS FOR SEA HIBISCUS SDN BHD

Uzma Engineering Sdn. Bhd. has secured a three-year contract from SEA Hibiscus Sdn. Bhd. for the provision of pulse testing analysis to assess reservoir connectivity in SEA Hibiscus-operated fields in Sabah waters, starting from October 2022.

21 NOVEMBER 2022

AWARD OF CONTRACT FOR THE PROVISION OF LEASING, OPERATION AND MAINTENANCE OF WATER INJECTION FACILITY FOR PETRONAS CARIGALI SDN BHD

Uzma Engineering Sdn. Bhd. has secured a five-year contract from PETRONAS Carigali Sdn. Bhd. for leasing, operation, and maintenance of the D18 Water Injection Facility, continuing its ongoing operations at the same location since July 2016.

23 JANUARY 2023

CONTRACT EXTENSION FOR THE PROVISION OF COILED TUBING AND SERVICES FOR PETRONAS CARIGALI SDN BHD

Setegap Ventures Petroleum Sdn. Bhd. has received a two-year contract extension from PETRONAS Carigali Sdn. Bhd. for the provision of coiled tubing and services in the East Region, valued at around RM230 million. The contract was first awarded to SVP in November 2015. In November 2020, the contract was extended for two years, from December 2020 to November 2022.

25 JANUARY 2023

AWARD OF CONTRACT FOR THE PROVISIN OF KINETIC HYDRATE INHIBITOR, CORROSION INHIBITOR AND ASSOCIATED SERVICES FOR TIMI

Malaysian Energy Chemical & Services Sdn. Bhd. has been awarded a five-year contract by Sarawak Shell Berhad to provide Kinetic Hydrate Inhibitor, Corrosion Inhibitor, and Associated Services for the Shell Timi Field, with an estimated contract value of RM40 million.

17 FEBRUARY 2023

AWARD OF THE CONTRACT FOR THE PROVISION OF SELF-CLEANING THROUGH TUBING PERFORATION FOR PETRONAS CARIGALI SDN BHD

Uzma Engineering Sdn. Bhd. has secured a three-year contract from PETRONAS Carigali Sdn. Bhd. ("PCSB") for the provision of Self-Cleaning Through Tubing Perforation services, featuring a specialized perforation system capable of debris reduction and self-cleaning within the perforation tunnel, facilitating well job completion through Slickline, Wireline, and/or Tubing Conveyed development for PCSB's Malaysia Assets, with the contract effective from November 2022 to November 2025.

24 FEBRUARY 2023

AWARD OF CONTRACT FOR THE PROVISION OF ELECTRICAL SUBMERSIBLE PUMP (ESP) EQUIPMENT AND SERVICES FOR PETRONAS CARIGALI SDN BHD

Uzma Engineering Sdn. Bhd. has been awarded a three-year contract from PETRONAS Carigali Sdn. Bhd. for the provision of Electrical Submersible Pump ("ESP") Equipment and Services for PCSB's wells in Malaysia, with an estimated contract value of up to RM30 million.

22 MARCH 2023

AWARD FOR THE PROVISION OF INTEGRATED PRODUCTION AND INTEGRITY CHEMICAL AND ASSOCIATED SERVICES

Malaysian Energy Chemical & Services Sdn. Bhd. has been awarded two three-year contracts by Sabah Shell Petroleum Company Limited for the provision of integrated production and integrity chemical and associated services for Malikai Stage 1 and Gumusut Kakap, with a total contract value of approximately RM68.1 million.

31 MARCH 2023

LNG SUPPLY AGREEMENT WITH ND PAPER MALAYSIA (SELANGOR) SDN BHD

Uzma LNG Sdn. Bhd. has signed a two-year LNG Supply Agreement with ND Paper Malaysia (Selangor) Sdn. Bhd. for the provision of Liquefied Natural Gas ("LNG") through a virtual pipeline to NDP's Banting factory, with an estimated value exceeding RM70 million for the first year, contingent on LNG supply and market prices.

11 MAY 2023

AWARD OF CONTRACT FROM VALEURA ENERGY FOR THE PROVISION OF COIL TUBING SERVICES

MMSVS Group Holding Co. Ltd., a wholly-owned foreign subsidiary of the Company based in Thailand, has accepted a three-year contract with Valeura Energy Inc. for the provision of Coil Tubing Equipment and Services in the Gulf of Thailand, valued at around RM45 million, with an extension option of two years.

24 MAY 2023

AWARD OF CONTRACT FOR THE PROVISION OF GAS LIFT VALVE ("GLV") & INSERT STRINGS EQUIPMENT, ACCESSORIES AND SERVICES FOR PETRONAS CARIGALI SDN BHD

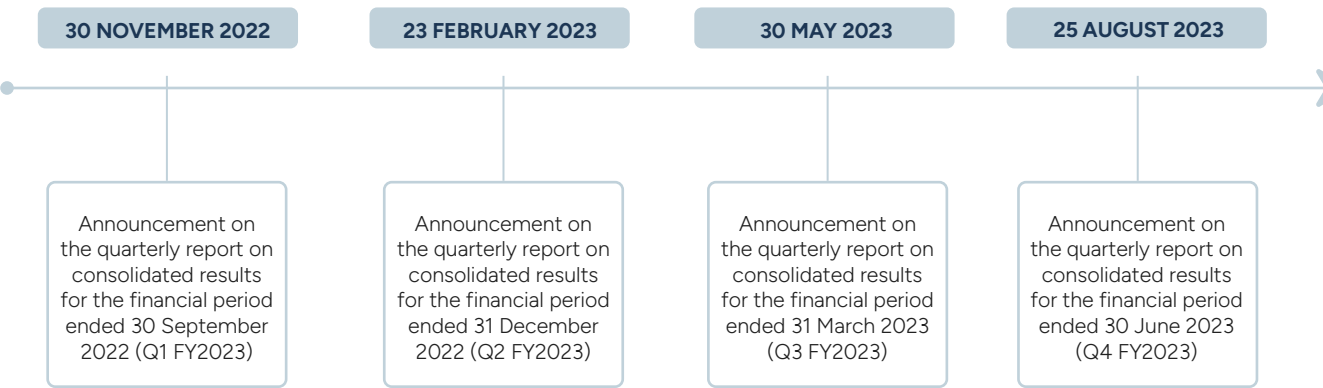
Uzma Engineering Sdn. Bhd. has been awarded a three-year contract by PETRONAS Carigali Sdn. Bhd. for the provision of Gas Lift Valve ("GLV") & Insert Strings Equipment, Accessories, and Services for PCSB's offshore wells in East and West Malaysia, commencing from March 2023.

21 JUNE 2023

AWARD OF CONTRACTS FOR THE PROVISION OF HYDRAULIC WORKOVER AND PLUG & ABANDONMENT OPERATION FOR PETRONAS CARIGALI SDN BHD (PACKAGE A: 340K HWU RIG & PACKAGE B: 460K HWU RIG)

Uzma Engineering Sdn. Bhd. has been awarded two contracts by PETRONAS Carigali Sdn. Bhd. for the provision of Hydraulic Workover and Plug & Abandonment services, encompassing 340K and 460K HWU rigs, along with Accommodation Work Barges and Portable Cranes, for PCSB's offshore workover and well plug and abandonment operations in Malaysia, with a combined estimated contract value of RM450 million for a three-year period, extendable by one year.

FINANCIAL CALENDAR



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 NAZAHATUHSAMUDIN BIN CHE HARON
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
- Y.M. 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 COMMITTEE

- Y.M. TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD - *Chairman*
Independent Non-Executive Director
- IKHLAS BIN ABDUL RAHMAN - *Member*
Independent Non-Executive Director
- MAZLI ZAKUAN BIN MOHD NOOR - *Member*
Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

- DATUK SERI ZURAINAH BINTI MUSA - *Chairperson*
Independent Non-Executive Director
- Y.M. TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD - *Member*
Independent Non-Executive Chairman
- DATUK FARISHA BINTI PAWAN TEH - *Member*
Independent Non-Executive Director (Appointed on 1 October 2023)
- DATUK ABDULLAH BIN KARIM
Independent Non-Executive Chairman (Resigned on 1 October 2023)

COMPANY SECRETARIES

- KHOO MING SIANG
SSM PC No. 202208000150 (MAICSA 7034037)
- CHIN WAI LENG
SSM PC No. 201908000658 (LS009738)

REGISTERED OFFICE

Unit 521, 5th Floor, Lobby 6,
Block A, Damansara Intan,
No. 1, Jalan SS20/27,
47400 Petaling Jaya,
Selangor Darul Ehsan, Malaysia

Tel. No. : +603 7732 0792
Email : cosec@aquilla.com.my

AUDITORS

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522

No.555, Jalan Samudra Utara 1,
Taman Samudra,
68100 Batu Caves,
Selangor Darul Ehsan, Malaysia

Tel. No. : +603 6185 9970
Fax No. : +603 6184 2524

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)]

SHARE REGISTRAR

BOARDROOM SHARE REGISTRARS SDN. BHD.
Registration No. 199601006647 (378993-D)

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

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

STOCK EXCHANGE LISTING

MAIN MARKET
BURSA MALAYSIA SECURITIES BERHAD

Listed Since: 29 July 2008
Stock Name: UZMA
Stock Code: 7250
Sector: Energy

CORPORATE OFFICE

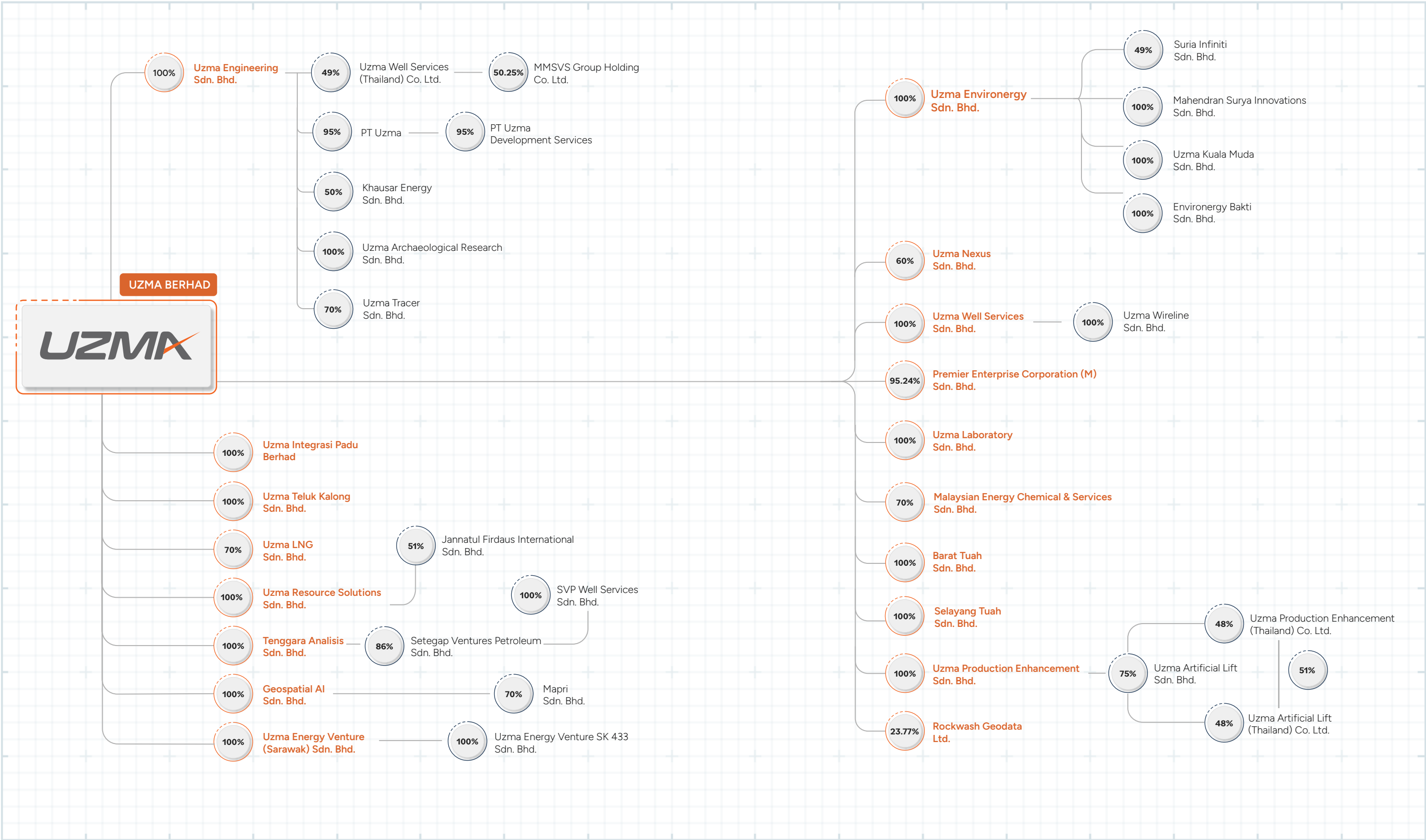
UZMA BERHAD

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

Tel. No. : +603 7611 4000
Fax No. : +603 7611 4100
Email : communications@uzmagroup.com
Website : www.uzmagroup.com



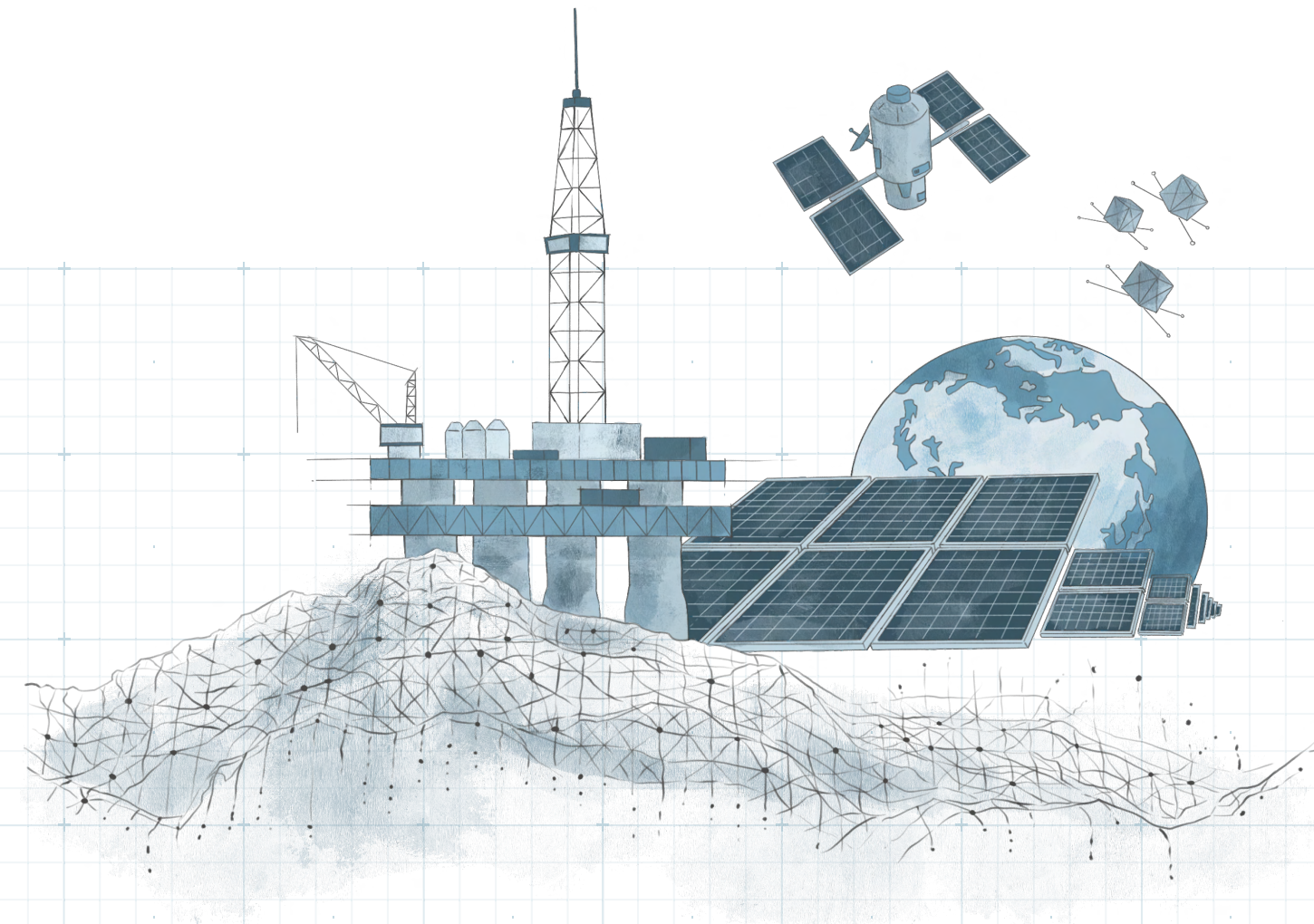
CORPORATE STRUCTURE



SECTION 2

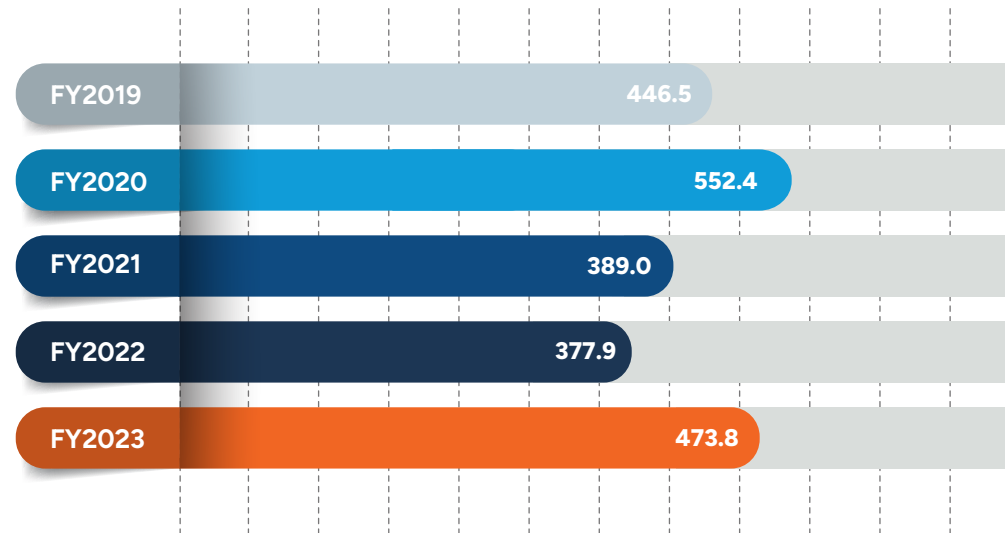
OUR STRATEGY & PERFORMANCE REVIEW

5-Year Financial Highlights
 Chairman's Foreword
 Group CEO's Review on Operations
 Management Discussion and Analysis
 Our Strategy

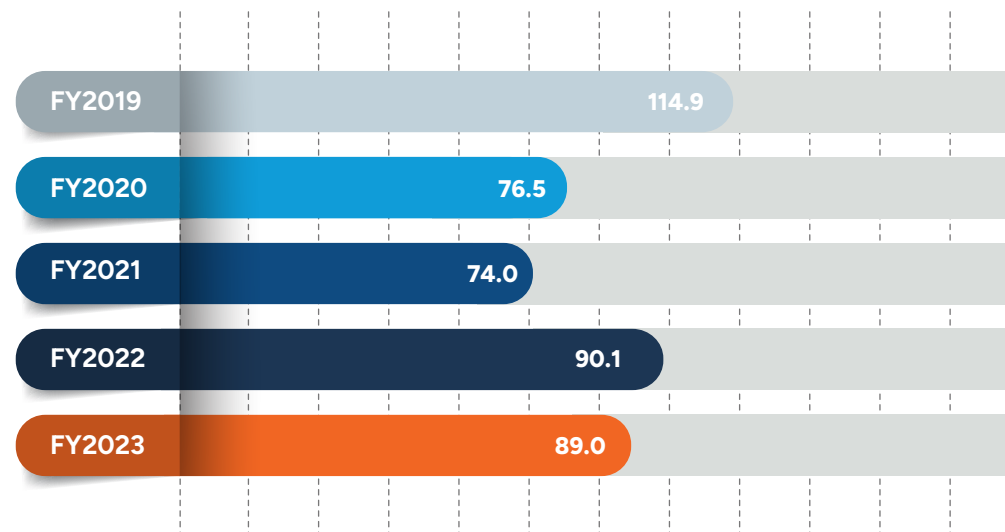


5-YEAR FINANCIAL HIGHLIGHTS

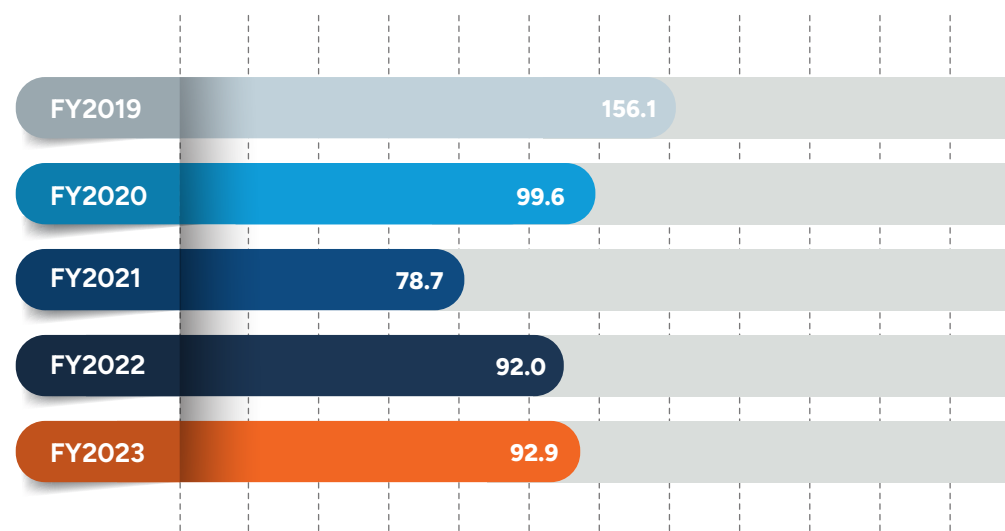
REVENUE (RM million)



EBITDA (RM million)

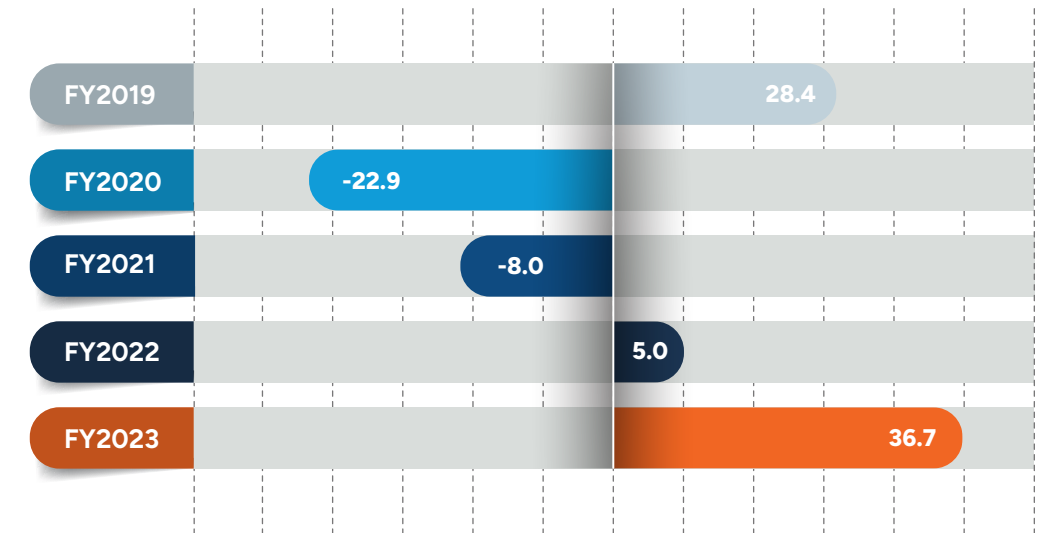


ADJUSTED EBITDA* (RM million)

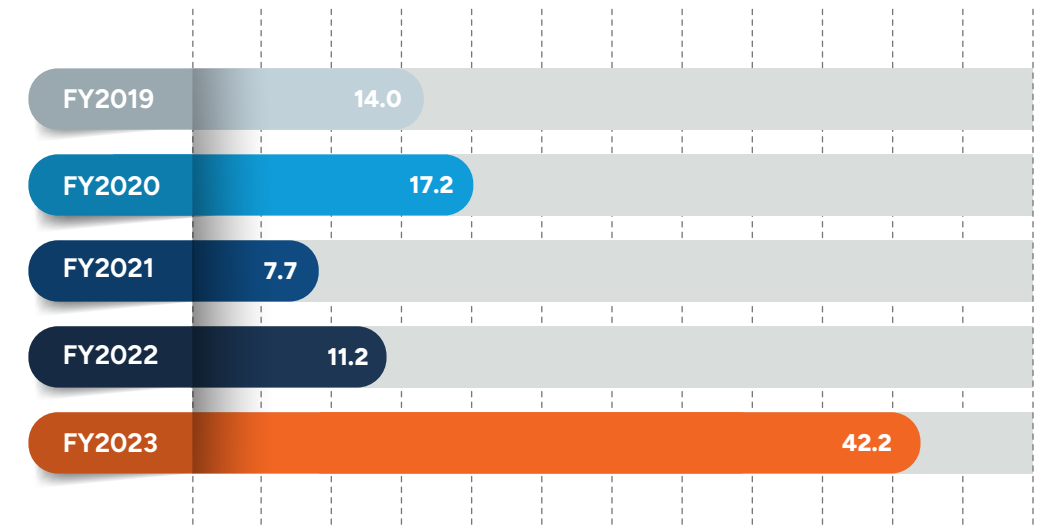


*Adjusted EBITDA is calculated after adding back the impairment loss provision.

NET EARNINGS TO OWNERS (RM million)

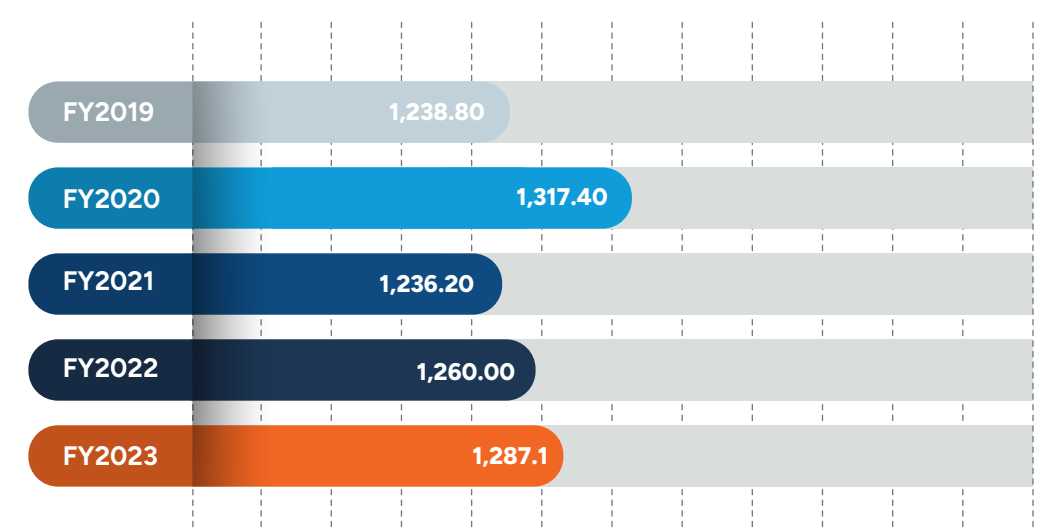


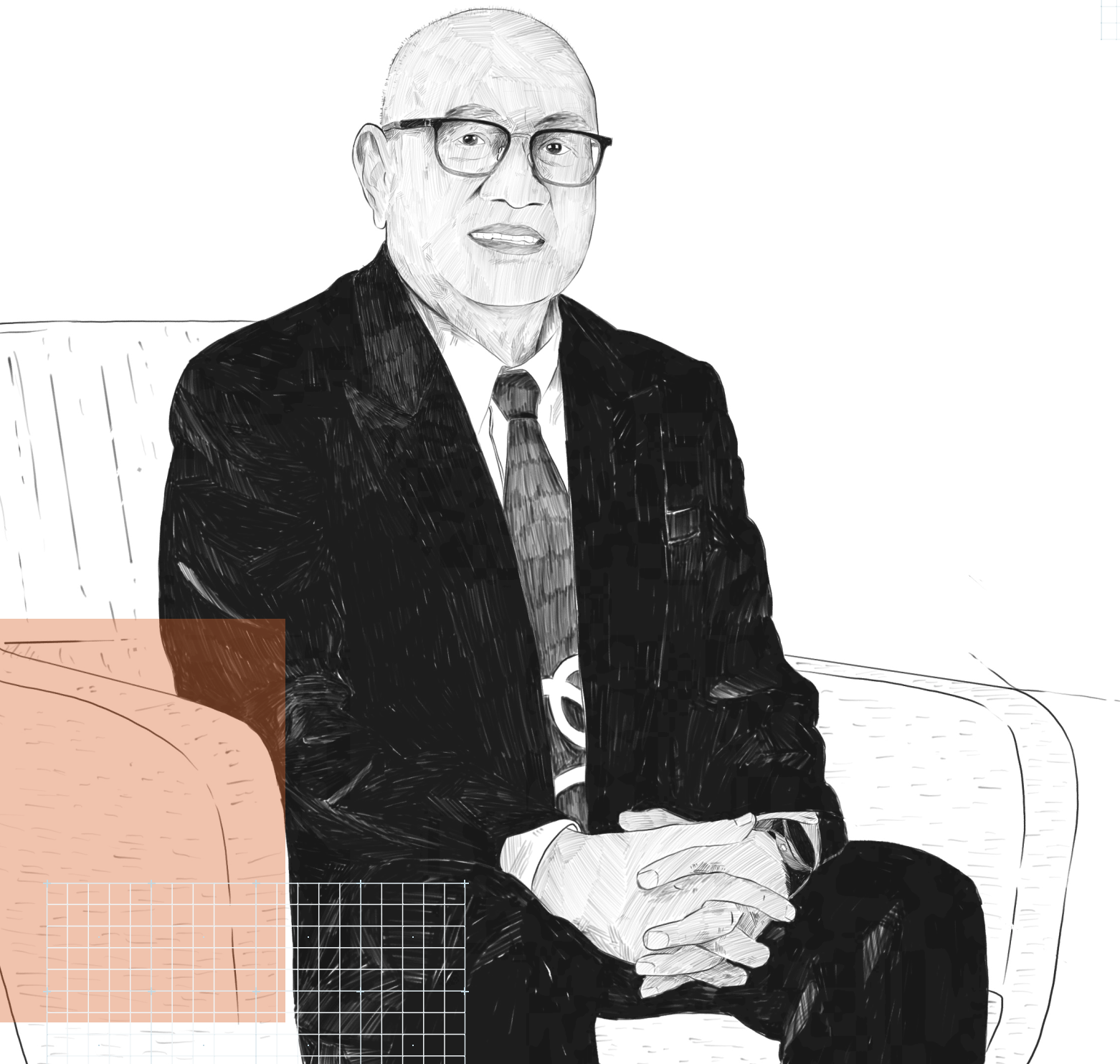
ADJUSTED NET EARNINGS* (RM million)



*Adjusted Earnings to Owners is calculated after adding back the exchange difference in translation of foreign operations.

TOTAL ASSETS (RM million)





Datuk Abdullah Bin Karim
*Independent Non-Executive
Chairman*

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 2023 ("FY2023").

CHAIRMAN'S FOREWORD

Although the threat of the COVID-19 pandemic has been neutralised, we continue to address the lingering repercussions stemming from a period of underinvestment in cash preservation during the crisis, though these have diminished. It is imperative for us to swiftly embark on a journey of equipment enhancement, team upskilling, and market expansion. It's essential to recognise that these strategic endeavours will lead to additional operational expenses.

A complex interplay of macroeconomic factors, geopolitical stressors and the uneven performance of the oil and gas industry continues to be a challenge. However, there is always opportunity in adversity. We have looked inward to strengthen our internal capabilities, driven by our uzma5R framework, in which we prioritise the Oil & Gas Business as our core focus while diligently expanding our presence in the Non-Oil & Gas Business.

These are exciting times, as we challenge ourselves to meet the demands for energy while transitioning towards clean energy goals. We continue to evaluate opportunities aligned with our core areas and strategic goals while remaining focused on providing substantial value to our stakeholders through careful expansion and strategic endeavours firmly grounded within our existing framework.

RESILIENCE AMIDST CYCLICAL CHALLENGES

As we reflect on the past year, it is evident that the oil and gas industry is marked by cyclical patterns of boom and bust. Although there is an air of optimism in light of the global economic recovery, we remain cautious, understanding the industry's inherent volatility.

Nevertheless, there is still cause for optimism. Factors such as spare capacity, low global inventories, and projected high oil and gas prices offer stimulus for growth, despite macroeconomic challenges. The demand for reliable energy supply remains robust, promising an extended growth cycle.

Over the past decade, the oil and gas industry has experienced increasing frequency and unpredictability in price cycles. Shifting global dynamics and the demand for cleaner, cost-effective energy sources have reshaped the landscape since the industry's halcyon days in 2014.

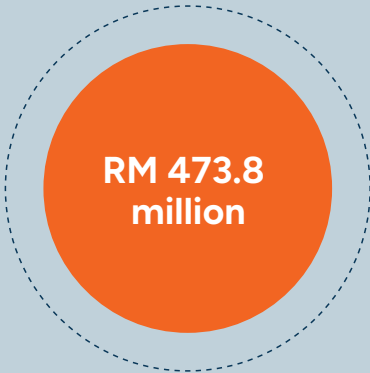
The downturn in 2015, with a brief respite in 2018, gave way to unprecedented challenges with the onset of the COVID-19 pandemic. This crisis brought forth a surge in green consciousness, decarbonisation strategies and digitalisation. Alternative fuels and renewable energy became central to energy efficiency measures.

UZMA'S STRATEGIC ALIGNMENT WITH ENERGY TRANSITION

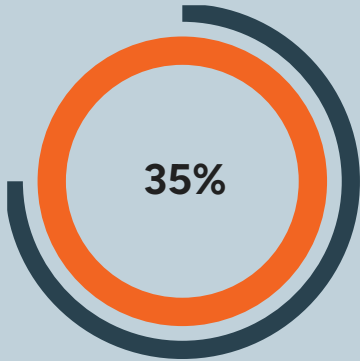
On the domestic front, initiatives like the Virtual Power Purchase Agreement (VPPA) and National Energy Transition Roadmap (NETR) drive decarbonisation and Malaysia's shift towards a green economy. To seize the opportunities the energy transition offers, our strategy is to transform and leverage new energy as we build and develop the circular economy. We strategically align with this transition through our presence in the renewable energy ("RE") sector.

Guided by the NETR, Uzma is firmly committed to growing its RE projects, adapting to the demands of the energy transition. This alignment facilitates short-term opportunities and provides a roadmap for long-term investments. We are also actively exploring cross-border energy export opportunities.

Having secured contracts for more than 100MW that encompass Large-Scale Solar ("LSS"), Corporate Green Power Program ("CGPP"), and Net Energy Metering ("NEM") projects, we expect our prime LSS Bukit Selambau project to generate revenue by Q1 FY2025. In the upcoming fiscal year, FY2024, we are excited about revenue contributions from our already launched NEM projects. Uzma Environergy Sdn. Bhd. recently received the EPCC license, which empowers us to fast-track third-party EPCC projects. Furthermore, our CGPP asset is on track to begin its construction by Q3 FY2024, with anticipated contributions to our FY2025 results.



REVENUE FY2023
(FY22 : RM 377.9 MILLION)



IMPROVED GROSS PROFIT MARGIN FOR FY2023
(FY22 : 34%)



FINANCIAL RESILIENCE AND OPERATIONAL EXCELLENCE

Challenged by industry headwinds, the Group embraced a three-pronged framework – prudent spending, improved topline performance, and strong cashflow management. Substantial enhancements across our product lines and project delivery excellence resulted in our best quarterly result in three years. Our uzma5R strategy transitioned us from a project-based to a recurring income stream, securing orders worth RM2.3 billion.

Prudent financial management and cost control strategies yielded a gross profit margin of 35% in FY2023 (FY2022: 34%). Revenue reached RM473.8 million (FY2022: RM 377.9 million), with net profits for the year at RM38 million, significantly surpassing the RM6.6 million achieved in FY2022.

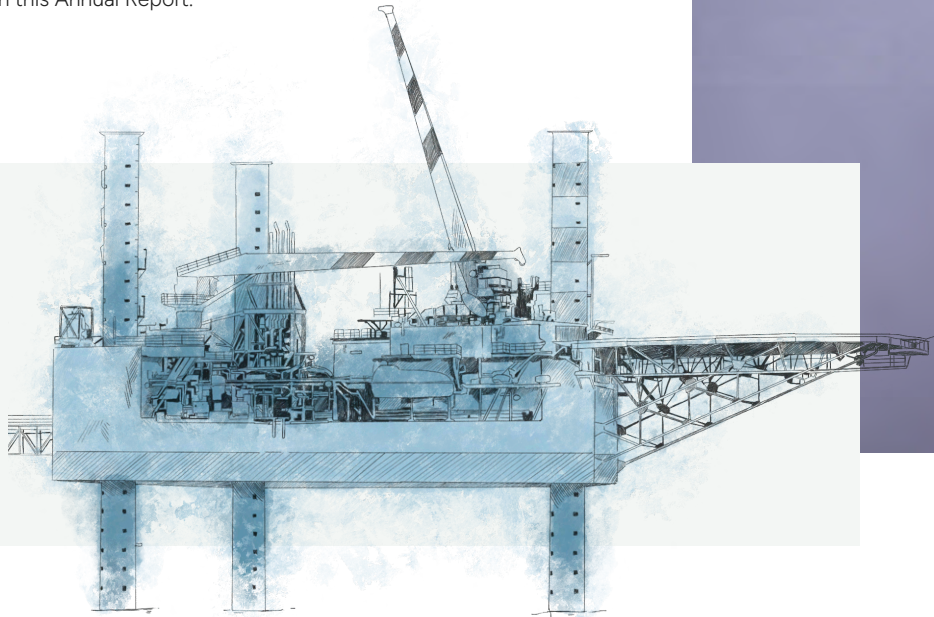
For a detailed analysis, please refer to the Management Discussion & Analysis section of this Annual Report.

STRENGTHENING COMMITMENT TO SUSTAINABILITY GOVERNANCE

Our commitment to sustainability is a core aspect of our corporate ethos, focusing on minimising our environmental impact and enhancing societal well-being. We continue to pursue opportunities in the RE segment to unlock our full potential as we balance the needs of the new energy with the current energy system. Some of our key accomplishments include securing contracts for 100MW in renewable energy projects, expanding environmental services, enhancing digitalisation in our operations, prioritising employee well-being and safety, and engaging with communities.

In a resolute effort to bolster our commitment to sustainability, we have not only aligned ourselves with the Global Reporting Initiative ("GRI") and the United Nations Sustainable Development Goals ("UNSDGs") but are also poised to embrace the Task Force on Climate-related Financial Disclosures ("TCFD") guidelines in FY2024. This alignment underscores our dedication to conducting business with a strong emphasis on responsibility and transparency. Our strategic focus on sustainability remains unwavering as we persistently work towards a more sustainable future.

Detailed information can be found in our Sustainability Statement in this Annual Report.



Focusing on minimising our enviromental impact and enhancing societal well-being.

COMMITTED TO QUALITY, HEALTH, SAFETY & ENVIRONMENT (QHSE)

The safety of our people remains paramount at Uzma. We maintained a record of zero major incidents, zero pollution, and zero spills and as we strengthen our position for sustainable growth, Uzma Engineering Sdn. Bhd. ("UESB") successfully obtained ISO 14001:2015 certification, reinforcing our alignment with the rigorous international standards for environmental management.

Moving forward, we will put in place a comprehensive compliance monitoring programme to strengthen adherence to all environmental laws and regulations. Additionally, we will conduct regular training sessions for our employees to bolster their awareness of environmental compliance requirements and promote best practices. Through routine environmental risk assessments, we will remain proactive in identifying potential hazards and areas of vulnerability.

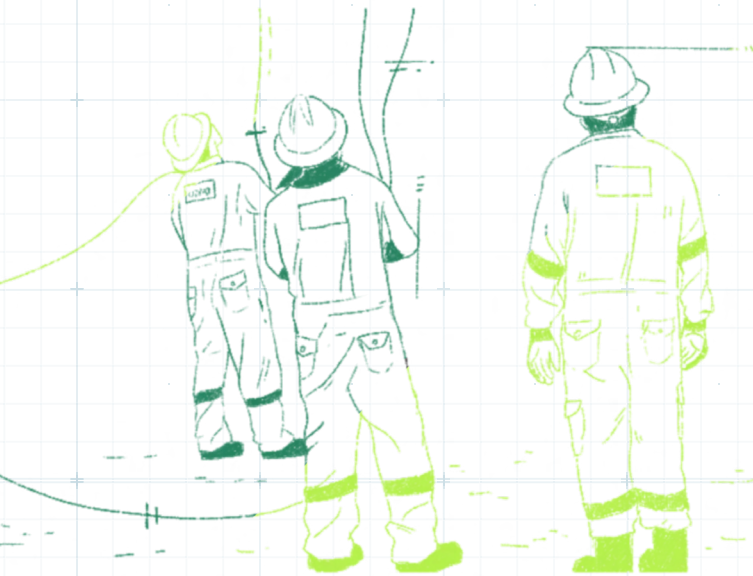
REMAINING AGILE AMIDST UNCERTAINTY

While uncertainties persist on the horizon, our intrinsic resilience, innovation, and allegiance to our strategic framework remain the driving force propelling us toward the realisation of our objectives. As we advance, we remain vigilant of prospects to deliver tangible value to our stakeholders while actively contributing to the sustainable evolution of our industry.

ACKNOWLEDGEMENTS

I would like to extend my gratitude to our shareholders, employees, Uzma's management team, fellow board members, customers, suppliers, partners, regulators, government authorities, financial institutions, and all stakeholders. Your support and collaboration have been integral to our journey.

As we navigate the evolving energy landscape, Uzma is committed to seizing opportunities and overcoming challenges. Together, we will continue to innovate, create value, and drive sustainable growth.



Datuk Abdullah Bin Karim
Independent Non-Executive Chairman



Dear Stakeholders,

I am pleased to present to you Uzma's Annual Report for the Financial Year Ended 30 June 2023 ("FY2023"). We remain firmly on track to be among the Top 5 OGSE companies in Malaysia, guided by our uzma5R business strategy.

KEY PERFORMANCE HIGHLIGHTS 2023

In 2023, the energy markets experienced a welcome respite, signalling a shift from the intense turmoil experienced since 2020. Buoyant demand growth fueled a resurgence of activities within the upstream oil and gas market, with oil price instability beginning to level out, projected to average above US\$80 per barrel ("bbl") for FY2023/2024.

While we cautiously embrace this positive trend, we acknowledge that the persistent risks may render this respite temporary. The ongoing conflict in Ukraine, extending over a year after Russia's invasion, is now compounded by the potential for prolonged discord in the Middle East, which could disrupt energy markets and prices further. Additionally, the escalating frequency of extreme weather events poses a significant threat to energy security. These challenges highlight the inherent vulnerabilities of the fossil fuel era, emphasising the benefits of transitioning to a more sustainable energy framework that addresses both energy security and emissions concerns.

Nonetheless, various compelling factors contribute to an optimistic industry outlook. The sector appears poised to benefit from a period of under-investment and strong demand trends that accompany economic recovery. While disruptions on the supply side persist due to the European Union sanctions on Russian oil and the implementation of a price cap, the Organisation of Petroleum Exporting Countries ("OPEC") continues to exhibit discipline in adjusting production to maintain crude oil prices at their desired level.

We anticipate the industry will experience a prolonged period of growth, buoyed by the strong need for energy security and reinvestment. A global acceleration in capital investment within the Exploration and Production ("E&P") sector is expected, addressing short-term supply challenges and anticipated demand escalation. The substantial surge in regional activities aligns with Uzma's uzma5YP strategy in an effort to diversify our markets, ensuring a well-balanced portfolio and regional revenue streams.

Additionally, as the sector transitions towards a less carbon-intensive energy mix, a growing demand for innovative solutions emerges. This includes Electric Submersible Pump ("ESP") systems and other production techniques designed to enhance hydrocarbon production while mitigating carbon footprints. Uzma is well-positioned as a frontrunner in delivering these distinct solutions. The ongoing trend of decarbonisation within operations also catalyses digitalisation, serving as a pivotal facilitator for enhanced performance and value creation. Our ventures into renewable energy and digitalisation have firmly established our leadership in capturing opportunities in these evolving areas.

In FY2023, we demonstrated a remarkable performance, buoyed by our internal resilience and agility in adapting to the ever-shifting market dynamics. Our profits for the year surged by 479%, largely catalysed by the lifting of the Movement Restriction Order in late FY2022, which significantly reduced our operational costs. Our profits reached RM38 million (FY2022: RM6.6 million), underscoring our commitment to financial excellence and our ability to thrive in a rapidly evolving business landscape. Additionally, our revenue for

FY2023 was RM474 million (FY2022: RM378 million), and our Gross Profit Margins rose marginally to 35% in FY2023 (FY2022: 34%).

This strong performance is underpinned by our discipline in upholding governance, enhancing the GSA ratio and streamlining processes to balance growth with margin optimisation, and effective resource management. These strategies are instrumental in positioning us to capitalise on the industry's resurgence while upholding our commitment to excellence and sustainability as we strive to create long-term value for our stakeholders.

UZMA5R: POWERING TRANSITION INTO THE NEW ECONOMY

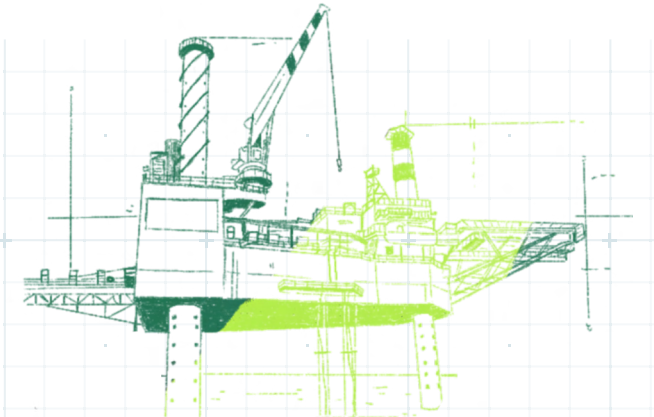
In the face of operational challenges, 2020 marked a year of transformation for Uzma, highlighting our unwavering commitment to adaptability. Over the past three years, our company embarked on a journey of restructuring that has been instrumental in shaping our current operational landscape. In June 2020, Uzma re-formulated our Uzma's five-year plan ("uzma5YP") into 'uzma5R' with the aim of transforming our operations in response to the changing market dynamics. As we assess our progress at the midway point, we take pride in the considerable progress made.

As part of the uzma5R vision, we set a goal to diversify our revenue targets, aiming for 60% from the Oil & Gas sector while 40% will be from the Non-Oil & Gas sectors. Currently, our revenue diversification has achieved an 82/18 ratio. However, with our intensified initiatives in the RE sector, we are confident that we will meet our target by the end of the fifth year in June 2025.

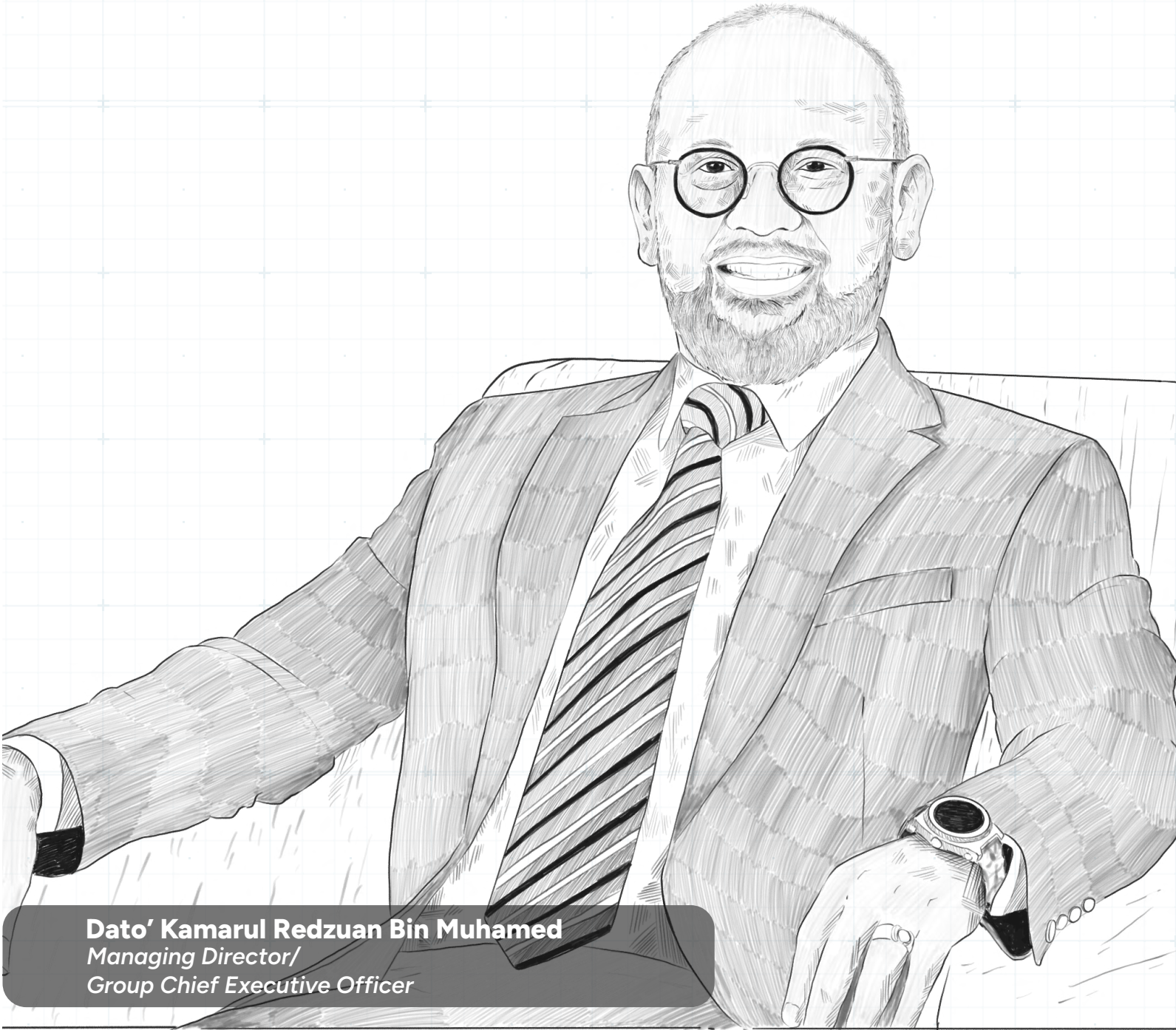
Simultaneously, in terms of geographical reach, we aimed for a 30% revenue contribution from operations outside of Malaysia. Encouragingly, we are making substantial progress with approximately 20% of our revenue are from non-Malaysian sources. This shift reflects our transition from a predominantly project-based business model to one with increasing recurring income streams. Our portfolio of long-term projects, including water injection, chemicals, and well services, significantly contribute to this transformation. Additionally, we have an order book of RM2.6 billion, fortifying our future and serving as a testament to our strong industry presence and our clients' confidence in our ability to deliver.

Today, Uzma proudly presents a diverse portfolio of more than 20 core service offerings, complemented by a range of products and services meticulously tailored for the Upstream Oil & Gas segment. Our impressive client roster includes industry giants such as PETRONAS, Shell, ExxonMobil, PTTEP, EnQuest, Hibiscus, and many others. Their trust in our capabilities underscores our unwavering commitment to excellence. While Malaysia continues to serve as our base, our operations are experiencing robust growth across the South East Asia region, especially in Thailand, Indonesia, and the Philippines. Our reach extends far beyond borders, with our products making their way to regions as distant as Africa and Europe.

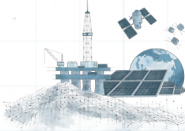
While the Oil & Gas sector remains at the heart of our 23-year journey, recent events have demonstrated the need for a more balanced and sustainable energy system. As we navigate these evolving landscapes, we strategically reallocate our competencies and resources, working towards the delivery of energy that is not only low carbon but also secure and affordable, addressing the complex energy trilemma. Our integrated strategy, i.e. the uzma5R strategy, continues to serve as our guiding star, leading us towards achieving our objectives, nurturing resilience, and fostering innovation in our pursuit to create enduring value for our stakeholders.



GROUP CEO'S REVIEW ON OPERATIONS



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



DRIVEN TOWARDS FOCUS AND GROWTH

In recent years, we have embarked on a strategic journey to position ourselves for the future while steadfastly adhering to our core values. This approach has empowered us to strengthen our portfolio and our aim to delivering incremental value to our valued shareholders. In our Oil and Gas Business, the Group's Well Solutions division has strengthened its competitive position by initiating several pivotal projects in Malaysia, Thailand, Indonesia, and the Philippines. In June, we were awarded two substantial contracts by PETRONAS Carigali Sdn. Bhd. ("PCSB") with a combined value of RM450 million, spanning a duration of three years.

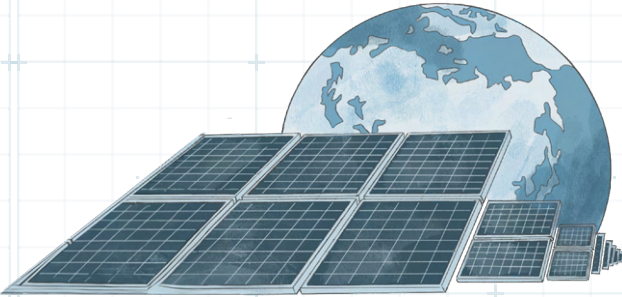
Meanwhile, in our Production Solutions division, we are particularly proud of securing an Electrical Submersible Pump contract in Malaysia, thereby establishing Uzma as a preferred vendor in a market with renowned multi-national competitors. Further reinforcing our commitment to modernisation and digitisation, we have diligently upgraded our assets. Through the implementation of advanced remote monitoring systems, such as those for the Marsya Water Injection Facility ("uzmaWIF") and Portable Water Injection Module ("uzmaWIM"), we have substantially enhanced operational efficiency while reducing the risk of equipment failure. This strategic move has culminated in the successful extension of our contract for both assets, ensuring a reliable source of recurring revenue for Uzma over the next five years.

Challenging ourselves to lead in the New Energy Business, we have made substantial progress in the Renewable Energy sector. Our achievements include securing contracts for approximately 100MW, including Large-Scale Solar ("LSS") and Net Energy Metering ("NEM") projects. Notably, our flagship LSS project achieved financial close in FY2024, while NEM assets are under

construction. As part of our commitment to environmental sustainability through the adoption of sustainable energy sources, we secured contracts for over 15MWdc in the Corporate Green Power Program ("CGPP").

In March, we celebrated a significant achievement in our Trading business with the award of a RM70 million contract by ND Paper Malaysia (Selangor) Sdn. Bhd. ("NDP"). This contract is dedicated to the supply of Liquefied Natural Gas ("LNG") via our virtual pipeline system to NDP's factory in Banting, underscoring our steadfast commitment to efficiently meet our customer's energy requirements.

In the Digitalisation & Technology segment, our space startup achieved a significant milestone by securing a contract for land use change analysis, a crucial study involving sustainable practices in the palm oil industry. We have also solidified strategic partnerships with international companies, further expanding our global reach and contributing to our nation's aspirations in the space industry. While our operational focus is centered in Malaysia, our vision extends far beyond borders, aligning with the Malaysia Space Exploration 2030 ("MSE2030") programme. Our efforts primarily revolve around Land Use Change Analysis ("LUCA"), which plays a pivotal role in land management and sustainability. Additionally, we offer high-quality satellite imagery, tailored to meet the customised needs of our esteemed clients.



Despite the complexities we faced, we remained focused in seizing opportunities to grow

NAVIGATING THE EVOLVING ENERGY LANDSCAPE

Since February 2020, the world has weathered a multitude of extraordinary challenges. These include a global pandemic, geopolitical conflicts, energy security concerns, and the rising cost of living. These events have emphasised the critical need for dependable and cost-effective energy solutions on a global scale. Uzma, keenly aware of the ever-evolving energy landscape, is poised to meet the demands of the present while investing in a future marked by energy diversity and sustainability.

In the past year, we were confronted with significant operational challenges, calling for resilience and adaptability as we navigated through the turbulent waters of our industry. The inherent volatility in the industry, coupled with shifts in supply and demand dynamics, led to fluctuations and challenges in project requirements. Simultaneously, the ongoing transition to sustainable energy sources presented a landscape characterised by dual facets: one filled with opportunities and the other laden with challenges. Consequently, Uzma had to make strategic adjustments to its service offerings and business strategies.

In response, we implemented a three-pronged strategy with a focus on prudent spending, improved topline performance, and diligent cashflow management. This approach has fortified Uzma's resilience and sustained growth, demonstrating the company's commitment to sound financial management, operational efficiency, and adaptability in the face of dynamic market conditions.

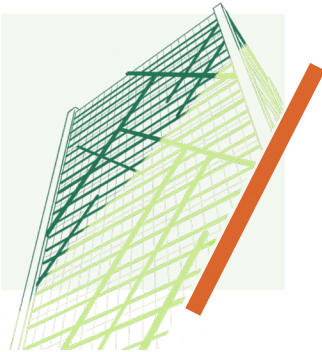
NURTURING OUR TALENT CAPITAL

Our accomplishments are a testament of the remarkable skills, unwavering dedication, and adaptive spirit of our people. Throughout FY2023, our employees demonstrated exceptional commitment to meeting the demands of their roles. They upheld the highest safety standards in the operations and maintenance of our assets while actively contributing to various initiatives aimed at creating long-term value for our organization. Uzma places a paramount emphasis on the continuous development of skills and competencies. Thus, we have undertaken strategic initiatives to nurture and empower our talent pool.

This commitment is manifested through comprehensive enhancements of our human capital management practices, encompassing all facets of our organisation. We are dedicated to amplifying employee engagement through regular feedback channels, fostering an environment of transparent communication, and nurturing an empowered workforce.

In addition, we continue to invest in training and development initiatives annually to ensure our employees are equipped with the relevant skills and knowledge to excel in their roles and advance their careers. As a testament to our unwavering commitment to the safety and well-being of our workforce, we proudly introduced the 12 Orange Rules safety training programme in October 2022.

Collectively, the initiatives we implemented and avenues put in place for open lines of communication solidify our pledge to build a proficient, engaged, and highly motivated workforce, primed to drive the success of our organisation into the future.



TAKING UZMA INTO THE FUTURE

As we look forward to FY2024, we maintain a prudent optimism, cognisant of the industry's need to adapt to changing consumer and regulatory demands. The transition towards sustainable energy sources has crystallised its challenges, reinforcing the need for a balanced transition agenda. Uzma remains fully aligned with the national energy transition agenda, with initiatives such as the Virtual Power Purchase Agreement ("VPPA") and the National Energy Transition Roadmap ("NETR") powering the way towards a greener economy in Malaysia.

Our commitment to allocating significant growth capital to low carbon projects, particularly to achieve our goal of a 40% revenue contribution from the Non-Oil & Gas segment, and hence we endeavour to continue to explore growth opportunities in this area. We monitor market conditions, explore growth opportunities, and adapt our strategies accordingly to drive sustainable value for our stakeholders. However, we also realise that we should take the Oil and Gas resurgence into account and allocate capital where it will provide the best return while simultaneously investing for the future.

It has been an exciting year for Uzma, and we are extremely pleased with our performance, despite the challenging operating environment. Moving forward, while we remain confidence in our future prospect, we intend to place a greater emphasis on meeting our uzma5R goals, ensuring that Uzma fully realises its potential and creates tangible value for its stakeholders, ahead of the market challenges and unpredictable macroeconomic factors.

DATO' KAMARUL REDZUAN BIN MUHAMED
Managing Director / Group Chief Executive Officer

The transition towards sustainable energy sources presented a dual landscape of opportunities and challenges.



MANAGEMENT DISCUSSION AND ANALYSIS

GEARING UP FOR A DECARBONISED FUTURE

The oil and gas (O&G) industry has experienced tremendous upheavals, undergoing troughs and peaks as it evolves to accommodate economic and political trends. In 2023, as oil price fluctuations played out, supply-demand dynamics offered respite for Oil & Gas players, including Uzma. We experienced strong revenue growth of 25.3% in FY2023, while profits grew by 479% to RM38 million (FY2022: RM6.6 million).

Although industry players are cognisant of the uncertainties that lie ahead, the need to secure supply in the short term while transitioning to cleaner energy in the longer term is clear. This has created a “trilemma” concerning energy security, supply diversification, and low-carbon transition. The future investment landscape remains uncertain despite the immediate outcomes of soaring energy prices and robust cash flows in the industry. The pathway to decarbonisation is inevitable as the marketplace transitions to adopt renewable energy sources amidst increased electrification initiatives globally.

Aware of this shifting energy landscape, Uzma is strategically positioning its assets and resources to expand into the New Energy segment. Here, we embrace the principles of decarbonisation while unwaveringly upholding our core commitment to the Oil & Gas sector. Our objective is to seamlessly adapt to the emerging paradigm, ensuring our relevance and resilience as we navigate the transformative waves of the industry.



OPERATING ENVIRONMENT

The year presented a series of formidable challenges, testing Uzma's operational resilience and adaptability as an Oil and Gas Services and Equipment (“OGSE”) company. The company grappled with the impacts of global energy market volatility and economic headwinds, which played a pivotal role in shaping Uzma's development and growth trajectory. These challenges were further exacerbated by the effects of fluctuating foreign exchange rates on imported goods and services, exerting additional pressure on profit margins.

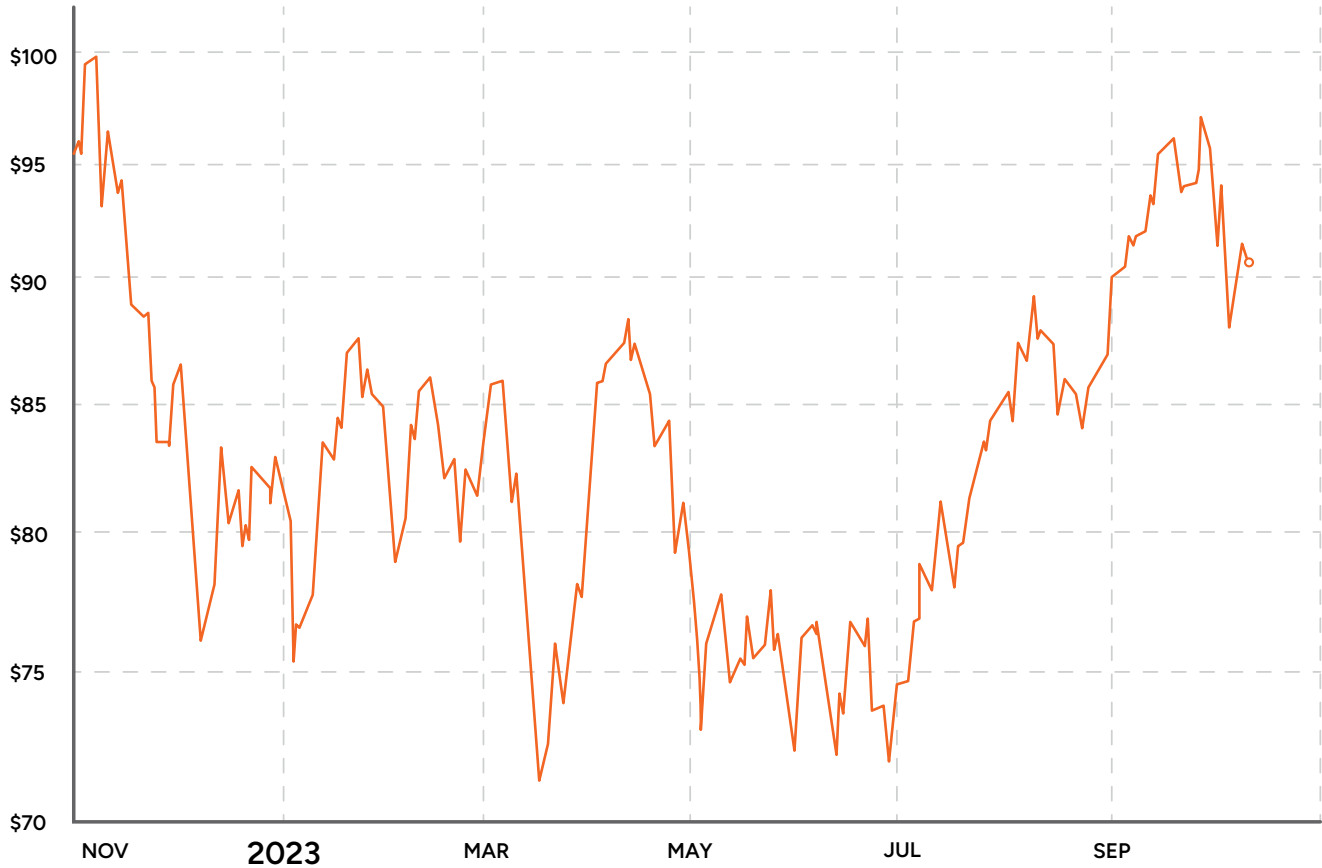
In addition, the complex interplay of fluctuating oil prices and supply-demand dynamics, driven by geopolitical tensions, significantly influenced the demand for projects and price negotiations. This ever-changing market landscape also elevated the cost of doing business, affecting both the Group's Oil & Gas and Non-Oil & Gas segments.

However, amid these challenges, the shift towards normality after the COVID-19 pandemic and the incremental improvement in oil prices emerged as the industry's primary drivers. These positive factors followed years of underinvestment and underpinned by the government and PETRONAS's optimistic outlook for the industry. In response to these favourable conditions, Uzma successfully secured multiple new projects and project extensions in FY2023, making a substantial contribution to revenue generation for the period and beyond.

With the government's upbeat expectations of domestic economic growth, projected at 4% for the current year and looking ahead to 2024 with a range of 4% to 5% , Uzma experienced a fruitful year. This success was driven by the increasing activities in its Oil & Gas segments, while positioning the company to realise the investments made in growing our Non-Oil & Gas division, including the New Energy segment.

Brent Crude Oil Prices (US Dollar Per Barrel) November 2022 to September 2023

<https://belanjawan.mof.gov.my/pdf/belanjawan2024/economy/economy-2024.pdf>



Source: Macrotrends

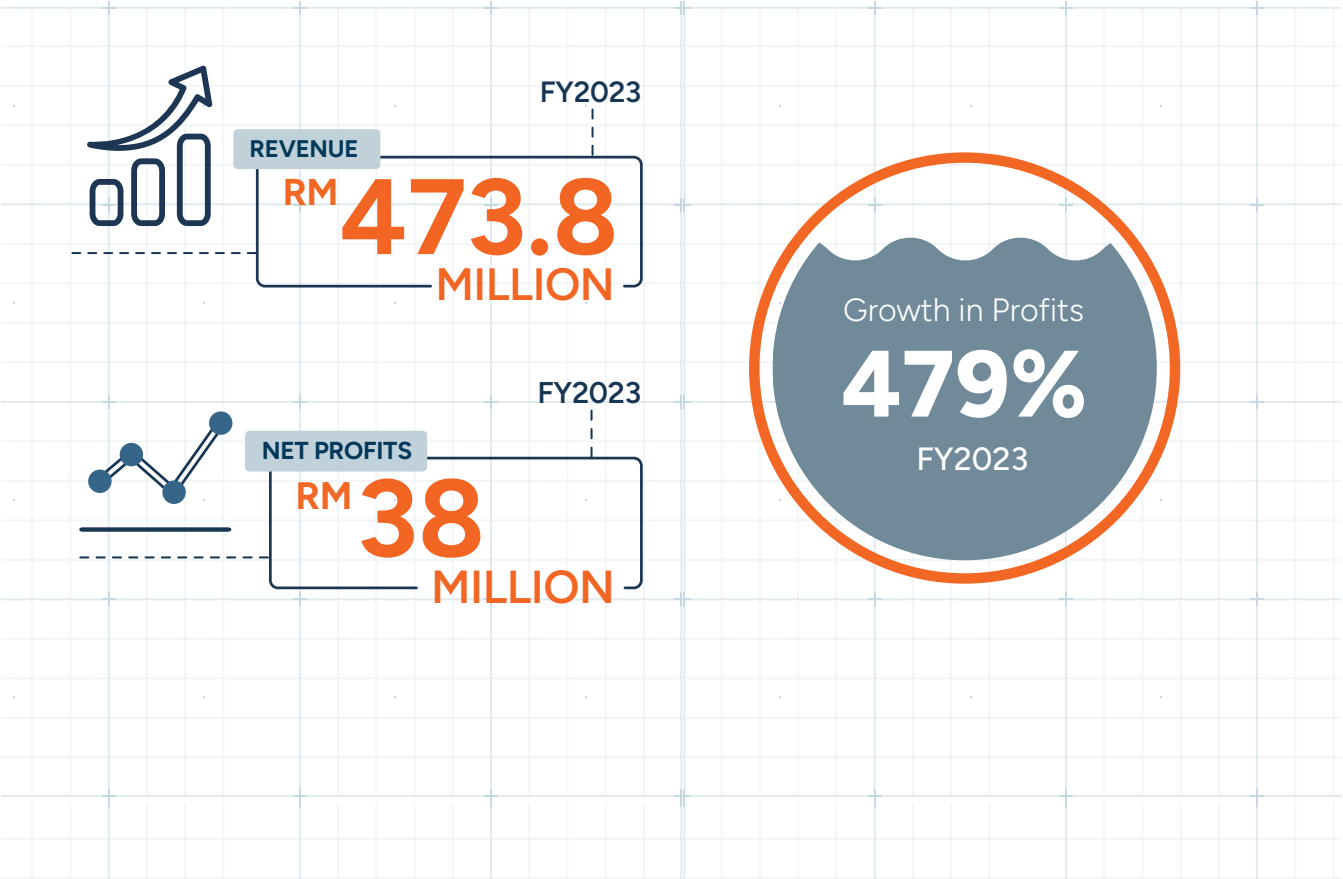


FINANCIAL REVIEW

FINANCIAL RESULTS

In FY2023, the Group's financial performance exhibited remarkable growth, reflecting the quality and resilience of our assets and the consistency of our operational performance. Our profits surged by an impressive 479%, primarily driven by a combination of heightened activities and lower operational costs compared to FY2022, when we faced higher costs due to the impact of the Movement Control Order. Net profits recorded at RM38 million, a substantial improvement from the RM6.6 million earned in FY2022. Meanwhile, our revenue showed an increase of 25.3% to RM473.8 million (FY2022: RM377.9 million). This revenue growth was not only attributed to the Oil & Gas segment but also benefited from the addition of new revenue streams in the LNG segment. Additionally, our gross profit margins improved by 1% to 35% in FY2023, mainly driven by the O&G segment.

Amidst the residual effect of the pandemic and the macroeconomic challenges, our positive shift can be credited to the strategic execution of our uzma5R Plan to refine our cost structure, streamline operations, and diversify our income portfolio. This cautious approach enabled us to endure the difficulties and facilitated growth in earnings. Our adeptness in managing evolving situations and implementing essential changes underscores our dedication to financial stability and enduring progress.



FINANCIAL POSITION AND LIQUIDITY

We maintained a strong liquidity position in FY2023, with total assets amounting to RM1.3 billion. This solid financial foundation ensures our ability to meet short-term financial commitments while strategically pursuing initiatives for growth. Uzma has secured a well-balanced portfolio of credit facilities, providing us with a substantial liquidity cushion. This approach allows the Group to remain flexible in navigating market uncertainties and capitalizing on growth opportunities. We are steadfast in our commitment to further strengthen our liquidity position, fortifying our resilience against unforeseen challenges.

Uzma continues to make strategic investments in our operational assets, a key driver for accelerating growth and revenue generation. In FY2023, we invested RM81 million in acquiring operating equipment, a significant increase compared to the RM22.2 million invested in FY2022. This demonstrates our dedication to expanding our capabilities and seizing new opportunities.

Furthermore, we are proud to report a low net debt-to-equity ratio of 0.58 times in FY2023 (FY2022: 0.78x), highlighting our prudent financial management and strong financial position.

CAPITAL MANAGEMENT

Uzma is committed to pursuing excellence in deciding how capital is allocated to maximise returns and balance the risks and opportunities of investment. As we strive to provide long-term value for our stakeholders, we adopt a cautious yet strategic approach to capital management, prioritising investments that offer favourable risk-return profiles and align with our long-term growth objectives. We mitigate the economic risks through careful consideration of maintaining a balanced capital structure. Our capital allocation decisions allow us to optimise the Group's financial resources, bolster expansion strategies, and generate sustainable value for our shareholders. We remain vigilant in monitoring and refining our capital management practices to accommodate evolving market dynamics and potential opportunities.

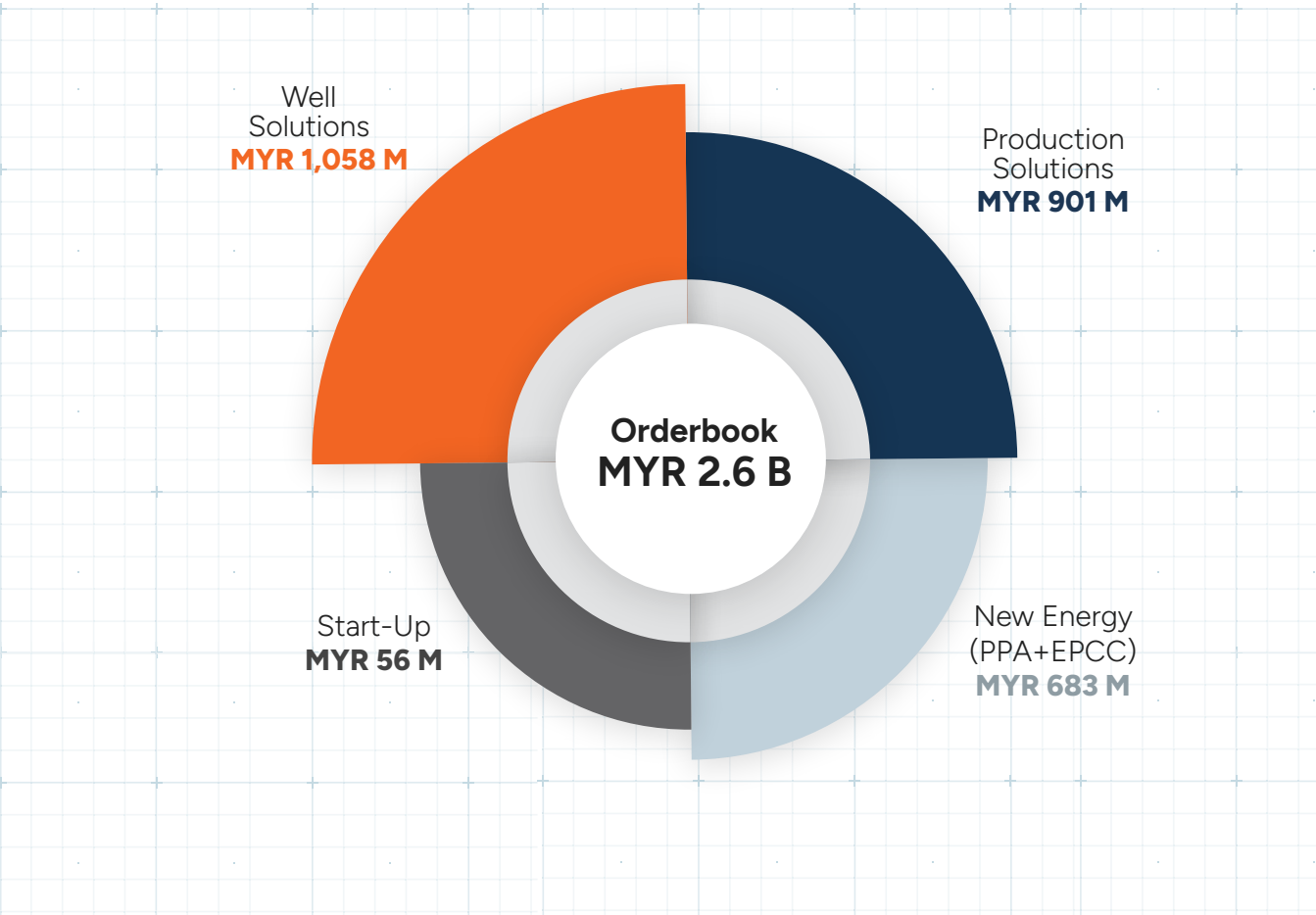
Uzma prioritises prudent capital management by making informed investment decisions. We are committed to ensuring that our capital expenditures are backed by substantial and secure contracts, avoiding speculative ventures. Notably, our significant borrowings, exemplified by CAPEX for projects like LSS4 and Water Injection Facility, are underpinned by multi-year agreements guaranteeing a consistent stream of recurring income. This strategic approach to capital management reflects our dedication to maintaining financial stability and minimising unnecessary risk.

STRENGTHENING FINANCIAL RESILIENCE

Grounded in the robustness of our assets, the expertise of our talented workforce, and the diversification of our operations, we have successfully navigated through the challenges we have encountered. As we look ahead, the Group stands in a strong position for growth, benefitting from improved prospects and an increasingly positive business sentiment.

At the close of the financial year under review, we are pleased to report that the Group's order book value was recorded at RM2.6 billion . This figure serves as a resounding testament to the trust and confidence our clients have placed in our capabilities.

In our Non-Oil & Gas segment, we have strategically secured projects worth RM683 million at the financial year-end, largely comprising power purchase agreement ("PPA") projects. As we navigate the shifting energy landscape, we are excited to execute these projects efficiently and add substantial value to both our clients and shareholders. This not only strengthens our financial resilience but also affirms our dedication to providing outstanding solutions in diverse sectors.



STRATEGIC PURSUITS IN ALIGNMENT WITH UZMA5R STRATEGY

Our strategic vision, embodied by the uzma5R strategy, revolves around building a resilient business that can withstand the cyclical nature of the O&G Upstream Services sector. We maintain an unwavering commitment to strengthening our core O&G business, ensuring its continued growth, and positioning ourselves to capitalise on opportunities that arise during industry upturns.

Simultaneously, our strategic plan entails diversifying and harmonising our portfolio, extending beyond the confines of the O&G segment. We place focused attention of the expansion of our solar, LNG, and technology business units. The New Energy business segment, which is an integral element of the uzma5R strategy, holds substantial growth potential in FY2023, contributing to our organic growth. These endeavours are poised to enhance our resilience, usher in new opportunities, and align with our ongoing commitment to fostering long-term value for our stakeholders.

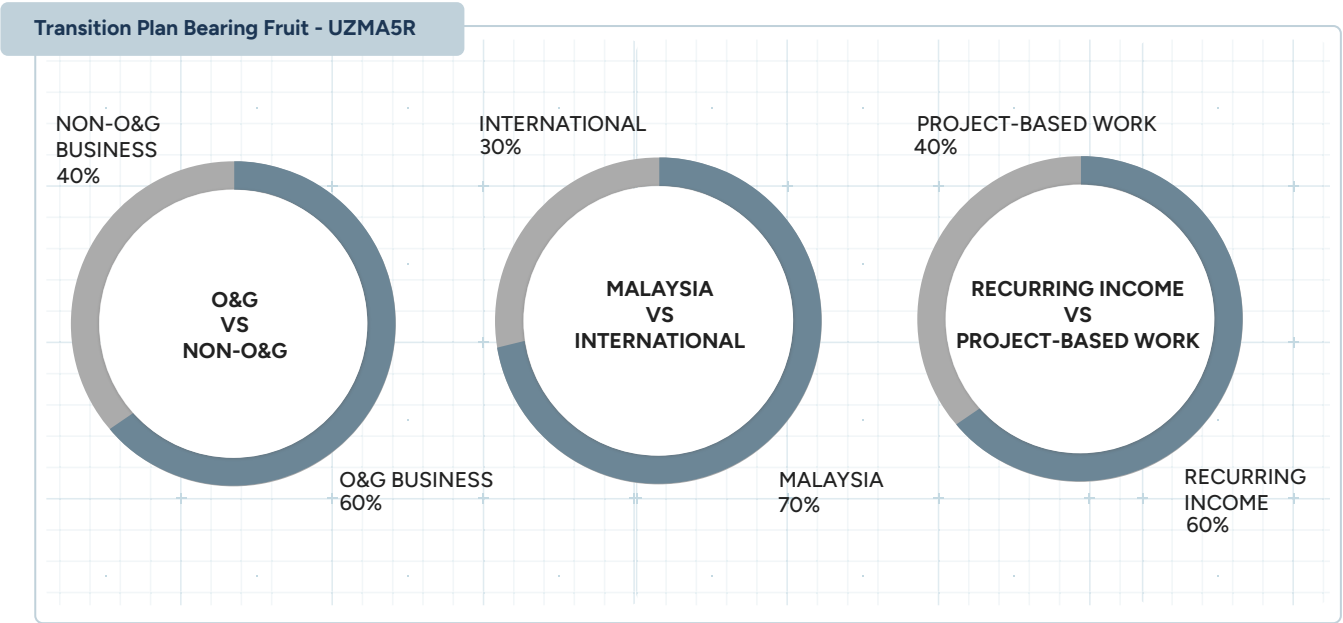
UZMA5R STRATEGY

- The uzma5R plan, announced in FY2021 and set to be achieved in FY2025, revolves around three primary targets:
 - TOTAL REVENUE**

Our objective is to achieve a revenue mix of 60% from recurring income and 40% from project-based work. This balance will enhance our financial stability and sustainability.
 - PRODUCT DIVERSIFICATION**

Uzma aims for a balanced 60/40 split between O&G and Non-O&G businesses. The growth of renewable energy initiatives is expected to help reach this goal.
 - GEOGRAPHICAL SPREAD**

A target contribution of 30% of revenue is aimed to come from operations outside Malaysia, aligning with the company's global expansion strategy.



SELECTED CONTRACTS AWARDED

For the year under review, Uzma secured the following projects that contributed to its revenue in FY2023:

Light Weight Hydraulic Workover Unit (“HWU”) Services

Uzma Engineering Sdn. Bhd.(“UESB”) received an RM17 million contract from PETRONAS Carigali Sdn. Bhd.(“PCSB”) for the provision of lightweight HWU services, encompassing a well abandonment campaign for two offshore East Malaysia wells. The one-month project commenced in September.

Pulse Testing Analysis for SEA Hibiscus Fields in Sabah

Uzma secured a three-year contract from SEA Hibiscus Sdn. Bhd. to provide cross-well pressure interference pulse code testing (“PCT”) design, data acquisition and interpretation to determine the reservoir connectivity for the fields operated by SEA Hibiscus in Sabah waters. The project is scheduled to commence from 4 October 2022 to 3 October 2025

D18 Water Injection Facility (“WIF”) Contract

Uzma was awarded a five-year contract from PCSB in November 2022 for leasing, operating, and maintaining the D18 Water Injection Facility in offshore Sarawak. This award serves as an extension to Uzma’s contract for ongoing operations at the location, which began in July 2016.

The scope of this contract encompasses complete engineering, construction, installation, commissioning, leasing of WIF (which includes its operations and maintenance) and is expected to contribute positively to the Group’s earnings for the duration of the contract. It is scheduled to end on 28 October 2027.

Coil Tubing and Services in the East Region

Uzma through Setegap Ventures Petroleum Sdn. Bhd. (“SVP”) received a two-year contract extension from PCSB to provide coiled tubing and services in the East Region. The contract, valued at around RM230 million, was first awarded to SVP in November 2015 and received a two-year extension from December 2020 to November 2022.

Kinetic Hydrate Inhibitor, Corrosion Inhibitor and Associated Services for Shell Timi Field

In January 2023, Sarawak Shell Berhad (“SSB”) awarded our subsidiary, Malaysian Energy Chemical & Services Sdn. Bhd. (“MECAS”) a five-year contract for the supply of kinetic hydrate inhibitor, corrosion inhibitor, and associated services for the Shell Timi Field, off the coast of Sarawak. The contract is valued at RM40 million and will contribute towards the Group’s revenue from 20 January 2023 to 19 January 2028.

Self-Cleaning Through Tubing Perforation services

Uzma acquired a three-year contract from PCSB to provide self-cleaning through tubing perforation services for its Malaysian assets. The services feature a specialised perforation system capable of debris reduction and self-cleaning within the perforation tunnel, facilitating well job completion through Slickline, Wireline, and/or Tubing Conveyed development for the assets.

Electrical Submersible Pump (“ESP”) Equipment and Services

In February 2023, Uzma received a three-year award from PCSB for the provision of Electrical Submersible Pump (“ESP”) Equipment and Services for PCSB’s wells in Malaysia. The contract has an estimated value of up to RM30 million.

Integrated Production and Integrity Chemical Contract

In March 2023, Sabah Shell Petroleum Company Limited contracted Uzma to provide integrated production and integrity chemical and associated services for Malikai Stage 1 and Gumusut Kakap. Malikai’s operations are approximately 100km off the coast of Sabah with water depths of up to 500m (1,640 feet), whereas Gumusut-Kakap’s operations are located 120km offshore of Sabah, covering fields approximately 1,200 meters (3,937 feet) deep. Both contracts are for three years and are valued at approximately RM68.1 million.

Liquefied Natural Gas (“LNG”) Supply Agreement Contract

Uzma has signed a two-year LNG Supply Agreement with ND Paper Malaysia (Selangor) Sdn. Bhd. (“NDP”) to facilitate the provision of LNG through a virtual pipeline to NDP’s factory in Banting. The contract has an estimated value exceeding RM70 million for the first year, contingent on LNG supply and market price.

Coil Tubing Equipment (“CTU”) and Services Contract in Thailand

Uzma’s wholly-owned foreign subsidiary in Thailand, MMSVS Group Holding Co. Ltd., received an award for a three-year contract to supply CTU and services for Valeura Energy Inc. in the Gulf of Thailand. The contract is valued at approximately RM45 million, with an extension option of two years.

Gas Lift Valve (“GLV”) & Insert Strings Equipment, Accessories, and Services Contract

Uzma secured a contract from PCSB that entailed providing GLV and insert strings equipment, accessories, and services for PCSB’s offshore wells in East and West Malaysia for a period of three years. The contract commenced in March 2023.

Hydraulic Workover Unit (“HWU”) and Plug & Abandonment (“P&A”) Contract

Uzma acquired two contracts from PCSB for the provision of HWU and P&A services, encompassing 340K and 460K HWU rigs, along with Accommodation Work Barges and Portable Cranes, for PCSB’s offshore workover and well P&A operations in Malaysia. The three-year contract carries a combined estimated value of RM450 million, with an extension option for one year.



SEGMENTAL REVIEW

O&G UPSTREAM SERVICES – GROUP WELL SOLUTIONS

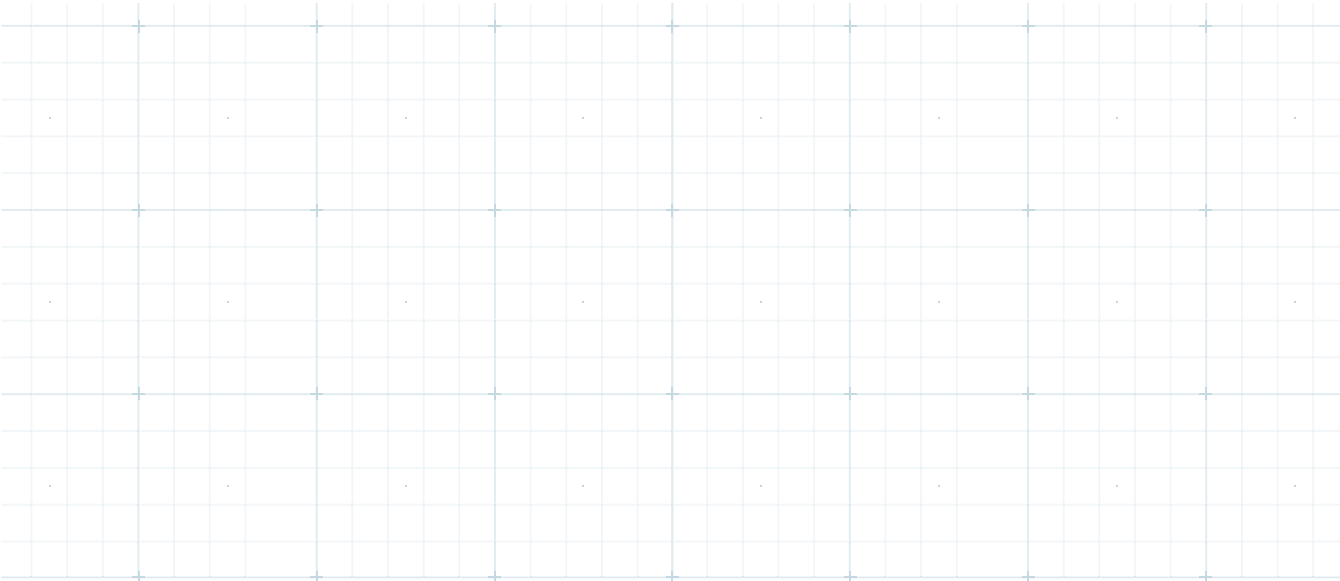


Our Group Well Solutions division secured multiple contracts in Malaysia and Thailand during the year under review. This segment continued its positive performance with optimistic growth potential. On the domestic front, we commenced a three-year contract to utilise two Hydraulic Workover Unit packages from 2024 until 2026 to provide Hydraulic Workover Unit and services for Workover and Plug and abandonment Operation, specifically for the Dulang Electrical Submersible Pump (“ESP”) re-completion project. In Thailand, our wholly-owned subsidiary, MMSVS Group Holding Co. Ltd. (“MMSVS”) secured a 3-year contract with Valeura Energy for coiled tubing unit (“CTU”) and pumping services. Furthermore, Uzma continues to provide its services to existing clients in both onshore and offshore Thailand. We have successfully expanded the capabilities of our operations in Indonesia, now able to operate on four rigs simultaneously. Moving forward, Uzma plans to purchase new sets of Directional Drilling tools to increase operational capabilities and seeks strategic partnership opportunities to facilitate entry into the Well Intervention market. This will also allow us to offer CTU and pumping services, broadening its service offerings in Indonesia. The Philippines operations are focused on serving the Geothermal market with its pumping services business.

O&G UPSTREAM SERVICES – GROUP PRODUCTION SOLUTIONS



In FY2023, Uzma secured an Electrical Submersible Pump (“ESP”) contract with a major operator in Malaysia, strengthening its position in a niche traditionally dominated by multinational companies, paving the way for similar opportunities among local operators. We also acquired the Gas Lift Valve contract, further reinforcing Uzma’s market position. To enhance the reliability of our assets, including the Marsya Water Injection Facility (uzmaWIF) and Portable Water Injection Module (uzmaWIM), we have undertaken upgrades. Our commitment to technology and digitalization is evident through the implementation of remote monitoring systems for these assets. We have extended the contracts for uzmaWIF and uzmaWIM, securing recurring revenue. Furthermore, the Risk Transfer Incentive Contract (“RTIC”) has positively contributed to our earnings in FY2023.



NEW ENERGY



Uzma is steadfast in our commitment to developing the New Energy segment in line with the global shifts towards sustainability and clean energy. During the review period, we acquired contracts for approximately 100MW, which include both Large-Scale Solar (“LSS”) and Net Energy Metering (“NEM”) projects. Meanwhile, our LSS 50MWac project in Kuala Muda, Kedah, achieved financial close in Q12024 and will start contributing to the Group’s revenue in FY2025. The NEM projects currently in the construction phase are progressing well and will begin contributing to revenue generation in Q2FY2024. To reinforce our involvement in the transition to sustainable energy sources, we secured contracts for over 15MWdc in partnership with a collaborator in the first quarter of FY2024 under the Corporate Green Power Program (“CGPP”).

DIGITALISATION & TECHNOLOGY

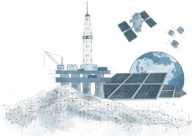


On the Digitalisation and Technology front, we believe there are great opportunities in the space industry. Our start-up in this sector secured a contract to conduct land use change analysis using satellite based data for a renowned organisation in the palm oil industry. The successful completion of this project positions Uzma and the nation favourably in the context of advancements in the space sector, underpinning our expertise and reliability. Additionally, we plan to accelerate growth further through our partnership with renowned international companies. These collaborations have catalysed the introduction of cutting-edge space-based technologies to Malaysia, realising national goals and aspirations aligned to the Malaysia Space Exploration 2030 (“MSE2030”) and Space Industry Strategic Plan 2030 (“SISP”). While we have located our operations in Malaysia to leverage opportunities presented by the MSE2030, our work extends beyond the borders, solidifying our presence in the international marketplace where there is demand potential. The primary service offered is Land Use Change Analysis (“LUCA”), the advanced analytical solution that uses satellite data to provide detailed information into dynamic land use transformations. Additionally, we offer top-tier satellite imagery that draws from diverse sources, allowing us to tailor our imagery solutions to precisely meet the unique requirements of our clients. Beyond land use analysis, our expertise extends to various ESG solutions, including methane emission monitoring, carbon stocks estimation, ground deformations monitoring and more, empowering businesses and institutions to make informed, sustainable decisions.

TRADING



The year bodes well for Uzma, with the award of a RM70 million contract to supply LNG via our virtual pipeline system. This division performed remarkably in FY2023, collectively completing 539 deliveries, totalling 538,786 MMBtu of liquefied natural gas (“LNG”) from March 2023, reinforcing our capabilities to contribute towards meeting the energy needs of our customers. On the trading front, we achieved strategic growth in the international market with Jannatul Firdaus International Sdn. Bhd., making strides in the Philippines by successfully finalising an 8,000-ton shipment, while in Tanzania, we secured a Letter of Intent (“LOI”) from a large conglomerate. This marks a significant milestone and has placed us in good stead to capture new opportunities and partnerships and tap into the growth of the African markets. During the year, Uzma has showcased its commitment to effective business risk management by successfully meeting the rigorous 95% take-or-pay requirements established by our LNG supplier, demonstrating our commitment to contractual obligations and capabilities in resource optimisation. Moving ahead, Uzma is venturing into the natural gas pipeline sector, expanding our operations in this direction through the award of the Third Party Access (“TPA”) shipping license. This strategic step situates Uzma at the core of the natural gas supply chain, unlocking new avenues for growth and collaboration with our partners. Our mission at Uzma is to redefine the energy landscape of tomorrow. We prioritise safety and sustainability, tirelessly working towards reducing carbon emissions, advocating environmental stewardship, and offering cleaner and more dependable energy solutions.



GEOGRAPHICAL OPERATIONAL REVIEW



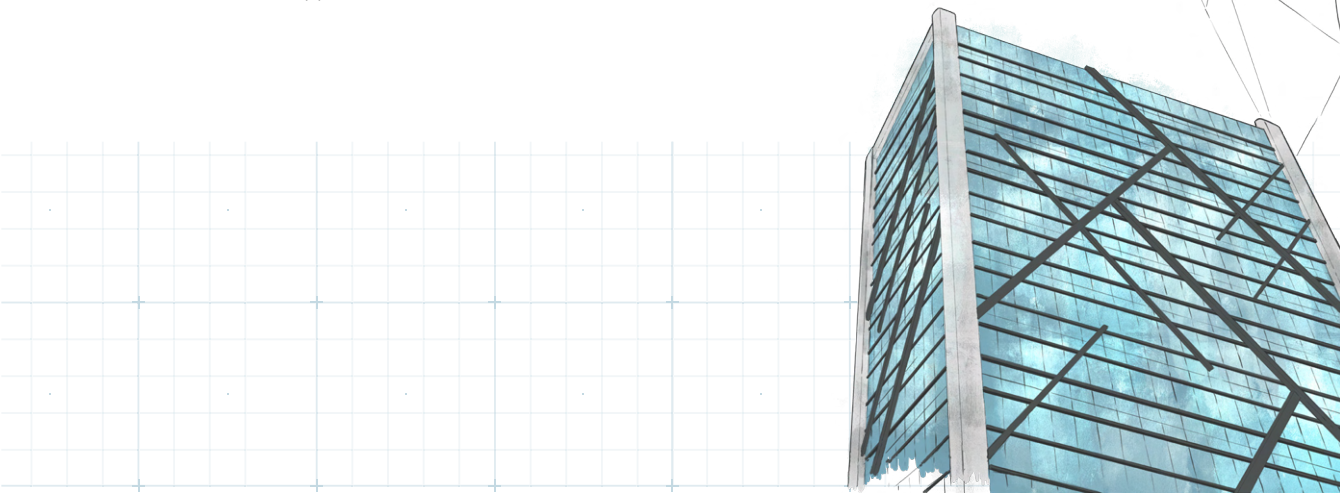
In Thailand, Uzma is actively solidifying its position in the energy sector, with a focus on offshore and onshore drilling services. Collaborations with industry partners have enabled efficient project execution while maintaining strict safety and environmental standards. Key contracts are in progress, further establishing Uzma’s presence in the Thai market. New collaborations are underway, contributing to further growth.

In Indonesia, Uzma’s PDSI Measurement While Drilling/Directional Drilling contract, initiated in FY2023, is set to continue until May 2025. The company is keen on expanding its services, particularly in drilling and exploration, aligning with the country’s energy landscape and strategic goals.

In the Philippines, we remain dedicated to serving the Geothermal market with our pumping services business. Uzma’s operations in the Philippines are progressing well, showcased by a contract extension, demonstrating client satisfaction and trust. Uzma aims to continue expanding its presence and supporting the growth of the Philippines’ energy industry through innovative strategies and expertise.

Across these regions, we operate from offices and yards in Malaysia, Thailand, Indonesia, and the Philippines. With a combined workforce of approximately 800 employees in the region, we are deeply committed to advancing our operations and making meaningful contributions to the growth of the energy and technology sector in these countries.

Looking forward, we anticipate that our investments and commitments in these regions will continue to yield positive results. We are vigilant about market-specific risks and challenges, including regulatory changes and economic fluctuations, and are proactively taking measures to mitigate these risks. Our unwavering goal is to remain a reliable and valuable contributor to the energy and technology sectors of Malaysia, Thailand, Indonesia, and the Philippines.



MANAGING RISKS

Throughout FY2023, the Group diligently identified and assessed several key risks. These included the optimisation of the company structures, the need for effective succession planning, and the potential impacts of external factors, including regulatory changes, market dynamics and the prevailing economic conditions.

In order to mitigate these risks, we established a dedicated team consisting of members from various departments, operating under the guidance of the Group CEO. The team has already initiated the implementation of its recommendations aimed at enhancing our organisational structures. Furthermore, we have taken proactive measures to identify critical positions within our workforce and identify potential successors as part of our succession planning efforts. This initiative has resulted in the creation of a talent pool, nurturing individuals capable of assuming pivotal roles in the future and thereby mitigating the risk of talent scarcity.

As we move into FY2024, we are taking a significant step by instituting the Board Risk and Sustainability Management Committee (“BRSMC”). This committee’s primary objective is to develop and execute a comprehensive risk management framework, bolster internal control mechanisms, and formulate a sustainability strategy. Additionally, the BRSCM will be instrumental in assessing and proposing suitable risk thresholds to the Board. These proactive measures underscore our commitment to managing risks effectively and ensuring the sustainable growth of the Group.

LOOKING AHEAD

As we step into FY2024, we do with cautious optimism, mindful of the evolving global landscape shaped by the pandemic. Our journey forward is marked by a host of macroeconomic challenges, from inflation and rising interest rates to labour shortages, supply disruptions and geopolitical tensions. Yet, within these challenges lie opportunities especially in the regions where we operate.

The Group is eager to embrace a low-carbon future as we continue to advance our New Energy segment, actively seeking avenues for its growth. Our aim is to realize our vision of attaining 40% of our revenue from the Non-Oil & Gas business.

On the domestic front, the resurgence of economic activities is fuelled by the recently unveiled policies, including the National Energy Transition Roadmap (“NETR”), the New Industrial Master Plan (“NIMP”) 2030 and the Mid-Term Review of the Twelfth Malaysia Plan (“12MP”). These policies are designed to channel resources towards achieving economic prosperity, as outlined in the “Ekonomi MADANI: Memperkasa Rakyat” framework.

We are poised to work towards the nation’s development, leveraging our assets and talents to seize emerging opportunities, bolster economic growth, and deliver sustainable value to our stakeholders.

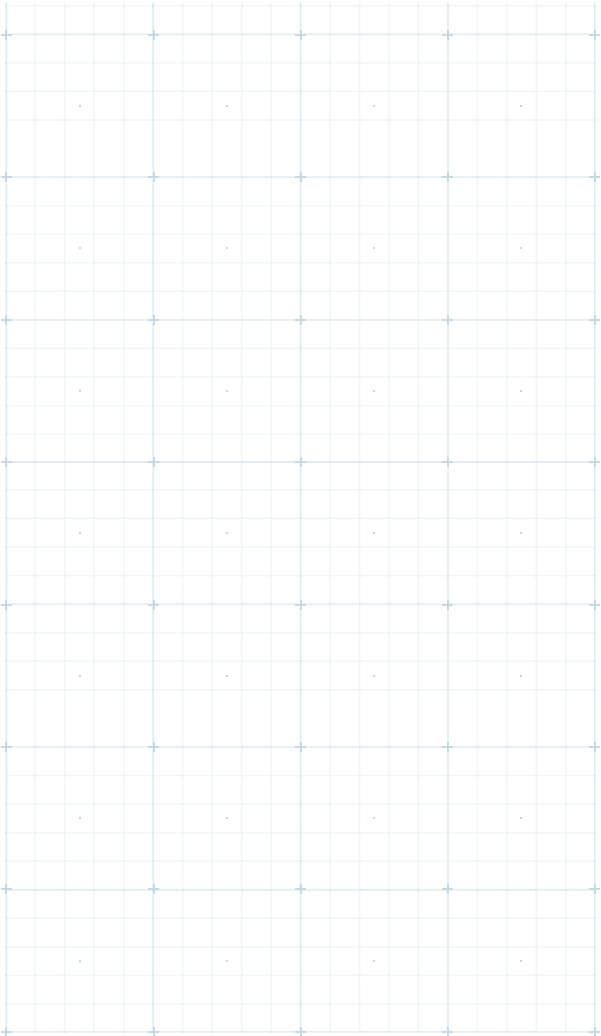




OUR STRATEGY

In June 2018, Uzma embarked on a transformative journey outlined in the Uzma Five Year Plan (“uzma5YP”), a strategic blueprint designed to propel us towards the ambitious goal of securing a place among the top 5 Oil & Gas service and Equipment (“OGSE”) companies in Malaysia. Recognizing the dynamic shifts within the industry and the global economic landscape, we actively evolved the uzma5YP strategy during the year. This evolution aimed to fortify the resilience of our Oil & Gas (“O&G”) business and to accelerate the Group’s diversification into emerging growth sectors such as New Energy, Digitalisation, and Technology.

In June 2020, Uzma reformulated Uzma Five-Year Plan (“uzma5YP”) into the ‘uzma5R’ with the aim of transforming our operations in response to changing market dynamics.



Within the framework of the Four Focus Areas, we are steadfastly committed to realizing the following strategic imperatives:

4 PILLARS



2 STRATEGIC THEMES



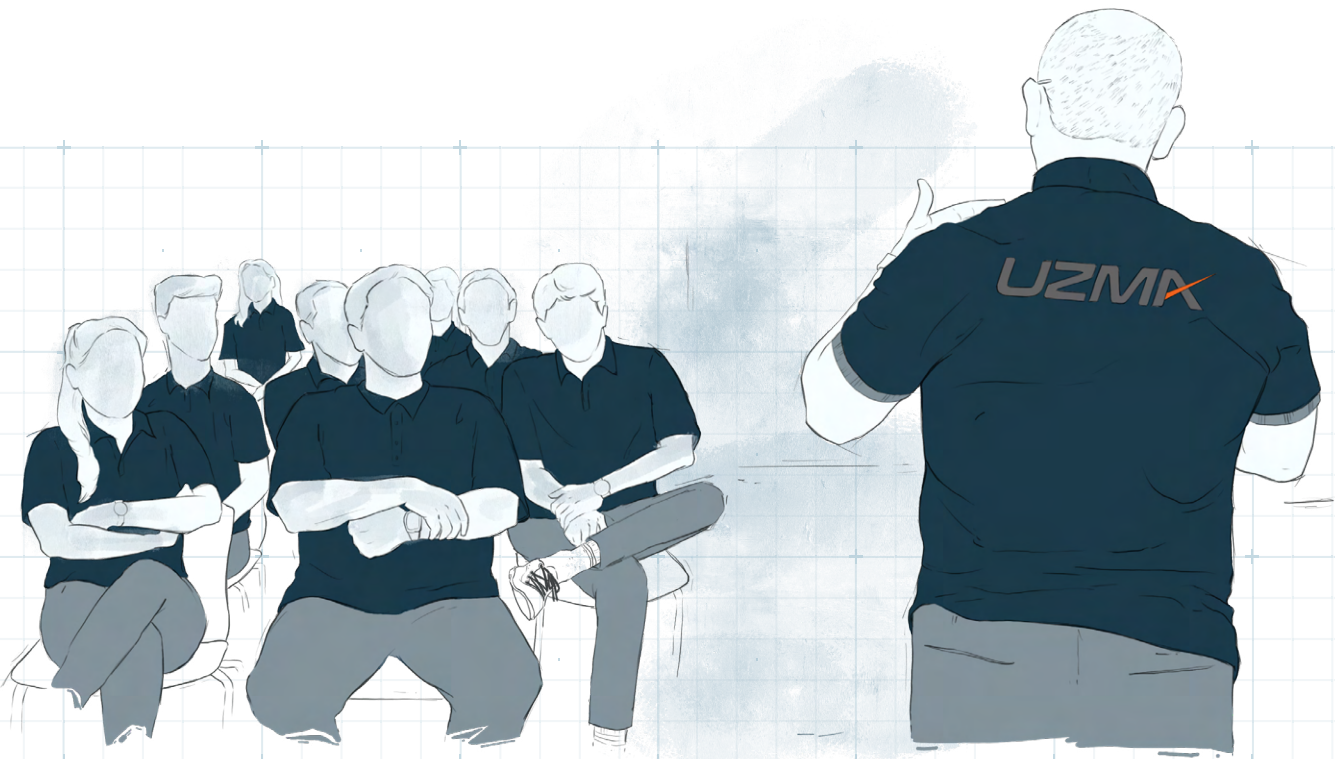
In summary, Uzma’s journey towards achieving our vision is underscored by the Four Focus Areas and Two Strategic Themes. By prioritizing excellence in employee and customer relations, bolstering financial robustness, adapting to industry shifts, embracing technology, and strategically expanding into new realms, we remain unwavering in our pursuit of excellence and growth. Our evolved uzma5YP positions us to navigate challenges and seize opportunities, propelling Uzma towards a future of unprecedented success and distinction.



SECTION 3

OUR LEADERS

Board of Directors Profile
Management Committee Profile



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 Datuk Abdullah Bin Karim, Datuk Seri Zurainah Binti Musa, Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad, Yahya Bin Razali, and Mazli Zakuan Bin Mohd Noor, none of them hold any directorship in other public listed 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

71	Malaysian	Male
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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:

- NIL

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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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' KAMARULREDZUAN BIN MUHAMED
MANAGING DIRECTOR / GROUP CHIEF EXECUTIVE OFFICER

51	Malaysian	Male
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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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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 28.54% 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 NAZAHATUHSAMUDIN BIN CHE HARON
EXECUTIVE DIRECTOR

51	Malaysian	Male
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DATE OF APPOINTMENT:

- 21 May 2008 as a Member of the Board

NO. OF MEETINGS ATTENDED: 5/6

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.
- 2019 to Present Chief Executive Officer of MMSVS Group Holding Company Limited
- 2023 to Present Chief Executive Officer of Group Well Solutions Division, Uzma Berhad

Board Committee Memberships:

- NIL

Directorship in Other Public Companies and Listed Issuers:

- NIL

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

68	Malaysian	Male
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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 States Leasing Corporation, San Francisco, United States of America
- 1986 to 1988 Associate Consultant, Alexander Proudfoot Productivity Consultant Pte. Ltd., Singapore
- 1988 to 1993 Investment Manager & Executive Director for Selangor Foundation and Grand United Holdings Berhad
- 1994 to Present Fund Manager cum Associate Director, Spectrum Asset Management Sdn. Bhd.

Board Committee Memberships:

- NIL

Directorship in Other Public Companies and Listed Issuers:

- Non-Independent Non-Executive Chairman, Aldrich Resources Berhad

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

61	Malaysian	Female
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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 & Eckhardt, 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
• 1992 to 1994	General Manager, MMI Insurance Malaysia
• 1995 to 2010	Managing Director, Permata Kancil (M) Sdn. Bhd.
• 2010 to 2023	Executive Director, Berjaya Corporation Berhad

Board Committee Memberships:

- Chairperson of the Nomination and Remuneration Committee

Directorship in Other Public Companies and Listed Issuers:

- Advisory Council, MAHSA University (Haniiffa Business School)

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

66	Malaysian	Male
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DATE OF APPOINTMENT:

- 01 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
- Casceloid 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

45	Malaysian	Male
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DATE OF APPOINTMENT:

- 01 January 2022 as a Member of the Board

NO. OF MEETINGS ATTENDED: 6/6

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



DATUK FARISHA BINTI PAWAN TEH

INDEPENDENT NON - EXECUTIVE DIRECTOR

54	Malaysian	Female
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DATE OF APPOINTMENT:

- 14 February 2022 as a Member of the Board

NO. OF MEETINGS ATTENDED: 5/6

QUALIFICATIONS

- Bachelor Degree in Chemical Engineering, Universiti Teknologi Malaysia

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:

- Chairman 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

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

WORKING EXPERIENCE AND OCCUPATION

- 1992 to 2005 Management Trainee, Technical Department and Brand Managemet, 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 2022 Special Advisor to the Minister of Housing & Local Government, Ministry of Housing and Local Government (KPKT)

Board Committee Memberships:

- Member of the Nomination and Remuneration Committee

Directorship in Other Public Companies and Listed Issuers:

- NIL

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

53	Malaysian	Male
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DATE OF APPOINTMENT:

- 01 September 2022 as a Member of the Board

NO. OF MEETINGS ATTENDED: 5/5

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 The 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

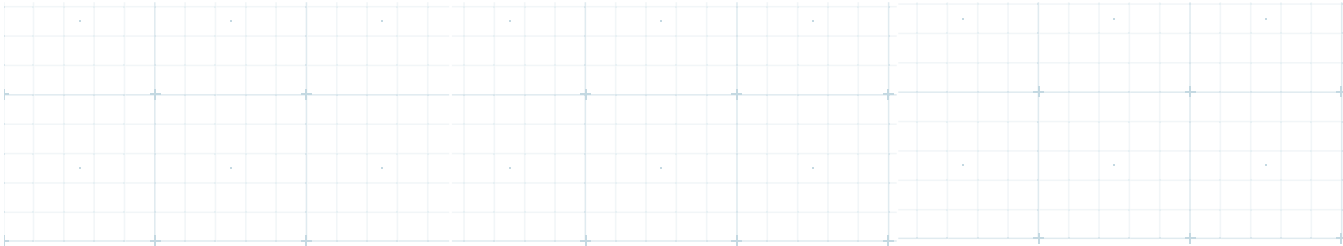
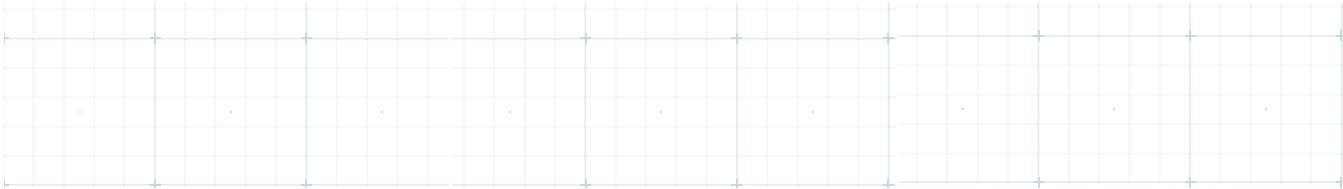
- NIL

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

**DATO' CHE NAZAHATU HISAMUDIN
BIN CHE HARON**

CHIEF EXECUTIVE OFFICER,
GROUP WELL SOLUTIONS

YEAR JOINED 19 MAY 2000



DATIN ROZITA BINTI MAT SHAH @ HASSAN
CHIEF PEOPLE OFFICER

53 | Malaysian | Female

YEAR 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 28.54% equity in the Company

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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





LEE CHEN YOW
GROUP CHIEF FINANCIAL OFFICER

47	Malaysian	Male
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YEAR JOINED : 16 November 2022

QUALIFICATIONS

- Member of Malaysian Institute of Accountants
- Member of Malaysian Institute of Certified Public Accountants

WORKING EXPERIENCE AND OCCUPATION

- 1996 to 2003 Audit Assistant and Senior 1, BDO Binder Malaysia
- 2003 to 2004 Finance Manager, Ho Hup Construction Company Berhad
- 2004 to 2006 Finance Manager, Country Heights Holdings Berhad
- 2006 to 2009 Regional Accounting Manager, Astro All Asia Networks PLC
- 2009 to 2010 Assistant Vice President - Financial Management & Reporting, Astro Entertainment
- 2010 to 2011 Group Finance Manager, Uzma Engineering Sdn Bhd
- 2011 to Present Executive Director, Base Associates Management Consulting Sdn Bhd
- 2012 to Present Director, Jubli Sepadu Sdn Bhd
- 2014 to Present Director, Thinkbridge Advisory Sdn Bhd
- 2014 to Present Independent Non-Executive Director, Dancomech Holdings Berhad
- 2022 to 2023 Acting Group Chief Financial Officer, Uzma Berhad
- 2023 to Present Group Chief Financial Officer, Uzma Berhad

Other Directorship in Public Companies and Listed Issuers:

- Independent Non-Executive Director, Dancomech Holdings Berhad

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

- NIL

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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 GROUP PRODUCTION SOLUTIONS DIVISION,
UZMA ENGINEERING SDN. BHD.

51	Malaysian	Male
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YEAR 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 2023 Chief Executive Officer, Setegap Ventures Petroleum Sdn. Bhd.
- 2023 to Present Chief Executive Officer, Group Production Solutions Uzma Engineering 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

51	Malaysian	Male
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YEAR JOINED : 16 April 2018

QUALIFICATIONS

- Bachelor of Electrical Engineering, University of Pennsylvania, United States of America
- Master in Business Administration, Universiti Utara Malaysia, Malaysia
- Doctorate in Business Administration, Universiti Utara Malaysia, Malaysia
- 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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

46	Malaysian	Female
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YEAR JOINED : 07 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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
GROUP CHIEF SUPPLY CHAIN MANAGEMENT)

54	Malaysian	Male
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YEAR 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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
GROUP CHIEF BUSINESS IMPROVEMENTS

54	Malaysian	Male
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YEAR 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 of increasing responsibility in production and project management 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 to 2017 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.
- 2017 to 2020 Executive Director, Uzma Berhad
- 2019 to 2023 Chief Executive Officer, of Late Life Assets & Decommissioning Division, Uzma Engineering Sdn.Bhd.
- 2020 to Present Chief Executive Officer, PT Uzma
- 2020 to Present Chairman of Procurement Tender Committee, Uzma Berhad
- 2021 to Present Industry Advisory Panel for Mechanical Engineering Department, University Technology Petronas
- 2022 to Present Group Chief Business Improvements, 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 or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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]

57	Malaysian	Male
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YEAR 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:

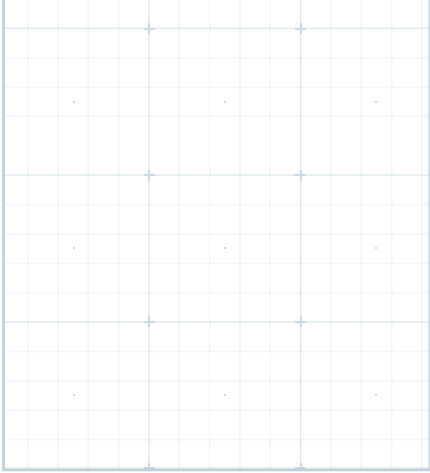
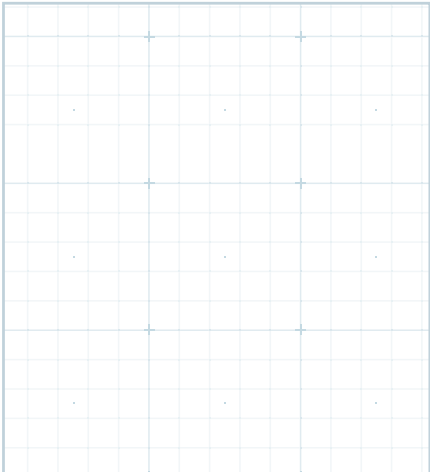
- NIL

Any Conflict of Interest or Potential Conflict of Interest, Including Interest in any Competing Business with the Listed Issuer or Its Subsidiaries

- 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



SECTION 4

OUR SUSTAINABILITY JOURNEY

Sustainability Statement



ABOUT THIS STATEMENT

Uzma Berhad (“Uzma” or “the Company”) recognises its responsibility to all stakeholders and is committed to transparently reporting its economic, environmental, social, and governance performance.

This Sustainability Statement (“Statement”) presents an overview of the Company’s sustainability approach and performance during the financial year ending on 30 June 2023 (“FY2023”). It offers insights into how we manage material sustainability risks, issues, and opportunities to create economic, environmental, and social value.

REPORTING PERIOD AND COVERAGE

The content of this Statement pertains to Financial Year 2023 (“FY2023”), covering the period from 1 July 2022 to 30 June 2023. This Statement may showcase historical statistical data for certain disclosures where appropriate to show important trend lines and ensure readers better understand the comparative performance achieved. No significant changes occurred in the Group’s leadership, ownership, or supply chain during this period.

REPORTING SCOPE AND BOUNDARIES

The Sustainability Statement for FY2023 encompasses the entire Uzma organization and its subsidiaries (collectively referred to as “Uzma Group” or “the Group”).

We report based on ‘operational control’ principles, focusing on subsidiaries, assets, offices, and activities where Uzma holds management control over policies and practices.

REPORTING FRAMEWORKS AND STANDARDS

This Sustainability Statement adheres to the Global Reporting Initiative (“GRI”) Standards: Core Option and aligns with recommendations from other sustainability disclosure guidelines, including Bursa Malaysia Securities Berhad’s Main Marketing Listing Requirements (“MMLR”) and Sustainability Reporting Guide, and the United Nations Sustainable Development Goals (“UNSDGs”).



SUSTAINABILITY GOVERNANCE

We have integrated environmental, social and governance (“ESG”) factors into our strategic decision-making processes. Department heads are responsible for identifying, assessing, and mitigating current and potential ESG risks.

The Board of Directors bears overall responsibility for sustainability, integrating ESG matters into the Group’s strategic development. ESG factors that influence value creation are included in the balanced scorecard, setting objectives, influencing behaviors, measuring performance, and determining remuneration.

REPORTING APPROACH

- This Statement summarizes Uzma Group’s sustainability performance. In defining the content, we:
- Apply GRI reporting principles of stakeholder inclusiveness, sustainability context, materiality, and completeness.
 - Consider accuracy, balance, clarity, comparability, reliability, and timeliness.

We developed the content by focusing on material topics after reviewing sustainability risks and opportunities determined through macroeconomic analysis, sustainability trends, and senior management input. Stakeholders’ views, concerns, and key expectations also influenced the materiality assessment, helping the Group realign its sustainability strategy while ensuring transparent coverage of critical topics.

ASSURANCE

The selected financial presented in this statement, also disclosed in the Financial Statements section of this Annual Report, has been audited and assured by the Group’s external auditors, Messrs. Al Jafree Salihin Kuzaimi PLT. Although non-financial data and information within this statement have not undergone external assurance, Uzma is actively exploring the possibility of obtaining external assurance for future sustainability reports.

LIMITATIONS

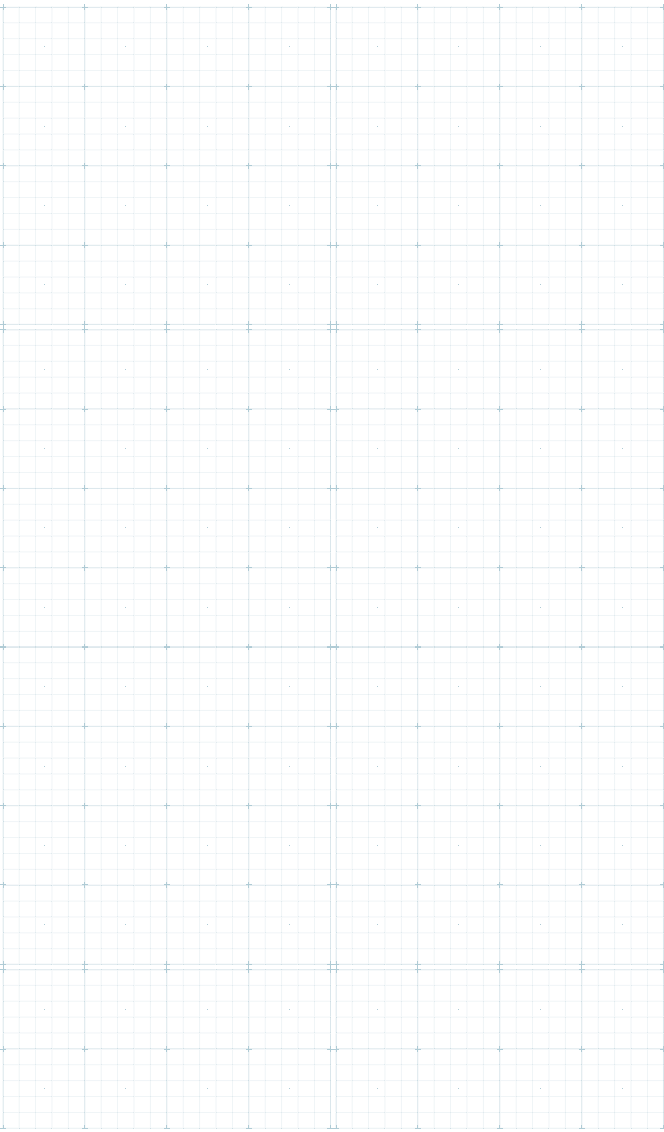
Uzma acknowledges the existence of specific challenges in collecting data for certain indicators. The Group is continually working to implement more robust data tracking and collection mechanisms to enhance future reporting.

FORWARD-LOOKING STATEMENTS

This Statement includes forward-looking statements regarding Uzma’s targets, future plans, operations, and performance. These statements are rooted in reasonable assumptions derived from current business trajectories. However, it is important to acknowledge that the Group’s business is consistently subject to risks and unforeseen events beyond our control. Consequently, readers are advised not to rely solely on these statements, as actual results may vary.

SUSTAINABILITY STATEMENT FEEDBACK

Uzma welcomes your feedback on this statement and suggestions for improving our sustainability performance. Please send your comments or questions to Group Communications at communications@uzmagroup.com.



A MESSAGE FROM THE MD/GROUP CEO

ADVANCING SUSTAINABILITY

Dear Stakeholders,

It is with great pleasure that I present to you Uzma Berhad’s (“Uzma” or “the Company”) Sustainability Statement for the Annual Report 2023. Sustainability has always been an integral part of our uzmaWAY values, and it is an honour to reflect on the progress we have made and the journey that lies ahead.

As we reflect on the past year, I am pleased to share with you an in-depth look at Uzma’s sustainability performance, achievements, and our unwavering commitment to integrating sustainability into our core business operations. This journey is one we undertake together, with the utmost dedication to strengthening our decision-making processes and ensuring resilience in the face of evolving global challenges.

In a world where addressing the climate crisis, fostering social equity, and practicing responsible governance have taken center stage, Uzma remains committed to shaping a sustainable future. We recognize the profound impact our operations have on the shared global environment, reinforcing our dedication to sustainability.

In light of the growing significance of Environmental, Social, and Governance (“ESG”) factors and mounting concerns surrounding climate change, the Board of Directors and Management of Uzma are intensifying our focus on managing these risks and are committed to formulating robust ESG strategies. These strategies will not only secure our long-term sustainability but also bolster our resilience in an ever-changing business landscape.

In FY2023, we made significant strides by aligning ourselves with the United Nations Sustainable Development Goals (“UNSDGs”) and the Global Reporting Initiative (“GRI”). Looking ahead to FY2024, we will be aligning with the Task Force on Climate-Related Financial Disclosures (“TCFD”) disclosure requirements. We will also undertake a comprehensive materiality assessment to re-evaluate our ESG risks, taking into account changing regulatory requirements.

One of key commitments in FY2024 is formalizing targets in emissions management. This step will play a pivotal role in supporting Malaysia’s emissions reduction aspirations and aligning with our strategic stakeholder, PETRONAS’ Net Zero pathway. To this end, we are actively exploring new technologies and best practices to enhance our energy efficiency and contribute to our collective goals.

At Uzma, we understand the importance of nurturing the competencies and expertise of our employees. This is why we continue to prioritize training and development. In FY2023, we recorded a remarkable 21,444 hours and invested RM1.92 million in comprehensive talent training programs. These efforts are vital in cultivating a future-ready workforce, capable of adapting and innovating in our dynamic industry.

Our commitment to occupational health and safety remains unwavering, reflected in our comprehensive safety programs, employee training initiatives, and workplace wellness strategies. These efforts were pivotal in achieving zero fatalities and Lost Time Incidents (“LTI”) in FY2023, accumulating to an impressive 7.1 million man-hours as of June 2023. Further details on our sustainability performance can be found within this statement.

In line with our dedication to enhancing our organization’s capabilities, we are committed to championing diversity, equity, and inclusion. These principles are the foundation of our commitment to good governance and ethical conduct, fostering a workplace culture that values the unique contributions of every individual.

Uzma’s strong corporate governance structure, anti-corruption measures, and internal controls continue to ensure transparency, accountability, and compliance with all applicable laws, regulations, and industry standards.

Looking ahead, our focus remains on delivering enduring value for all our stakeholders. We firmly believe that responsible ESG management is the key to achieving our business targets in the short, medium, and long-term.

Our journey towards creating value and sustainability is an ongoing one. We will persist in our efforts to innovate, collaborate, and explore new opportunities to drive sustainable value creation, all with the aim of building a better future for everyone.

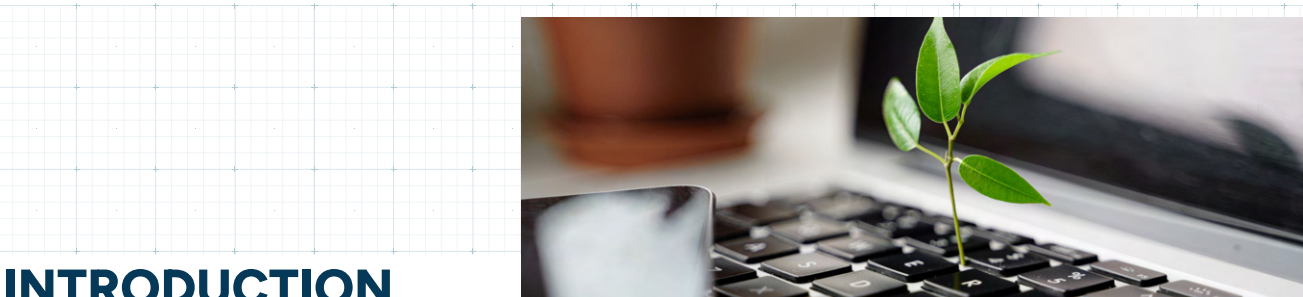
This Sustainability Statement reflects the collective dedication of our team, and we invite you to explore our comprehensive approach to sustainability in the following pages. I extend my heartfelt appreciation to our employees, partners, and stakeholders for their invaluable contributions and support in our sustainability journey. Together, we will create a lasting impact and contribute to a more sustainable and prosperous world.

Thank you for your unwavering support.

Dato’ Kamarul Redzuan B. Muhamed
Managing Director/Group Chief Executive Officer (“MD/GCEO”) of Uzma Berhad

HIGHLIGHTS OF SUSTAINABILITY PERFORMANCE IN FY2023





INTRODUCTION

At Uzma, we are dedicated to delivering value, fostering sustainable practices, and addressing the world’s pressing economic, environmental, and social challenges. This Statement provides an overview of our dedication to sustainability and our efforts throughout the financial year ending on 30 June 2023 (“FY2023”). We believe that through responsible business conduct and strategic sustainability initiatives, we can make a positive impact on our stakeholders and contribute to a brighter, more sustainable future.

Uzma’s vision is to become a sustainable energy and technology company. Fostering shared economic value within our culture is paramount to us. Our objective is to contribute to meeting the world’s energy demands and addressing contemporary global challenges, including climate change, while simultaneously creating value for all stakeholders.

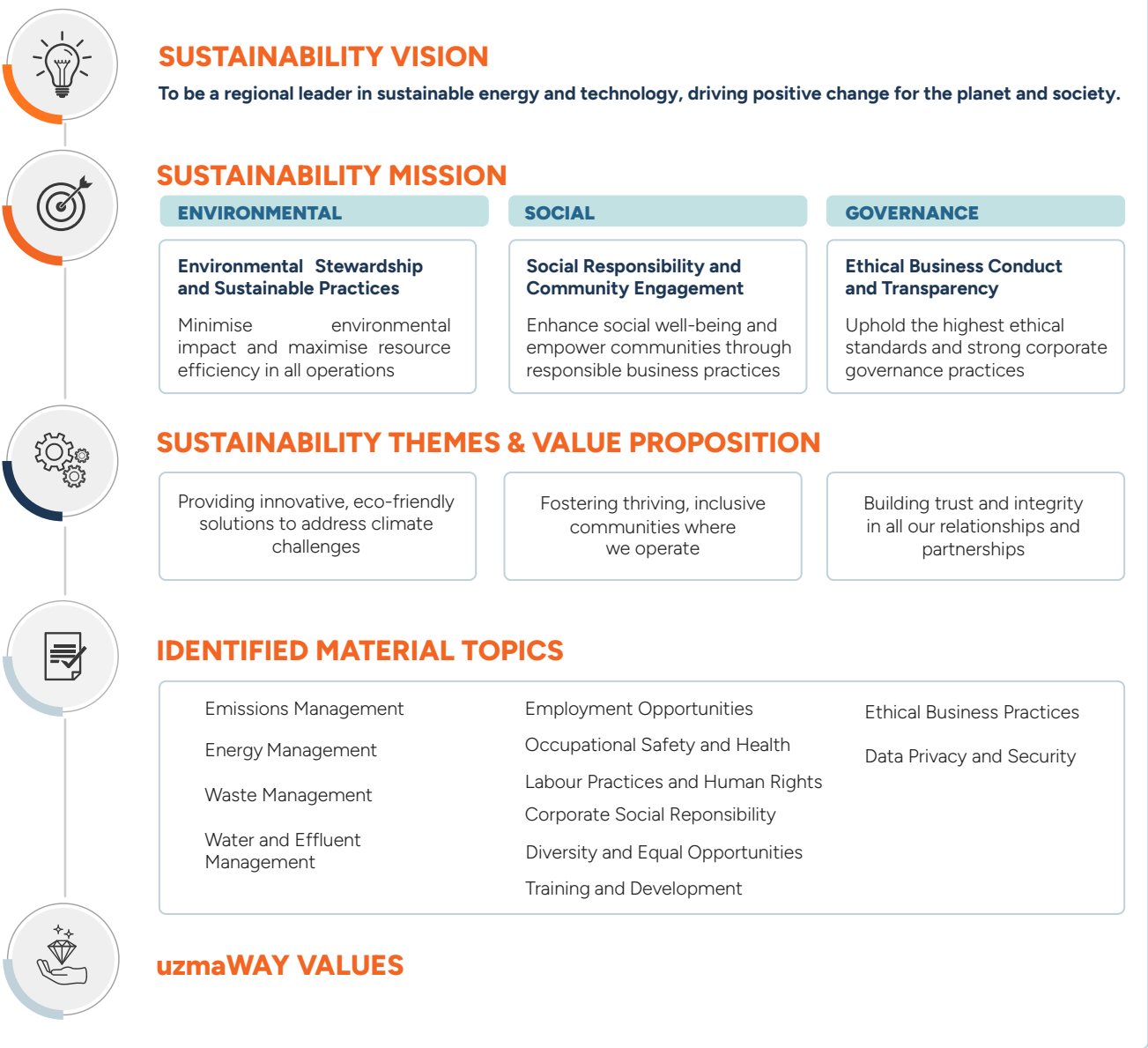


FIGURE 1: UZMA’S SUSTAINABILITY FRAMEWORK

We integrate sustainable business practices, corporate citizenship, and environmental stewardship into our long-term strategy and day-to-day operations. Furthermore, we are committed to reducing our operational carbon emissions. Our uzmaWAY core values serve as the foundation for our sustainability journey, aligning with the vision, shared principles, and commitments of the United Nations Sustainable Development Goals (“UNSDGs”).

SUSTAINABILITY ACROSS OUR OPERATIONS

Uzma is dedicated to delivering sustainable value for all stakeholders in a safe, secure, and socially responsible manner. This commitment is achieved by:

- Reducing the environmental footprint throughout the lifecycle of our developments; and
- Generating social and economic benefits for individuals connected to our business operations, in alignment with Uzma’s shared values.

Uzma’s integration of sustainability extends across the business on three distinct levels:

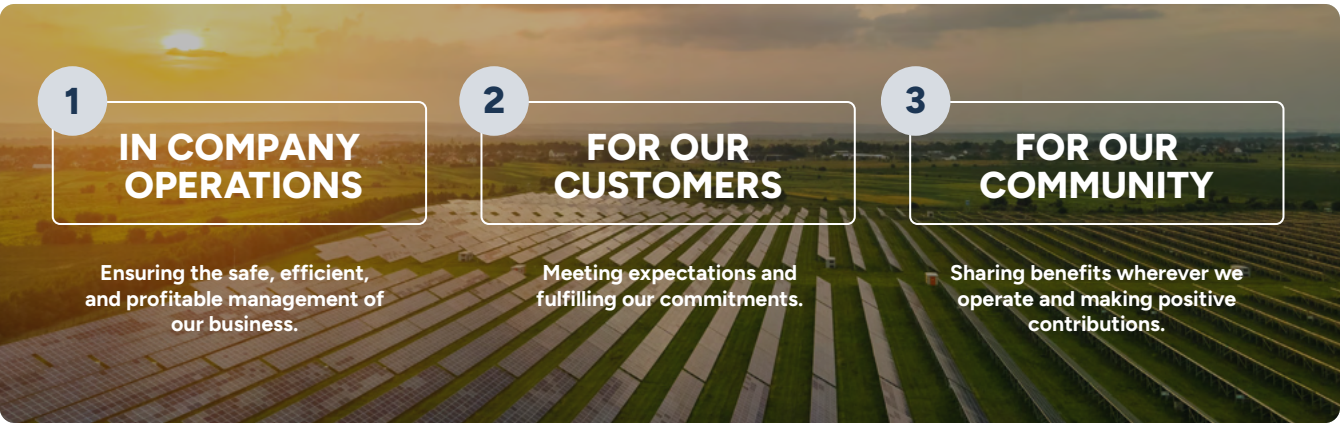


FIGURE 2: CORE PILLARS OF OUR COMMITMENT

SUSTAINABILITY GOVERNANCE

Uzma’s sustainability governance structure, in alignment with the Malaysian Code on Corporate Governance (“MCCG”), upholds three key principles of good governance.

These principles are founded on sound corporate values and have been seamlessly integrated into Uzma’s economic, environmental, social, and governance practices to effectively address material issues. The Group consistently complies with the MCCG guidelines, as detailed in Uzma’s Corporate Governance Overview Statement, which is available in this Annual Report.

GOVERNANCE STRUCTURE

A robust governance structure is the cornerstone of Uzma’s commitment to sustainable practices and responsible operations. It serves as the linchpin for driving programs designed to meet the sustainability goals set for FY2023. Uzma’s governance framework is a well-orchestrated system where each component plays a vital role in steering the company towards sustainability. At the helm of Uzma’s governance structure is the Board of Directors, tasked with the overarching responsibility of providing leadership and strategic direction. The Board formulates Uzma’s corporate strategy, ensuring it incorporates the essential considerations of our material sustainability matters.

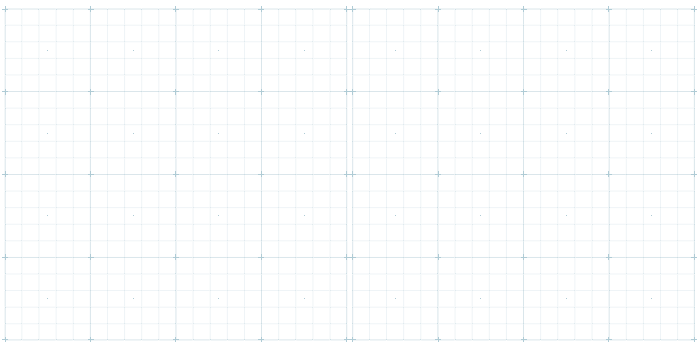


FIGURE 3: UZMA’S PRINCIPLES OF GOOD GOVERNANCE IN SUSTAINABILITY



In tandem with the Board’s leadership, Uzma’s senior management takes charge of the development, coordination, and execution of our sustainability strategy, ensuring its comprehensive integration throughout the organization. This top-tier leadership oversees the alignment of sustainability initiatives across various functional areas, promoting transparent, end-to-end management. In doing so, they enable operational management to seamlessly implement sustainability objectives into their day-to-day activities. This collaborative approach within Uzma’s governance structure is instrumental in executing our sustainability goals, making the vision of sustainable and responsible business practices a reality.

Uzma’s commitment to sustainability is deeply embedded in the fabric of the organization, guided by a governance structure that ensures the alignment of strategic intent with practical execution. The governance framework, spearheaded by the Board of Directors and senior management, forms a robust foundation upon which Uzma continues its journey towards a sustainable and responsible future.

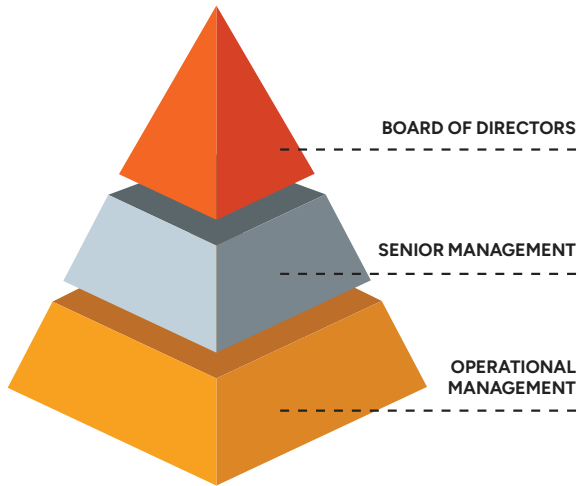


FIGURE 4: UZMA’S SUSTAINABILITY GOVERNANCE STRUCTURE

GOVERNANCE ROLES AND RESPONSIBILITIES

BOARD OF DIRECTORS

Ultimate Oversight

- Set the strategic direction for Uzma, taking into account material sustainability matters.
- Ensure alignment of corporate strategy with sustainability goals.
- Review and approve sustainability-related policies and initiatives.
- Monitor and report on the company’s overall sustainability performance.
- Establish clear accountability for sustainability within the organization.
- Engage with stakeholders on sustainability issues.

SENIOR MANAGEMENT

Strategy Development and Implementation

- Develop, coordinate, and implement Uzma’s sustainability strategy.
- Embed sustainability into all facets of the organization’s operations.
- Ensure cross-functional alignment of sustainability initiatives.
- Monitor and report on sustainability performance to the Board and stakeholders.
- Engage with operational management to execute sustainability goals.
- Identify opportunities for innovation and improvement in sustainability practices.

OPERATIONAL MANAGEMENT

Execution and Integration

- Execute sustainability goals and initiatives within day-to-day operational activities.
- Collaborate with Senior Management to ensure alignment with sustainability objectives.
- Report progress on sustainability targets to Senior Management.
- Identify and address sustainability-related challenges within specific operations.
- Implement sustainable practices and initiatives at the operational level.
- Engage with employees and teams to promote sustainability awareness and best practices.

TABLE 1: ROLES AND RESPONSIBILITIES IN UZMA’S SUSTAINABILITY GOVERNANCE STRUCTURE

These roles and responsibilities within Uzma’s sustainability governance structure are designed to promote transparency, accountability, and continuous improvement in the company’s sustainability efforts. The Board of Directors provides strategic direction and oversight, senior management drives strategy, and operational management ensures execution, integration, and continuous improvement of sustainability practices throughout the organization. This collaborative approach is essential to achieving Uzma’s sustainability goals and fostering responsible business practices.

INTEGRATING SUSTAINABILITY CONSIDERATIONS INTO RISK MANAGEMENT

In recent years, the landscape of corporate decision-making has witnessed a fundamental shift, with sustainability matters taking center stage during high-level discussions, particularly at the Board level. This shift is rooted in the recognition that sustainability factors have a profound and lasting impact on the Group’s ability to create long-term value. At Uzma, we understand that sustainable practices are not just a moral imperative but a strategic necessity, shaping the way we conduct our business.

In our continuous pursuit of excellence, FY2024 will mark a significant milestone as we embark on the establishment of the Board Risk and Sustainability Management Committee (“BRSMC”). The primary purpose of BRSMC is to orchestrate the development and implementation of a robust risk management framework, an efficient internal control system, and a comprehensive sustainability strategy. With the formation of BRSMC, we aim to assess and recommend to the Board acceptable levels of risk, considering the interplay between traditional risk factors and the emerging landscape of sustainability risks.

Uzma’s commitment to sustainability extends beyond rhetoric. As we move forward, we are resolute in our decision to seamlessly incorporate sustainability considerations into our risk management framework. This integration is designed to provide a more holistic view of risk, ensuring that we not only assess the potential impact of sustainability matters but also gauge the likelihood of such events occurring. By giving sustainability factors the prominence they deserve, we aim to provide vital guidance to the Board and Management in shaping Uzma’s strategic plans and priorities. These considerations will influence our decision-making processes, steering us toward a future where sustainability and profitability coexist harmoniously, cementing Uzma’s position as a responsible and forward-thinking industry leader.



STAKEHOLDER ENGAGEMENT



Stakeholder communication and engagement are central to Uzma’s commitment to maintaining its reputation as a trustworthy and responsible business entity. The Group is dedicated to nurturing long-lasting relationships with stakeholders and creating non-financial ESG value. To achieve this, Uzma actively seeks and acts upon valuable feedback on material matters, allowing for the continual refinement of its sustainability approach.

Stakeholders include individuals and entities directly influenced by Uzma’s business strategies and operations, as well as those with the potential to impact the Group. Through consistent two-way communication, Uzma keeps an open dialogue with stakeholders, enabling the development, implementation, and oversight of tailored solutions to manage their expectations and concerns effectively.

Establishing mutual relationships with stakeholders is of paramount importance, viewing them as essential partners. Uzma actively engages with various stakeholder groups, including employees, customers, shareholders, investors, regulators, authorities, vendors, suppliers, and the media. These relationships are built on honesty, transparency, and a long-term commitment, ensuring the company’s ongoing success is contingent upon understanding and meeting stakeholder expectations. The table below provides a concise overview of key stakeholder categories and Uzma’s approach to stakeholder engagement.

Stakeholder Groups	Our Commitment	Method of Engagment	Areas Of Interest
Employees	We are committed to maintaining a safe, inclusive, and engaging work environment where employees and motivated to thrive. We prioritize their physical and mental well-being, career growth, and professional development. Employees are vital contributors to our success, and we are dedicated to fostering their satisfaction and overall job experience.	<ul style="list-style-type: none">Employee onboarding programmeRegular staff meetings and feedback mechanismsEmployee surveys to gauge satisfaction and identify areas for improvementTraining and development programsTown hall meetingsFestive celebrations and staff gatheringsInternal communication for updates and information sharingPerformance reviews and goal-setting sessionsEngagement in CSR activitiesManagement site visits and interaction	<ul style="list-style-type: none">Workplace health and safetyProfessional growth and developmentWork-life balanceCareer opportunities and advancementEmployee satisfaction and engagementCommunication and feedback mechanismsEthical business practicesCommunity involvement and CSR initiativesRelationship with management and leadership

Stakeholder Groups	Our Commitment	Method of Engagment	Areas Of Interest
Board of Directors	We are dedicated to ensuring strong corporate governance and transparent operations. We aim to provide the Board of Directors with comprehensive and accurate information. The Board plays a crucial role in overseeing and guiding our business strategy.	<ul style="list-style-type: none">Regular Board meetings and updatesStrategy and performance presentations to the BoardParticipation in Annual General MeetingCollaboration on strategic planning and decision-makingAnnual performance evaluations and reviews	<ul style="list-style-type: none">Corporate strategy and long-term planningFinancial performance and accountabilityRegulatory compliance and governanceRisk management and mitigationTransparency in reporting and communicationStrategic objectives and goalsStakeholder engagement and relationshipsSustainable and ethical business practices
Clients	We are committed to delivering high-quality products and services that meet our clients’ needs and expectations. We aim to build lasting, mutually beneficial relationships with our clients. We prioritize transparency, reliability, and exceptional customer service.	<ul style="list-style-type: none">Regular meetings with clients to discuss projects and performanceOngoing communication channels, including email and phone supportFeedback and satisfaction surveysParticipation in industry events and exhibitionsCustomized solutions and tailored service offeringsQuality certification auditsRegulatory site visits and audits	<ul style="list-style-type: none">Business growthProject delivery, quality and efficiencyTimely and responsive customer serviceInnovative solutions and technologyHealth, safety and environmental considerationsLong-term partnerships and collaborationEthical business practices and sustainability
Investors & Shareholders	We are committed to delivering value to our investors and shareholders through consistent growth and financial performance. We prioritize transparency, accountability, and adherence to corporate governance standards. We aim to provide timely and accurate financial information.	<ul style="list-style-type: none">Annual and quarterly financial reports and investor presentationsAnnual and quarterly results briefingsAnnual General Meeting (“AGM”)Announcements to Bursa Malaysia’sUpdates on Investor Relations section of the Company’s websitePress release and media coverageShareholder feedback surveys and channels for questions and concerns	<ul style="list-style-type: none">Financial performance and returns on investmentsCorporate governance and adherence to regulatory requirementsStrategic direction and business outlookRisk management and mitigation strategiesSustainable business practices and ESG performanceInnovation and growth opportunitiesEthical and responsible corporate behavior



Stakeholder Groups	Our Commitment	Method of Engagment	Areas Of Interest
Financial Institutions	We are dedicated to maintaining financial integrity and transparency in all our operations with financial institutions. We commit to fulfilling financial obligations and responsibilities diligently.	<ul style="list-style-type: none">• Annual and quarterly financial reports• Annual General Meeting• Discussions and consultations with financial institutions to address financial matters	<ul style="list-style-type: none">• Financial agreements• Financial compliance to regulations, standards and requirements• Financial stability
Government & Regulatory Authorities	We are committed to strict adherence to all relevant laws, regulations, and industry standards. We actively collaborate with government and regulatory authorities to ensure compliance and promote a culture of governance and transparency.	<ul style="list-style-type: none">• Regular reporting – financial reporting, safety compliance, and environmental impact assessments• Formal and informal meetings to discuss industry-specific issues, address concerns, and seek guidance on compliance• Contribute industry knowledge and expertise to help shape policies• Written and email communications	<ul style="list-style-type: none">• Compliance to regulatory requirements• Safety and environmental compliance• Industry advancement• Government initiatives
Local Communities	We are committed to actively engaging with local communities where we operate. We aim to contribute positively to the well-being and development of these communities by identifying their needs and collaborating with them on various initiatives.	<ul style="list-style-type: none">• Corporate social responsibility (“CSR”) initiatives• Addressing specific community needs	<ul style="list-style-type: none">• Overall development of the local community related to education, healthcare, infrastructure, and livelihood opportunities• Environmental projects that promote sustainable practices and protect local ecosystems• Preserving local culture and heritage• Address health and safety concerns
Vendors & Suppliers	We are committed to building strong, mutually beneficial relationships with our vendors and suppliers. We aim to foster transparency, trust, and fairness in all our interactions. We acknowledge the significance of our vendors and suppliers in achieving our sustainability goals.	<ul style="list-style-type: none">• Regular communication through meetings, emails, and calls• Collaboration on joint initiatives, innovation, and problem-solving• Vendor performance assessments and feedback sessions• Compliance with our Vendor Code of Conduct and ethical sourcing practices• Participating in industry-specific events and forums• Providing timely payments and ensuring a fair and transparent procurement process	<ul style="list-style-type: none">• Quality and reliability of products and services• Adherence to Uzma’s sustainability and ethical standards• Continuous improvement in cost-effectiveness and operational efficiency• Open dialogue for addressing concerns and resolving issues• Mutual growth and development opportunities• Supply chain sustainability and environmental impact• Technological advancements and innovation• Regulatory compliance and safety standards

Stakeholder Groups	Our Commitment	Method of Engagement	Areas Of Interest
Analysts & Media	We are committed to providing accurate, timely, and transparent information to analysts and media professionals. We aim to facilitate a clear understanding of our business, strategies, and performance. We recognize the importance of a positive and constructive relationship with analysts and media to enhance our reputation.	<ul style="list-style-type: none">• Regular briefings, interviews, and meetings with industry analysts• Distribution of press releases, corporate updates, and relevant reports• Active engagement through social media platforms and official website• Responding to media inquiries and providing access to key spokespersons	<ul style="list-style-type: none">• Financial performance and results analysis• Business strategy, market positioning, and growth prospects• Operational updates, including project developments and milestones• Industry insights, trends, and competitive analysis• ESG and sustainability initiatives and performance• Regulatory compliance and corporate governance practices• Technology innovations and research and development• Corporate social responsibility and community involvement

TABLE 2: UZMA’S STAKEHOLDER ENGAGEMENT OVERVIEW

STAKEHOLDER PRIORITIZATION MATRIX

At Uzma, we recognize the importance of engaging with our diverse range of stakeholders to foster transparency, trust, and collaboration. To effectively manage our engagement efforts, we have established a stakeholder prioritization matrix, which guides our interactions with various stakeholder groups. This matrix helps us identify and prioritize stakeholders based on their level of influence and impact on our operations, as well as the significance of our operations to them. By using this matrix, we ensure that our engagement strategies are tailored to the unique needs and expectations of each stakeholder group, allowing us to build stronger, more meaningful relationships and create shared value.

It is worth noting that there have been no alterations to our stakeholders’ prioritization matrix since FY2020. In FY2023, Uzma continued to foster and fortify its relationship with all stakeholders, further solidifying collaborations and partnerships. This commitment to stakeholder engagement underscores Uzma’s unwavering dedication to sustainable business practices.

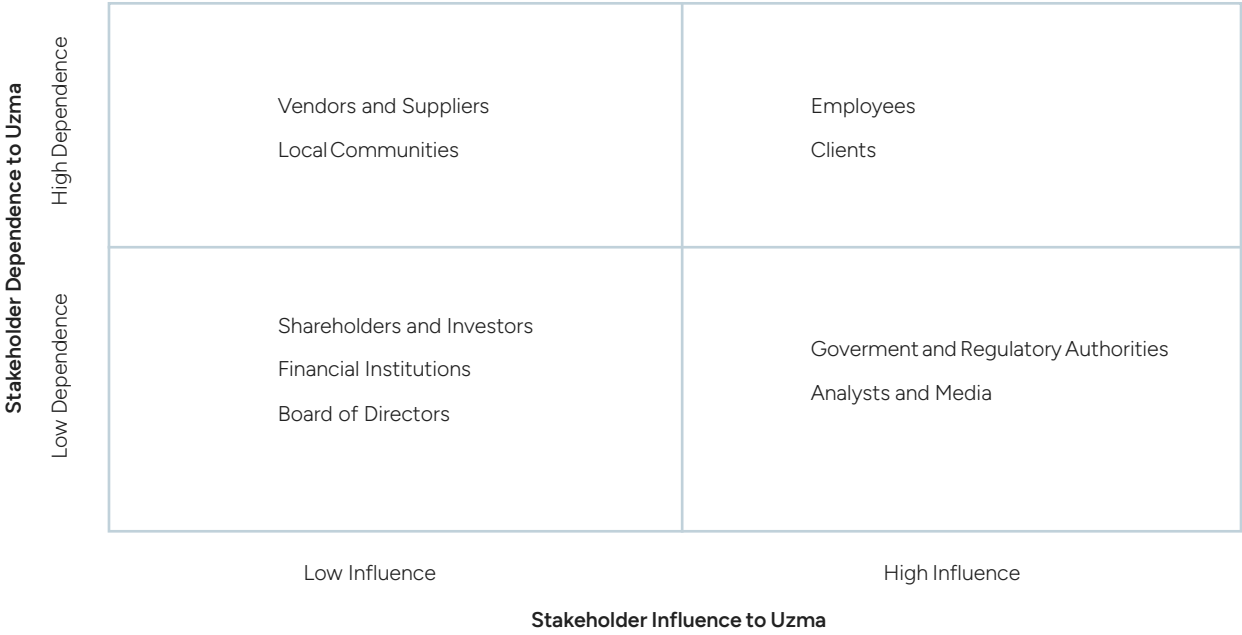


FIGURE 5: UZMA’S STAKEHOLDER PRIORITIZATION MATRIX



UZMA’S ACTIVE ENGAGEMENT IN INDUSTRY ASSOCIATIONS AND COLLABORATIVE INITIATIVES

Uzma has long-standing and active memberships in a diverse array of associations, professional bodies, universities, and trade events within the energy and technology sector. Our commitment to these marketplace engagements underscores our dedication to staying well-informed about the ever-evolving industry landscape. It enables us to not only keep our finger on the pulse of the latest advancements but also actively participate in discussions and collaborative initiatives that aim to address some of the most pressing and emerging challenges facing our sector. Through these engagements, we contribute our expertise and insights to help shape the industry's future, all while raising the bar on sustainability practices. We believe that such collective efforts are instrumental in forging a sustainable, resilient, and forward-thinking path for our industry.



The Malaysian Oil & Gas Services Council (“MOGSC”)

Uzma proudly holds membership in MOGSC, an instrumental and unifying force dedicated to advancing the growth, competitiveness, and sustainability of the Malaysian oil and gas services sector. Actively engaged in MOGSC's initiatives, Uzma consistently participates in the council's diverse range of events and activities.



Malaysia Petroleum Resources Corporation (“MPRC”)

MPRC holds a central position in driving the expansion and progression of Malaysia's oil and gas services and equipment (“OGSE”) industry. At Uzma, we recognize the significance of MPRC's contributions and actively engage in the corporation's events and workshops, with our Managing Director and Group CEO playing a dynamic role in these initiatives.



Malaysian Industry-Government Group for High Technology (“MIGHT”)

MIGHT's paramount objective is to establish Malaysia as a leading high-technology hub, nurturing economic growth, enhancing competitiveness, and driving innovation across diverse sectors. The organization serves as a dynamic catalyst, propelling the development and widespread adoption of state-of-the-art technologies and solutions. This, in turn, significantly contributes to Malaysia's technological progress and bolsters the nation's global competitiveness. Uzma, in alignment with this vision, enthusiastically engages in MIGHT's events and multiple formal collaborations, actively participating in initiatives that shape the future of high technology in the country.



Malaysian Gas Association (“MGA”)

Uzma is proud to be a new member of the MGA, a key organization at the heart of Malaysia's natural gas industry. MGA assumes a central role in championing the growth of the sector, overseeing safety and compliance standards, promoting sustainability, and facilitating valuable collaboration and knowledge exchange among industry stakeholders.



Universiti Teknologi Petronas (“UTP”)

Uzma has established a strategic partnership with UTP to collaboratively engage in cutting-edge research and development initiatives. At times, our MD/GCEO advice the university, offering valuable insights and expertise. Furthermore, Uzma is dedicated to supporting UTP's various events and student-driven initiatives, reinforcing our commitment to fostering a dynamic and mutually beneficial relationship with this esteemed institution.



Universiti Malaysia Terengganu (“UMT”)

Since 2017, Uzma has forged a collaborative partnership with UMT on a remarkable underwater archaeological research project. This collaborative effort is driven by our shared commitment to preserving history and uncovering the past. Notably, the project has yielded significant discoveries, including the recovery and preservation of ceramic artifacts from a shipwreck site located off the shores of Pulau Bidong, Terengganu. This invaluable endeavour not only safeguards our historical heritage but also sheds light on the maritime history of the region, bridging the gap between the past and the present.

TABLE 3: UZMA’S PARTICIPATION AND CONTRIBUTIONS WITH INDUSTRY ASSOCIATIONS

MATERIAL MATTERS

Uzma's current materiality topics are guided by domestic and international best practices, as well as internal perspectives and important stakeholder insights from various engagement and communication initiatives. In embedding our sustainability agenda in all aspects of our business, we take into consideration the Economic, Environmental, Social, and Governance 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	GOVERNANCE
WHAT IT MEANS TO US	Optimizing our profitability to support long-term growth, innovation, and value creation. We focus on fostering economic stability by prioritizing sound financial practices, ensuring the well-being of our employees, and generating returns for our shareholders. Economic sustainability empowers us to invest in the future and continue delivering quality solutions to our clients and partners.	Minimizing our ecological footprint by adopting eco-friendly practices, reducing emissions, conserving resources, and implementing sustainable technologies. We work to preserve natural habitats, reduce waste, and promote biodiversity. Our aim is to mitigate environmental impact and promote a harmonious coexistence between our operations and the ecosystems we interact with.	Fostering inclusive workplaces, promoting diversity, and prioritizing employee health and well-being. We actively engage with the communities where we operate, supporting social development initiatives and philanthropic efforts. Our commitment to social sustainability extends to safety, ethics, and ensuring our stakeholders feel valued and respected.	Upholding the highest standards of integrity, transparency, and accountability. We ensure that our operations adhere to laws, regulations, and best practices. Governance sustainability is pivotal to fostering trust, both within our organization and among our stakeholders, and we continually strive to enhance our governance processes and practices.
SUSTAINABILITY ASPECTS	<ul style="list-style-type: none">• Economic Performance• Supply Chain Management	<ul style="list-style-type: none">• Emissions Management• Energy Management• Waste Management• Water and Effluent Management	<ul style="list-style-type: none">• Employment Opportunities• Occupational Safety and Health• Labour Practices and Human Rights• Corporate Social Responsibility• Diversity and Equal Opportunities• Training and Development	<ul style="list-style-type: none">• Ethical Business Practices• Data Privacy and Security

TABLE 4: SUSTAINABILITY MATTERS AND THEIR SIGNIFICANCE TO UZMA



MATERIALITY MATRIX

Uzma's Materiality Matrix is a comprehensive framework that categorizes sustainability matters based on their impact on the organization and their influence on stakeholder assessment and decisions. This matrix considers four key pillars: Economic, Environmental, Social, and Governance. By evaluating these material matters along a spectrum from low to high impact on Uzma and low to high influence on stakeholders, we gain a clear understanding of which aspects are of utmost importance to both our operations and our stakeholders. This strategic approach guides our sustainability initiatives and ensures that we focus our efforts on the issues that matter most to our business and our community. It enables us to be more proactive in addressing challenges and opportunities in each of these critical areas.

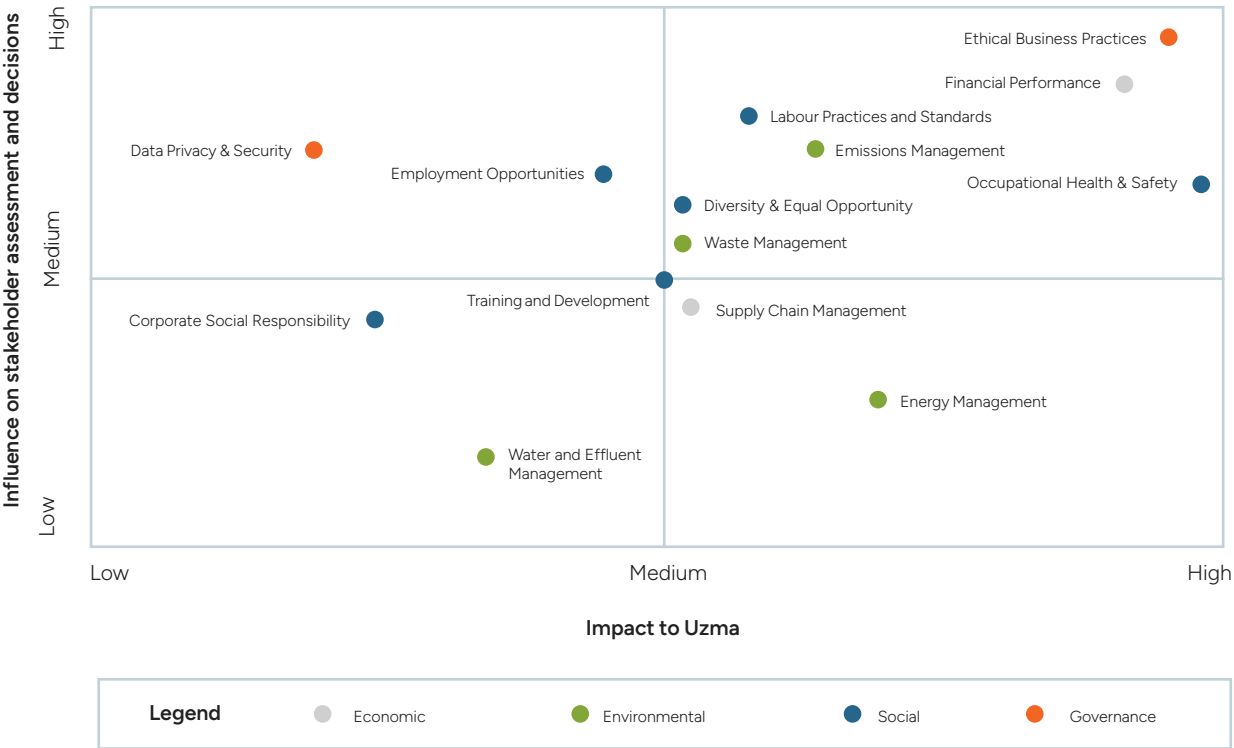


FIGURE 6: UZMA'S MATERIALITY MATRIX



ALIGNMENT WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOAL (“UNSDG”)

The 17 United Nations Sustainable Development Goals (“UNSDGs”) form the foundation of the 2030 Agenda for Sustainable Development to end poverty, fight inequality and injustice, and tackle climate change by 2030. The UNSDGs provide a blueprint for human progress and a clear call to action for businesses to contribute to a better future. Uzma is firmly aligned with the UNSDGs and remains dedicated to actively contributing to their framework to enhance sustainable initiatives. Furthermore, the Group extends an invitation to all its business partners to collaborate in achieving these goals.

We have identified eight (8) specific UNSDGs that significantly impact our sustainability strategy, where we believe our contributions can make the most significant impact in these areas.



Ensure health lives and promote well-being for all at all ages

Commitment:

- Commit to reducing our greenhouse gas emissions and mitigating climate change impacts.
- Promote health and well-being initiatives among our employees and their families.
- Support healthcare access and initiatives in the communities where we operate.



Achieve gender equality and empower all women and girls

Commitment:

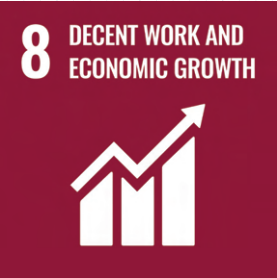
- Commit to gender diversity and equality in our workforce.
- Implement policies and practices that support women’s empowerment and leadership within the company.
- Support women’s empowerment initiatives in the communities we serve.



Ensure access to affordable, reliable, sustainable, and modern energy for all

Commitment:

- Commit to increasing energy efficiency within our operations.
- Invest in and promote the use of renewable and clean energy sources.
- Collaborate with partners to improve access to affordable and clean energy in underserved communities.



Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

Commitment:

- Commit to creating employment opportunities and providing decent work conditions.
- Support skills development and training for our employees.
- Contribute to local economic growth through our business operations.



<div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div>	<div><div>Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</div><div><div>Commitment:</div><div><ul style="list-style-type: none">Commit to adopting innovative and sustainable technologies in our operations.Support research and development to enhance our industry's sustainability.Invest in infrastructure development that benefits both our business and the communities where we operate in.</div></div></div>
<div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div>	<div><div>Ensure sustainable consumption and production patterns</div><div><div>Commitment:</div><div><ul style="list-style-type: none">Commit to reducing waste and improving resource efficiency.Promote responsible consumption practices among our employees and customers.Consider product life cycles and environmental impact in our product development.</div></div></div>
<div><div>13</div><div>CLIMATE ACTION</div><div></div></div>	<div><div>Take urgent action to combat climate change and its impacts</div><div><div>Commitment:</div><div><ul style="list-style-type: none">Commit to reducing our greenhouse gas emissions and mitigating climate change impacts.Promote climate resilience in our operations and communities.Advocate for climate action and collaborate with partners to address climate-related challenges.</div></div></div>
<div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div>	<div><div>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels</div><div><div>Commitment:</div><div><ul style="list-style-type: none">Commit to ethical and transparent business practices.Promote the rule of law, justice, and strong governance in the communities where we operate.</div></div></div>

TABLE 5: UZMA’S COMMITMENT IN ALIGNMENT WITH THE UNSDGs

In FY2023, Uzma's journey was marked by these contributions, reaffirming its commitment to the UNSDGs and the broader cause of sustainable development.

ECONOMIC

The Economic pillar of Uzma’s Sustainability Framework encompasses our commitment to optimizing profitability to support long-term growth, innovation, and value creation. We prioritize sound financial practices, ensuring the well-being of our employees, and generating returns for our shareholders. By fostering economic stability, we empower ourselves to invest in the future and continue delivering quality solutions to our clients and partners. Our Economic sustainability initiatives aim to drive sustainable growth, innovation, and financial success while upholding our core values and ethical standards.

ECONOMIC PERFORMANCE

At Uzma, we embrace our responsibility to fortify local and regional economies. As a crucial player in the global energy and technology infrastructure, we are dedicated to breaking down barriers to accessible, clean, and affordable energy solutions for communities worldwide.

Uzma's fiscal year report for the year shows not just strong revenue growth but a year-on-year variance of 25%, with a substantial RM474 million in revenue. Furthermore, our commitment to delivering outstanding financial results is reflected in our RM38 million in Profit After Tax and an astonishing 479% year-on-year variance. This financial success is not an isolated achievement, as we also delivered RM93 million in Adjusted EBITDA, demonstrating a consistent commitment to sustainable profitability.

Moreover, our Total Assets and Total Equity showcased their robust financial performance with year-on-year variances of 2% and 7%, respectively. These figures not only reflect the strong financial foundation on which Uzma stands but also our commitment to long-term value creation and stability. Our dedication to financial excellence has resulted in an impressive 1051% year-on-year variance in Basic Earnings Per Ordinary Share, reaching an outstanding 9.55 sen.

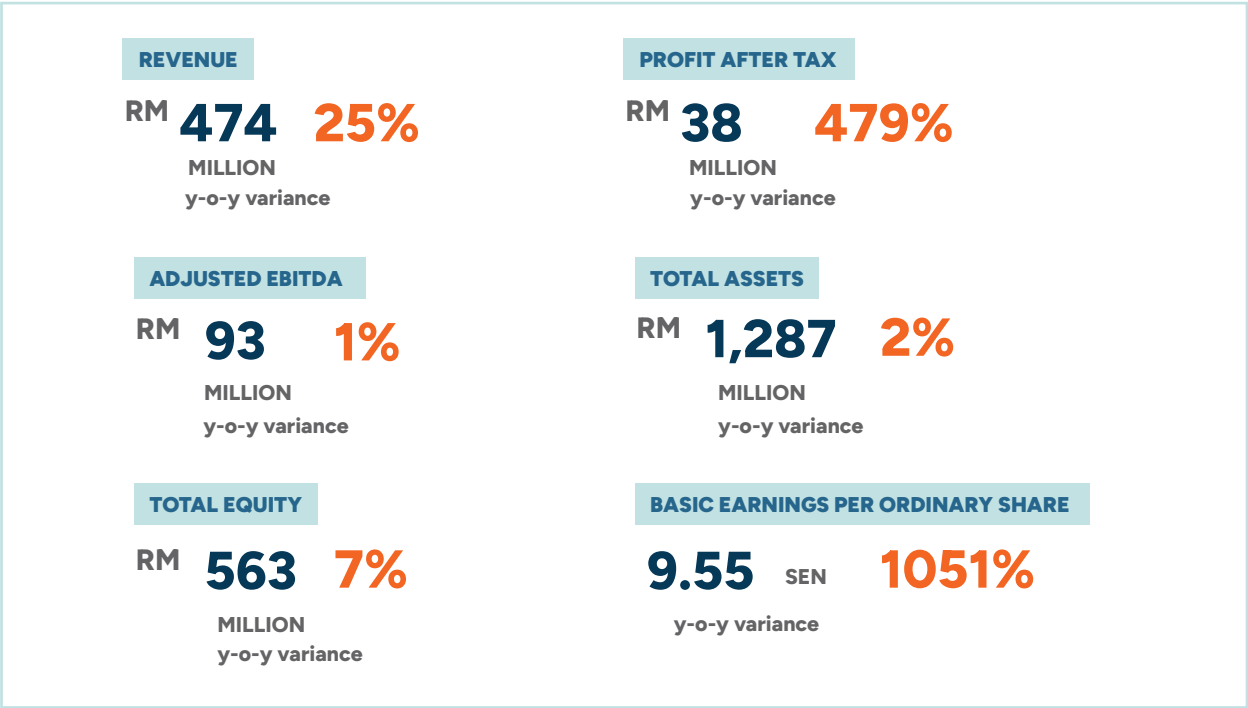


FIGURE 7: FINANCIAL PERFORMANCE HIGHLIGHTS

Remarkably, Uzma's economic performance remained resilient, despite the external operational complexities stemming from geopolitical conflicts in Europe, global oil price volatility, and the prevailing challenges of inflation worldwide. This steadfast commitment to financial excellence and sustainable growth underscores our dedication to consistently delivering value to our stakeholders and ensuring a strong and prosperous future for Uzma and the industries we serve.

For a comprehensive overview of the Group's business and financial performance, please refer to the Management and Discussion Analysis section on page 43 of this report.



SUPPLY CHAIN MANAGEMENT

Group Supply Chain Management Policy

Our commitment to excellence in supply chain management is unwavering, and we uphold this through our dedicated Group Supply Chain Management Policy. This policy serves as the guiding framework for all activities encompassing the supply chain and logistics within our organization. At every step, from processing procurement requests to the selection of bidders, bidding, evaluation, inventory management, and warehouse oversight, we adhere to the most stringent principles and standards of procurement practices. Our commitment to quality extends to compliance with the ISO 9001: 2015 and API Q2 Quality Management System ("QMS") requirements, ensuring that our supply chain activities are not only efficient but also meet the highest industry standards. Furthermore, our division's forward-looking approach includes the establishment of a new cost control and contract management department. With this initiative, we have developed comprehensive plans and strategies, actively participating in pre-contract and post-contract stages. This approach strengthens our supply chain operations, optimizes cost management, and ensures seamless contract execution. Our dedication to maintaining the highest standards and our proactive measures contribute to the robustness and reliability of our supply chain management.

Sustainable Procurement Practices

We have made significant strides in further strengthening our processes during FY2023. To minimize the impact on our project deliveries, our Group Supply Chain Management ("GSCM") team proactively engaged with partner organizations, offering guidance on preventive actions that could be implemented. As part of our standard operating procedure, GSCM diligently sought comprehensive estimated delivery dates from our vendors, considering the prevailing circumstances. To ensure seamless project planning, the GSCM team collaborates closely with our Projects team to factor in these constraints. In addition, regular and open lines of communication with our vendors are maintained, fostering an environment of collaboration to navigate the challenges and maintain the integrity of our supply chain. Our dedication to sustainable procurement practices ensures that we adapt and respond to evolving circumstances, safeguarding the reliability of our supply chain and the successful execution of our projects.



FIGURE 8: UZMA'S GROUP SUPPLY CHAIN MANAGEMENT PROCUREMENT PROCESS

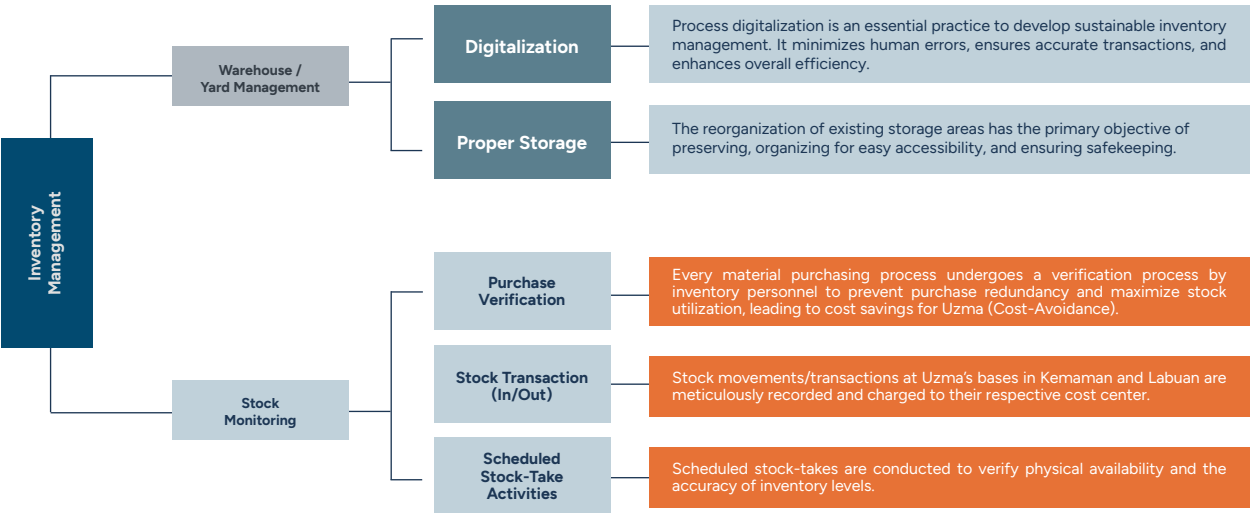


FIGURE 9: UZMA'S GROUP SUPPLY CHAIN MANAGEMENT INVENTORY MANAGEMENT PRACTICES

Supporting Local Suppliers

At Uzma, our commitment to responsible sourcing is closely linked to our dedication to strengthening local economies. In FY2023, we had the privilege of conducting business with a total of 1,826 suppliers, a testament to the robust ecosystem of our procurement network. During this period, our total procurement expenditure reached RM94.4 million, underscoring our substantial contribution to the supply chain. Impressively, RM56.9 million of this allocation was directed towards local suppliers, highlighting our dedication to fostering local partnerships and empowering businesses operating within the communities where we are present.

This approach strongly aligns with our sustainability values, highlighting our resolve to enhance the economic well-being of local suppliers. It underscores our dedication to creating a more sustainable and mutually beneficial business environment. Emphasizing local procurement not only enhances Uzma's corporate image and reputation but also streamlines our supply chain processes, reducing costs and affording us greater control over procurement activities. We define local procurement as the acquisition of goods and services from suppliers within the local region.

Uzma firmly believes that a robust local procurement and supply chain management system is a cornerstone of our comprehensive sustainability strategy. Prioritizing this system leads to the creation of job opportunities within local communities, poverty reduction, the stimulation of local industries, and collaborative efforts with suppliers to mitigate pollution levels. Uzma remains steadfast in its contribution to fortifying the local supply chain and advancing the national agenda for economic vibrancy.



BREAKDOWN OF SUPPLIER MIX (%)

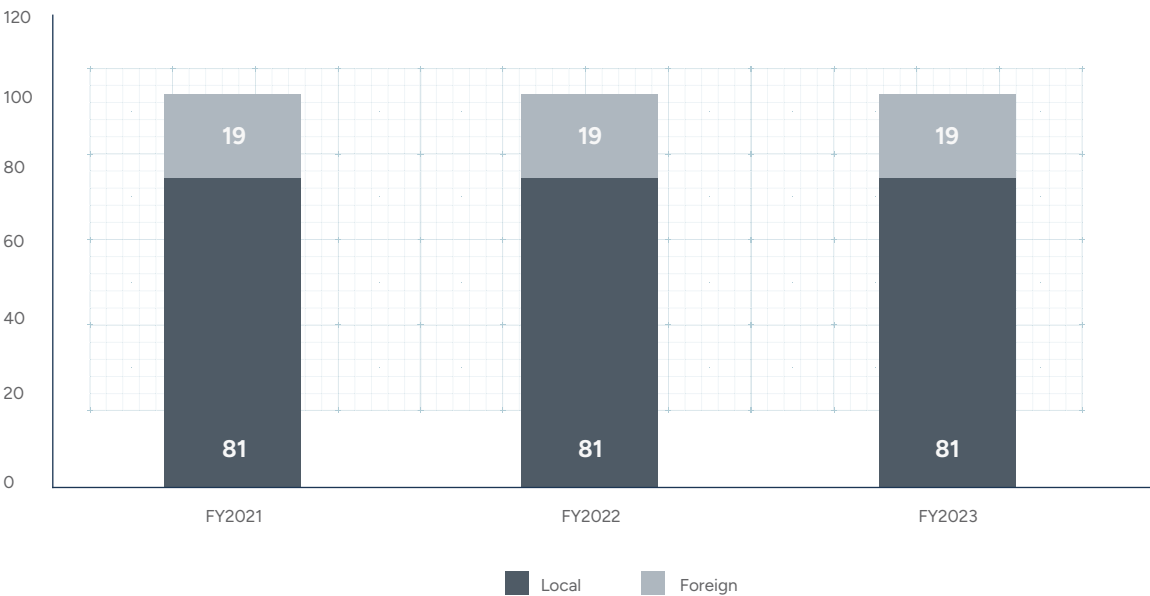


FIGURE 10: SUPPLIER MIX BREAKDOWN: LOCAL VS. FOREIGN (PERCENTAGE) FROM FY2021 TO FY2023



BREAKDOWN OF PROPORTION OF PROCUREMENT SPENDING (%)

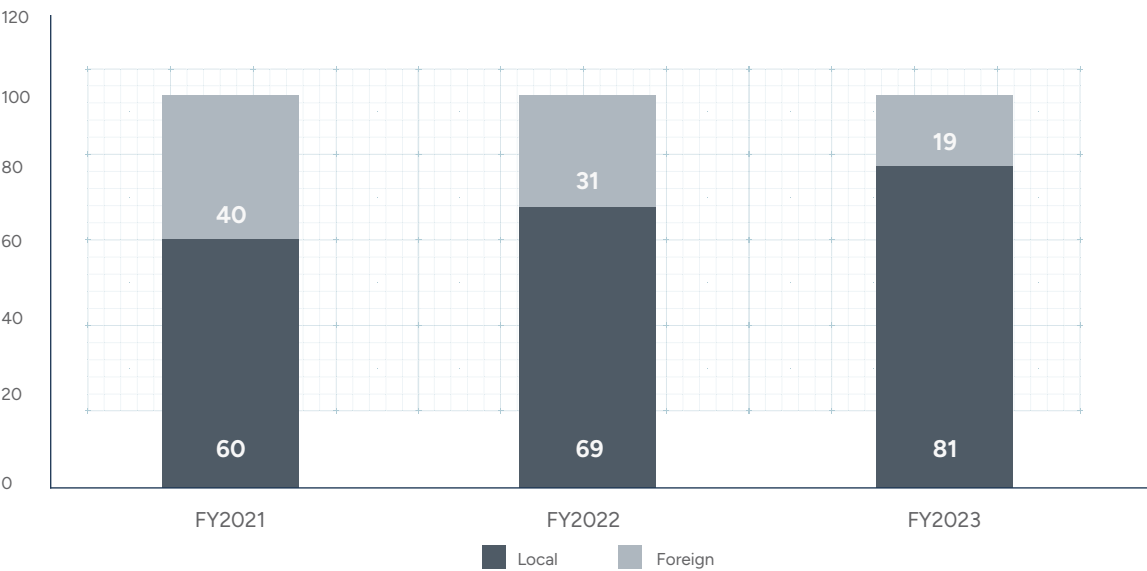


FIGURE 11: PROPORTION OF PROCUREMENT SPENDING: LOCAL VS. FOREIGN (PERCENTAGE) FROM FY2021 TO FY2023

STRATEGIC VENDOR	VENDOR COUNT			PURCHASE ORDER COUNT			PURCHASE ORDER VALUE		
	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023	FY2021	FY2022	FY2023
Local	1,283	1,353	1,480	1,978	1,140	872	RM88.6 Million	RM86.4 Million	RM56.9 Million
Foreign	299	311	346	174	135	115	RM59.5 Million	RM39.7 Million	RM37.5 Million
TOTAL	1,582	1,664	1,826	2,152	1,275	987	RM148.1 Million	RM126.1 Million	RM94.4 Million

TABLE 6: VENDOR AND PROCUREMENT METRICS: LOCAL VS. FOREIGN FROM FY2021 TO FY2023

Cost Reduction Efforts

In our commitment to responsible procurement practices, cost reduction remains a central focus. We continuously evaluate and implement cost-saving measures to enhance the efficiency and sustainability of our operations. Our initiatives cover various aspects:

- Reducing operational expenses;
- Optimizing our workforce to align with forecasted workloads;
- Divesting underutilized equipment;
- Exiting and selling equity from non-strategic businesses to ensure that our resources are channeled effectively;
- Exploring government incentives and grants to support our initiatives; and
- Enhancing our trade receivable collection and dispute management processes to strengthen our financial stability and operational resilience.

These cost-reduction efforts reflect our dedication to maintaining a financially sound and responsible business approach.

PROJECT EXECUTION AND DELIVERY MANAGEMENT

Uzma places utmost importance on the quality of its services and the satisfaction of its customers. Recognizing that customer satisfaction is fundamental in a highly competitive landscape, we center our operations on meeting customer needs and exceeding their expectations. Satisfied customers serve as invaluable ambassadors for our brand, thereby contributing to its long-term sustainability and growth. Uzma's commitment to quality and customer satisfaction directly impacts our ability to provide fair compensation and welfare support to our employees, aligning with modern ESG-compliance standards.

We have established comprehensive management policies, procedures, and practices designed to not only meet but surpass customer requirements. Our closed-loop system scrutinizes every facet of service delivery, continually seeking opportunities for improvement. In addition to these policies, we engage with our customers regularly, holding mandatory quarterly meetings to discuss our performance and gather feedback.

Moreover, when executing and delivering projects, we ensure strict adherence to the highest safety standards, incorporating various legal and regulatory requirements. These include standards such as the 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 and ISO 14001:2015. By maintaining these stringent standards and guidelines, we guarantee the safety and satisfaction of all stakeholders involved, from employees to vendors, suppliers, and partners.

Responsible Delivery of Products and Services

At Uzma, we hold ourselves to the highest standards when it comes to the responsible delivery of our products and services. Central to our approach is a keen understanding of our customers' needs and expectations. We continuously monitor these factors to ensure that we meet and even exceed their requirements. In the execution of our services, we employ a two-fold strategy. Firstly, we are committed to minimizing Non-Productive Time ("NPT"), a critical efficiency measure in our industry. This dedication not only optimizes resource usage but also enhances customer satisfaction, a win-win scenario for all stakeholders involved. Secondly, we place significant emphasis on the meticulous execution of our Service Delivery process activities. Our approach ensures that each step is carefully planned, monitored, and validated, resulting in a seamless and responsible delivery of products and services to our valued customers.

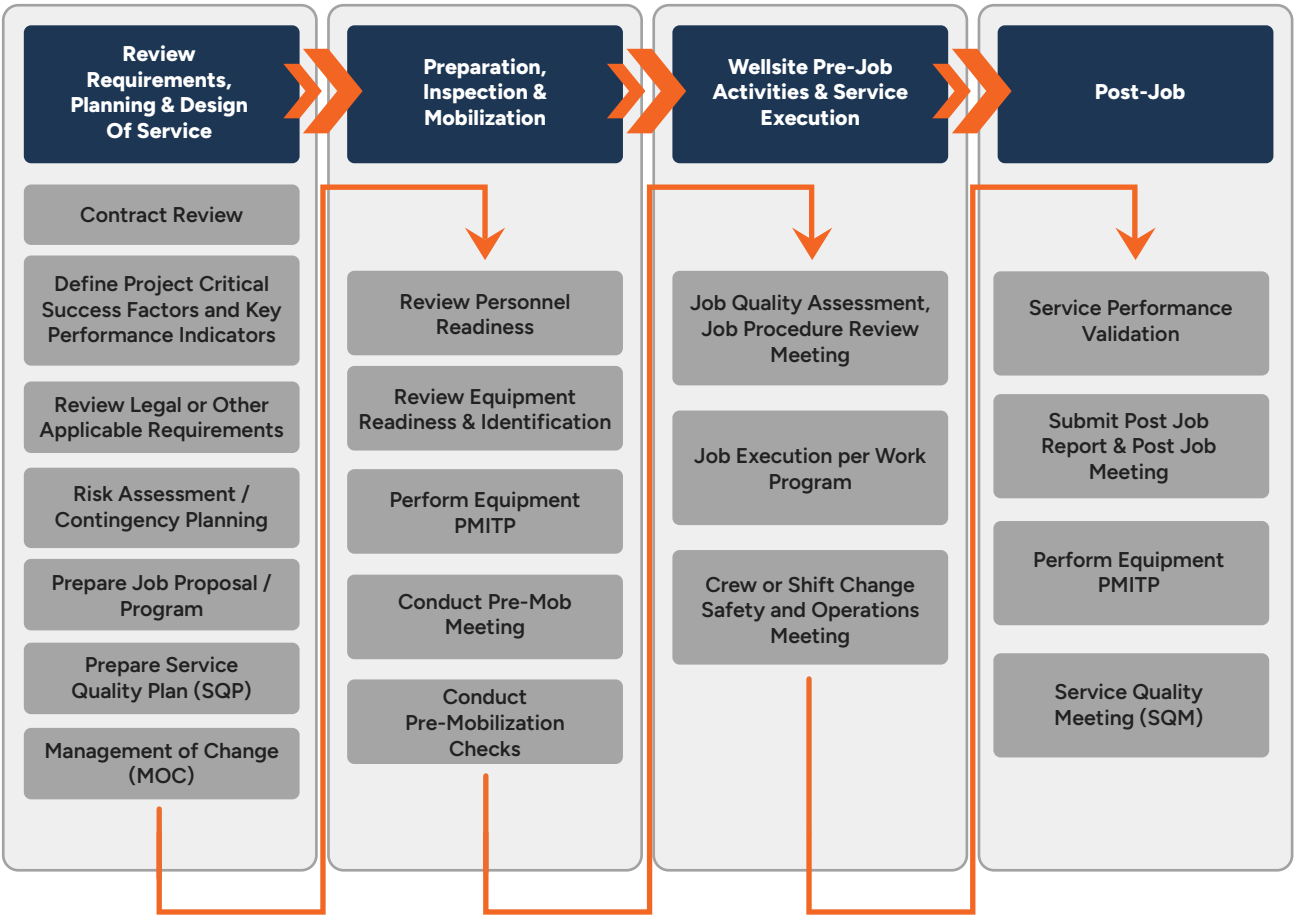


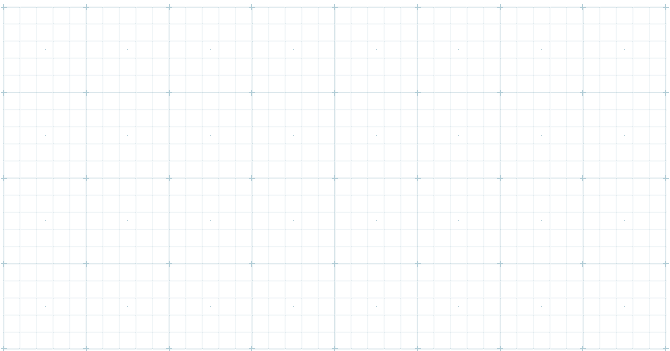
FIGURE 12: CONTROL OF SERVICE EXECUTION PROCESS FLOW



In our unwavering commitment to delivering products and services responsibly, we understand that a meticulous approach is vital throughout the entire project cycle. To achieve this, we have implemented a comprehensive control system that effectively governs Service Execution. This system is extensively documented in our Service Quality Plan, a testament to our rigorous approach to quality management. Our Service Quality Plan is designed to ensure that each phase of Service Execution aligns seamlessly with our Service Quality Elements. These elements, as detailed in the table below, serve as the cornerstone of our commitment to delivering reliable and high-quality products and services to our clients, consistently exceeding industry standards.

NO.	ELEMENTS	DESCRIPTIONS
1	Required Activities & Documentations	<ul style="list-style-type: none">Activities and documentation (proof) of compliance with both customer and legal requirements.Identification of the responsible function for each activity, including external parties.Identification of the relevant revision for each procedure, specification, or other document referenced or used in each activity.
2	Key Essential Personnel	<ul style="list-style-type: none">List all responsible personnel/functions for the project, including any external parties.
3	Critical Supplier and Sub-Contractor	<ul style="list-style-type: none">Involvement of sub-contractors or suppliers in providing a service or equipment used for the service.
4	Hold & Witness Point	<ul style="list-style-type: none">Acceptance inspection by both Uzma and the customer or a third party to ensure that the customer receives service and equipment that perform to expectations.
5	Service Equipment & Testing Measurement Detection ("TMD") Devices Inventory	<ul style="list-style-type: none">Preventive Maintenance and Inspection Test Plans ("PMITP") for equipment as well as monitoring devices ("TMDE") with serial numbers, so the PMITP records can be identifiable and traceable to the equipment.
6	Risk Management & HIRADC	<ul style="list-style-type: none">Risks directly associated with the service and equipment, as well as controls to manage/mitigate those risks.
7	Contingency Planning	<ul style="list-style-type: none">Measures for preventing and mitigating incidents and disruptions to minimize the likelihood or duration of the disruption of execution and service.
8	Management of Change ("MOC")	<ul style="list-style-type: none">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, MOC is required.
9	Service Performance Evaluation	<ul style="list-style-type: none">Ensure that the results of the service evaluation are received and reviewed to validate the service performance.
10	Customer Complaint, Non-conformance & Malfunction	<ul style="list-style-type: none">Service quality incidents, non-conformities, or undesired events that result in the failure of a product/equipment, project delivery, non-productive time ("NPT"), etc.

TABLE 7: SERVICE QUALITY ELEMENTS



ENVIRONMENT

Recognizing the gravity of our responsibility in overseeing and managing material environmental topics, such as climate change and emissions, energy consumption, waste and effluent management, and biodiversity, the Board and Senior Management of Uzma stand resolute in their commitment to ensuring our operations are not just compliant but go above and beyond in fostering environmental responsibility.

To further demonstrate our commitment to environmental responsibility, Uzma's largest operating Oil & Gas subsidiaries were certified with ISO 14001:2015 certification on July 2023. This certification stands as a testament to our unwavering dedication to environmental stewardship and underscores our commitment to best practices in managing our environmental impact.

The Environment pillar of Uzma's Sustainability Framework embodies our commitment to minimizing our ecological footprint and promoting environmentally responsible practices. We actively engage in adopting eco-friendly measures, reducing emissions, conserving resources, and implementing sustainable technologies. Our aim is to preserve natural habitats, reduce waste, and promote biodiversity in all our operations. We believe that sustainability is not just a responsibility but an opportunity to contribute positively to the well-being of our planet, and this pillar guides our efforts in harmoniously coexisting with the ecosystems we interact with.

As a responsible energy and technology solutions provider, Uzma recognizes the impact of our operations on climate change. The Group is of the view that oil and gas development and production will continue to have a role to play in the current energy transition, and is committed to taking a precautionary approach to lower our emissions, reduce our environmental footprint and minimise any harm that may arise from our business activities.

In FY2024, the Group will be stepping up its environmental performance tracking to include additional indicators for monitoring and disclosure in its Annual Report, drawing from best practices and recommendations from various reporting and sustainability frameworks such as GRI, TCFD, FTSE, UNSDG, as well as regulatory requirements from Bursa Malaysia. The company will be benchmarking its climate-related disclosures to the recommendations of TCFD. The Company is working towards setting environmental targets within the parameters prescribed in FY2024.

These efforts will go a long way in driving progressive improvements in Uzma's environmental performance to support a climate-resilient business model that is conducive for long-term value creation, particularly in meeting regulatory compliance, maintenance of our asset and site accreditations, deriving cost savings from resource efficiency, and the preservation of our brand reputation and goodwill with our stakeholders.

EMBRACING CLIMATE CHANGE RESPONSIBLY

In the face of a rapidly changing climate, Uzma is unwavering in its commitment to embracing climate change responsibly. We recognize the urgent need for climate action and remain dedicated to playing our part in building a sustainable future. Our commitment extends to actively pursuing energy-harvesting opportunities that support the transition to a low-carbon world. We understand the profound impact of climate change on our world and are diligently assessing climate-related risks and their potential implications on our business operations. This understanding guides us in making informed and responsible choices as we navigate these challenges.

In the fiscal year 2023, we took proactive steps to address the effects of climate change by aligning with global and national initiatives aimed at transforming our industry. Our exploration of renewable energy sources, such as solar energy, stands as a testament to our unyielding commitment. We aim not only to reshape energy markets but also to reduce greenhouse gas emissions. While the journey to mitigate climate change is long and challenging, Uzma remains resolute in its mission to protect and preserve our planet for the well-being of current and future generations. Together, we are working tirelessly towards a more sustainable and environmentally responsible future.

Uzma is resolutely committed to strengthening its resilience against the impacts of climate change. In the upcoming fiscal year, FY2024, we are poised to implement various energy and emissions management initiatives. These efforts are designed to reduce the emissions intensity of our operations and actively mitigate our environmental impacts.



Furthermore, the Board and Senior Management of Uzma collectively acknowledge the significance of ESG risks, including climate change. These considerations are slated to be strategically incorporated into our planning for all future capital expenditures. This is particularly relevant in terms of the Group's investments in new businesses and the adoption of technological and systems that align with our commitment to climate responsibility and sustainability. We recognise that ESG integration is pivotal in ensuring that we remain adaptable, resilient, and responsible in the face of a changing climate and a rapidly evolving global landscape.



COMMITMENT TO ENVIRONMENTAL COMPLIANCE

Environmental compliance is a fundamental aspect of our operations. We hold ourselves to the highest standards in ensuring that our activities align with stringent environmental regulations. In FY2023, we diligently addressed an isolated incident, resulting in a fine of RM5,000. However, we take pride in our swift response and corrective actions, which have contributed to an overwhelming majority of our operations remaining in compliance with environmental regulations. This underscores our dedication to conducting business in an environmentally responsible and sustainable manner, upholding the integrity of our natural surroundings, and contributing to a cleaner, healthier planet for all. We remain resolute in our commitment to maintaining and exceeding these compliance standards in the years to come.

Uzma's dedication to environmental compliance is comprehensive and proactive. We recognize that preserving our environment is not just a responsibility but a fundamental obligation. To fulfill this commitment, we engage in regular monthly Quality, Health, Safety, and Environment ("QHSE") meetings and engagements where environmental awareness is a central focus. Our employees receive specialized training in vital areas such as Scheduled Waste Management, Chemical Management, Environmental Aspect and Impact Assessment, and awareness of the Environmental Management System (ISO 14001: 2015). These initiatives ensure that our team is well-equipped to not only understand but also implement environmentally responsible practices. To maintain a continuous dialogue on environmental awareness, we distribute QHSE bulletins regularly. These efforts serve as a cornerstone of our commitment to fostering a culture of environmental consciousness and upholding the highest standards of environmental compliance. We believe that through proactive awareness and education, we can make significant strides in protecting our environment and minimizing our ecological footprint.



EMISSIONS MANAGEMENT

Uzma is committed to environmental responsibility and sustainability. In alignment with our dedication to minimizing our carbon footprint and contributing to a greener future, we are embarking on a comprehensive emissions management journey. In FY2024, we will initiate the process of accounting for our emissions, focusing primarily on Scope 1, Scope 2, and Scope 3 emissions. This strategic undertaking signifies our proactive approach towards understanding and reducing our direct and indirect greenhouse gas emissions. By accounting for these emissions, we aim to gain a comprehensive view of our environmental impact, which will serve as the foundation for developing effective strategies to minimize our carbon emissions. Our efforts in emissions management reflect our pledge to environmentally responsible practices, sustainability, and our commitment to addressing the pressing global challenges of climate change. We will continuously strive to advance our emissions management practices and expand our scope to encompass a broader range of emissions, further reinforcing our position as a responsible and environmentally conscious organization.

The primary emissions sources within our Group primarily stem from the consumption of diesel fuel, which is utilized to power Uzma's MARSYA Water Injection Facility operating at the D18 field. The burning of this fuel for power generation to support our operations results in the release of harmful greenhouse gases ("GHGs") and particulate matter, including carbon dioxide, methane, and other emissions. Detailed data regarding our diesel consumption is provided below to offer transparency and insights into our emissions management efforts. We recognize that addressing these emissions is a fundamental component of our sustainability commitment.

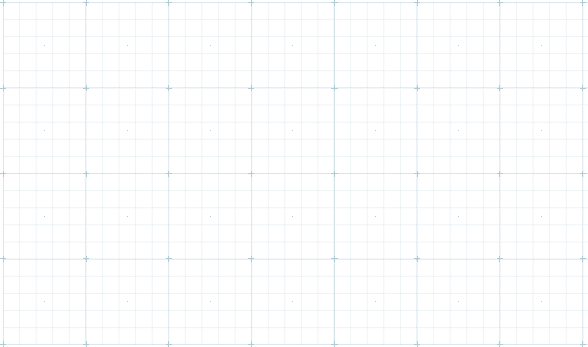
	FY2021	FY2022	FY2023
Diesel Consumption at MARSYA WIF (litres)	454,404.5	549,171.9	94,438.9

TABLE 8: DIESEL CONSUMPTION FROM FY2021 TO FY2023

The notable decrease in diesel consumption during FY2023 can be attributed to a combination of factors, including the enhanced uptime of our Gas Engine Generator and minimal gas interruptions from the D18 MP-A. It is important to highlight that the primary fuel source for the MARSYA WIF is gas, with diesel serving as a secondary fuel option. This conscientious choice aligns with our commitment to environmental responsibility and sustainability.

ENERGY MANAGEMENT

Our commitment to sustainability extends to responsible energy management practices. We understand that energy efficiency is pivotal in reducing our environmental impact, and thus, we are actively engaged in initiatives to enhance our energy efficiency. In FY2023, we reported a total energy consumption of 329,787 kWh at Uzma Tower, a significant aspect of our environmental performance evaluation. To further promote energy efficiency, we executed an energy-saving campaign that encouraged employees to participate in small yet impactful practices. These measures included switching off air-conditioning and lights during light breaks and opting for stairs over elevators. Our ongoing efforts will encompass exploring additional opportunities to encourage the responsible use of electricity and raise awareness among our employees about the importance of energy conservation.



	FY2021	FY2022	FY2023
Energy Consumption in Uzma Tower (kWh)	349,023	313,168	329,787
Energy Consumption at Other Locations (kWh) (Uzma- Labuan)	80,229	67,659	58,620
Total Energy Consumption (kWh)	429,252	380,827	388,407

TABLE 9: ENERGY CONSUMPTION IN UZMA LOCATIONS FROM FY2021 TO FY2023

To bolster our energy management strategy, we are taking a multifaceted approach. This includes monitoring electricity and water usage to identify areas of improvement, as well as increasing our reliance on renewable energy sources. An important step in this direction involved transitioning from traditional fluorescent lighting to energy-efficient LED lighting. By using these energy-saving LED lights, we have successfully reduced electricity consumption by 25% to 80%, while also extending the lifespan of our lighting systems three to five times longer than conventional light bulbs. It is important to note that our electricity consumption at Uzma Tower during FY2023 was higher due to employees working full-time in the office compared to FY2022. This emphasizes the importance of continually monitoring and enhancing our energy efficiency practices as we adapt to changing work patterns and requirements. We remain dedicated to minimizing our energy consumption and environmental impact while maximizing the use of renewable and efficient energy sources.

For FY2024, we are expanding our disclosure to encompass additional locations, reflecting our dedication to transparency and comprehensive reporting. As we move forward, our company is actively operationalizing a range of emissions reduction initiatives. These include efforts to enhance energy efficiency, reduce energy consumption, and raise awareness among our employees. These proactive measures are central to our commitment to fostering a sustainable and environmentally responsible future.

WASTE MANAGEMENT

Scheduled waste is defined as any matter prescribed whether to be in a solid, semi-solid or liquid form, or in the form of gas or vapour which is emitted, discharged, or deposited in the environment in such volume, composition, or manner as to cause pollution. The Group aims to roll out waste recycling initiatives by the following year and to create awareness on the recyclable waste at workplace.

The Scheduled Waste Disposal Process at Uzma is a well-executed and meticulously maintained aspect of our environmental responsibility. It is overseen by highly competent personnel who ensure its proper implementation. Regular updates are conducted to accurately monitor and manage the inventory levels, further emphasizing our commitment to environmental safety and compliance. This comprehensive approach ensures that hazardous materials are handled, stored, and disposed of with the utmost care, reducing any potential environmental risks and reinforcing our dedication to sustainable practices. We take every measure to guarantee the safety of our operations and the surrounding environment.

Starting from FY2024, we are committed to advancing our waste management practices to promote sustainability and environmental responsibility. To achieve this, we are expanding our focus beyond scheduled waste to encompass all waste generated within our operations. By systematically collecting and analyzing this data, we aim to reduce our environmental impact and contribute to a more sustainable future. In FY2023, we received zero reports of scheduled waste incidents or fines from the local authorities (FY2022: NIL).



WATER AND EFFLUENT MANAGEMENT

At Uzma, we recognize the critical importance of responsible water and effluent management in safeguarding our environment. It stands as a pivotal element within our comprehensive sustainability efforts. During the reporting period, Uzma Tower's water consumption was recorded at 1,480 cubic meters (m3). This data reflects our ongoing commitment to monitor and optimize our water usage, thereby mitigating our impact on local water resources and contributing to sustainable water management. To address water leakages, a streamlined process has been established, allowing employees to report incidents through an online portal known as the Hazard Identification Report ("HIR") or by direct contact with the maintenance department. These reports are attended to within four hours, ensuring swift and efficient response to minimize potential environmental risks.

We place a strong emphasis on proactive water management through monthly monitoring and daily troubleshooting. This approach enables us to promptly address any issues and maintain efficient water usage. The table below provides a summary of water consumption in Uzma Tower over the last three fiscal years, demonstrating our efforts to manage water resources effectively:

	FY2021	FY2022	FY2023
Water Consumption in Uzma Tower (m3)	1,260	839	1,480

TABLE 10: WATER CONSUMPTION IN UZMA TOWER FROM FY2021 TO FY2023

We recognize that preventive measures and controls are vital for averting pollution and environmental hazards. Equipment maintenance plays a crucial role in minimizing hazardous discharges. Thus, we ensure that all equipment maintenance aligns with regulatory standards, promoting environmental responsibility and safety as integral components of our operational practices.

Furthermore, we are committed to expanding our water consumption data recording to encompass other Uzma locations in the near future. This initiative will enable us to comprehensively track and manage our water usage across all our facilities, reinforcing our dedication to responsible water and effluent management throughout our organization.

The primary water-related risk that concerns Uzma pertains to the responsible disposal of wastewater. We are resolutely committed to preventing any accidental discharge of untreated effluents into our precious seawater. To underscore our commitment to environmental protection, Uzma incorporates rigorous environmental incident monitoring into our monthly HSE performance reporting. Our steadfast goal is to achieve an annual target of zero major spills. To facilitate this, we perform an evaluation of the significant level of impacts and risk assessment, as well as proper monitoring of environmental compliance.

For FY2023, Uzma remained unwavering in its compliance with all regulatory requirements concerning effluents and wastewater. We are proud to report that there were zero incidents of major environmental spills during this fiscal year, reflecting our steadfast commitment to responsible environmental stewardship. Equally significant, the Group received no fines, warnings, or censures for non-compliance with wastewater discharge regulations. The culmination of these efforts underscores our dedication to preserving the integrity of our environment and ensuring the responsible management of water-related risks.

	FY2021	FY2022	FY2023
No. of major spills	0	0	0
No. of minor spills	2	2	0

TABLE 11: NUMBER OF MAJOR/MINOR SPILLS FROM FY2021 TO FY2023

SOCIAL

The Social pillar of Uzma's Sustainability Framework reflects our profound commitment to the well-being of our employees, the communities where we operate, and our broader stakeholder ecosystem. At Uzma, we recognize that our success as an organization is intricately linked to our social responsibilities. We take proactive measures to ensure the safety, health, and diversity of our workforce while nurturing an inclusive and ethical corporate culture. Furthermore, our engagement with local communities extend beyond business interests, emphasizing support for social development initiatives and philanthropic efforts. We hold ourselves to the highest standards of ethics, ensuring that all our stakeholders feel valued, respected, and part of our shared journey towards a sustainable and prosperous future. Our Social pillar signifies our unwavering commitment to making a positive impact on the lives and well-being of individuals and communities, both within and outside our organization.



DIVERSITY, EQUITY AND INCLUSION

Uzma's unwavering commitment to promoting diversity and equal opportunities is deeply embedded in our organizational culture, serving as a cornerstone of our continued success.

Our workforce represents a rich tapestry of backgrounds, reflecting a diverse and multi-ethnic composition. This diversity brings together a wide array of professional expertise, experiences, and capabilities, fostering a high-performance culture driven by merit. Moreover, diversity fuels innovative thinking and creativity, offering diverse perspectives that enhance our understanding of socio-economic dynamics and strengthen our decision-making processes.

To ensure an inclusive workplace, Uzma actively prohibits any form of discrimination based on race, gender, religious background, or other socio-cultural and demographic factors. All employees and candidates are evaluated solely based on merit, including qualifications, experience, and professional contributions, with the exception being our preference for hiring local talents, provided they meet the job requirements.

At Uzma, we cherish the power of diversity and equal opportunity, recognizing that it forms the foundation of a dynamic and thriving culture. Our commitment to fostering an inclusive workplace, free from discrimination, is a driving force behind our continued growth.

Our approach to diversity extends beyond mere tolerance; it embraces the value that diverse backgrounds, experiences, and skill sets bring to our collective identity. Prioritizing local talent not only provides opportunities for individuals but also enhances our understanding of the unique needs of the Malaysian market, contributing to a more prosperous and balanced society.

In FY2023, our dedicated workforce consisted of 771 individuals, each contributing their distinct backgrounds, experiences, and expertise. We maintain a gender balance, encouraging a collaborative atmosphere where various age groups, ethnicities, cultures, and geographical origins converge to spark innovative ideas and deliver lasting impacts across economic, environmental, social, and governance domains.

Our commitment to diversity and equal opportunity is integral to our long-term sustainability journey, embodying our vision for a brighter and more inclusive future.

Employee Breakdown, by Gender and Employment Category	FY2021		FY2022		FY2023	
	Male	Female	Male	Female	Male	Female
Management	96	42	90	40	88	33
Executive	133	90	97	81	96	85
Non-Executive	460	59	395	45	416	53
GROUP TOTAL	689	191	582	166	600	171

TABLE 12(A): EMPLOYEE BREAKDOWN BY GENDER AND EMPLOYMENT CATEGORY



Employee Breakdown, by Age Group and Employment Category	FY2021			FY2022			FY2023		
	Management	Executive	Non- Executive	Management	Executive	Non- Executive	Management	Executive	Non- Executive
Aged 30 & below	2	81	173	0	66	134	0	79	143
Aged 31-50	114	137	306	106	108	259	96	100	276
Aged 51-60	17	5	39	22	3	44	25	2	46
Aged 61 years and above	5	0	1	2	1	3	0	0	4
GROUP TOTAL	138	223	519	130	178	440	121	181	469

TABLE 12(B): EMPLOYEE BREAKDOWN BY AGE GROUP AND EMPLOYMENT CATEGORY

Employee Breakdown, by Ethnicity	FY2021	FY2022	FY2023
Malay	549	449	457
Chinese	14	13	13
Indian	3	4	3
Sabahan & Sarawakian	125	121	128
Others (Non-Malaysians)	189	161	170
GROUP TOTAL	880	748	771

TABLE 12(C): EMPLOYEE BREAKDOWN BY ETHNICITY

Employee Breakdown, by Nationality	FY2021	FY2022	FY2023
Malaysia	687	584	601
Indonesia	25	20	17
Thailand	155	133	143
Philippines	5	4	5
Others	8	7	5
GROUP TOTAL	880	748	771

TABLE 12(D): EMPLOYEE BREAKDOWN BY NATIONALITY

Employee Breakdown, by Category	FY2021	FY2022	FY2023
Permanent Employees	589	493	571
Contract Employees	291	255	200
TOTAL	880	748	771
Freelance (Consultants)	245	168	132
GROUP TOTAL	1,125	916	903

TABLE 12(E): EMPLOYEE BREAKDOWN BY EMPLOYMENT TYPE

Uzma cultivates an inclusive organizational culture that embraces the diverse beliefs, values, cultures, attitudes, and other differences of our employees. We recognize the profound impact of these factors on employee experiences and behaviours within the workforce, thereby influencing the success of our business and the attraction and retention of talent. We wholeheartedly encourage employees to freely practice their cultures and religions without any concern or discrimination or harassment. Furthermore, we integrate gender considerations into all facets of our organization.

Our approach to nurturing a positive and respectful workplace culture revolves around periodic employee engagement activities. Through these initiatives, we identify and foster shared values and mutual respect, creating an environment that values equality and diversity. This commitment to diversity and inclusion not only enriches our work environment but also contributes to our overall success.

Supporting Gender Equality

Uzma is fully committed to advancing gender equality, upholding the rights of all employees, regardless of gender. Our dedication to this cause is reflected in our practices, ensuring that both men and women have equal opportunities to pursue available job positions and training opportunities. We believe in providing appropriate recognition, remuneration, and rewards that align with an individual's contributions, solely based on merit and free from any gender-based discrimination.

This commitment extends across all facets of our HR practices, encompassing hiring, training, pay, and promotion processes. We firmly adhere to a meritocratic approach, enabling every qualified candidate to access equal opportunities for employment-related benefits and participation at all organizational levels. At Uzma, we actively work to break down gender-related barriers, challenge biases, and debunk stereotypes to ensure that all employees comprehend and align with our policy objectives.

In our pursuit of gender equality, we do not establish specific gender diversity targets. Instead, we prioritize creating a fair and equitable talent recruitment process where all qualified candidates, regardless of their gender, have an equal opportunity to apply for jobs. Notably, at the management level, women constitute 4.3% of our workforce, underscoring our commitment to promoting diversity and equal opportunity in every aspect of our talent management process. To further strengthen our resolve, we educate our managers about the paramount importance of these principles in driving the success of our Group.



LABOUR PRACTICES AND HUMAN RIGHTS

Uzma steadfastly operates in accordance with the fundamental principles of basic human rights and is fully compliant with all relevant Malaysian labour laws, including the Malaysian Employment Act of 1995, as well as other applicable laws in regions where we operate. Our commitment to labour practices and human rights is woven into the very fabric of our Group, and it encompasses a broad spectrum of vital aspects:

Compliance with Labour Laws	We diligently comply with the Minimum Wage Order of 2022 and all regulations governing working hours and equitable compensation, safeguarding our employees’ rights and well-being.
Safe Working Conditions	The right to safe working conditions is at the core of our operations. We are unwavering in our commitment to providing a safe and secure work environment for all.
Equal Opportunity and Non-Discrimination	We rigorously ensure equal opportunities for all, upholding a workplace where discrimination based on race, religion, gender, age, or marital status is entirely prohibited.
Collective Bargaining	We wholeheartedly respect our workers’ right to engage in collective bargaining, valuing their input in shaping the conditions of their employment.
Dignity at Work	The dignity of our workforce is paramount to us. We guarantee their right to dignity at work, fostering an environment where respect and integrity are core principles.
Employee Wellness and Mental Health	Uzma is committed to the well-being of our employees, respecting their rights to wellness and mental health support.
Harassment-Free and Violence-Free Workplace	We are dedicated to maintaining a workplace that is entirely free from harassment and violence, ensuring the safety and dignity of every individual.
Prohibition of Retaliation	We absolutely prohibit any form of retaliation or disciplinary practice, whether physical or mental, against our employees.
Cultural Respect	Uzma wholeheartedly respects each person’s right to their own culture, the practice of their religion, and the use of their language, fostering an inclusive and diverse workplace.
Children’s Rights and Child Labour	We recognize and prioritize the rights of children, unequivocally prohibiting and actively preventing any form of child labour within our operations.
Forced Labour, Debt Bondage, Human Trafficking, and Modern Slavery	Uzma takes an unequivocal stand against forced labour, debt bondage, human trafficking, and all forms of modern slavery, actively preventing their occurrence.
Freedom of Association	Uzma respects and champion our employees’ rights to the freedom of association, fostering an environment where their voices are valued and their rights upheld.

TABLE 13: KEY SOCIAL RESPONSIBILITY COMMITMENTS

These profound human rights commitments have been seamlessly integrated into our company’s practices and have been communicated comprehensively to all stakeholders. This communication is facilitated through Uzma’s employee onboarding sessions, the People Handbook, the Code of Conduct and Business Ethics, and the uzmaWAY. These vital resources are readily accessible on the Company’s website and intranet, ensuring that our commitment to human rights and ethical labour practices is well-understood and upheld throughout our organization.

In FY2023, Uzma proudly upheld its exceptional track record of not having any reported incidents of labour standards non-compliance or human rights violations. This includes a steadfast commitment to ensuring there were no instances of child labour, human trafficking, or forced or compulsory labour throughout the fiscal year. Furthermore, we are equally proud to declare that there have been no human rights breaches involving the rights of indigenous people at any point in Uzma’s history.

This unblemished record is a testament to our unwavering dedication to ethical labour practices and the safeguarding of human rights. It reflects the comprehensive and robust measures we have in place to not only prevent but actively detect and address any potential issues. We believe that every individual, regardless of their background or circumstances, deserves to be treated with respect, dignity, and fairness. These principles are deeply ingrained in our organizational culture, guiding our actions and decisions as we strive to create a workplace where everyone’s rights are upheld, and their well-being is protected.

Fostering a Respectful Workplace

We wholeheartedly believe in providing a safe and respectful working environment for our employees in Uzma. Our commitment to this principle is unwavering. We are dedicated to ensuring that all employees can carry out their duties without the fear of harassment, be it from within the company or external sources.

Harassment, in any form, is considered a grave violation of our core values and undermines the foundation of trust and respect that defines our workplace. Uzma views harassment as a serious misconduct and a breach of the company’s rules and regulations.

To address this issue, we have established a comprehensive policy outlined in our Company’s Code of Conduct and Business Ethics. This policy serves as a guide for addressing and preventing harassment, promoting a culture of respect, and fostering a working environment free from such behaviour.

In June 2023, we launched a Sexual Harassment Campaign as part of our ongoing commitment for awareness and prevention. We firmly believe that proactive education and open communication are key to creating a safer and more respectful work environment.

We are proud to report that in FY2023, no cases of harassment were reported. This, coupled with our continuous efforts and policies, reaffirms our commitment to maintaining a workplace where every individual is treated with dignity and respect. We remain steadfast in our mission to ensure zero tolerance for harassment and to continue fostering a workplace culture that values and protects every employee.

A COMMITMENT TO EMPLOYEE WELL-BEING

Health and safety form the foundation of our operational excellence, firmly embedded with the uzmaWAY, one of our five core pillars. To cultivate a culture where health and safety values are embraced by every member of our staff, we take several proactive steps. New employees are introduced to the uzmaWAY and participate in an Induction Session immediately upon joining the Uzma family. Additionally, they acquaint themselves with uzmaSAFE, which encapsulates all our Corporate Safety Rules.

Generative QHSE Culture

Three key elements underpin our core values, steering our organization towards a Generative QHSE Culture: People, Knowledge, and System.

A. People

At Uzma, we consider QHSE principles as fundamental in the workplace. Our unwavering commitment to these principles ensures that our workforce consistently practices them. Our people:

- Wholeheartedly believe in QHSE Principles.
- Embrace a culture of continuous learning and knowledge-sharing.
- Take ownership of HSE responsibilities and remain accountable for their actions.

B. Knowledge

Uzma is dedicated to providing our employees with the tools they need to excel in their current roles and adapt to evolving challenges. We believe in the power of knowledge, which is built upon:

- A foundation of factual and theoretical QHSE components.
- Ongoing training and competency development.
- Easy access to relevant information and resources.

C. System

For our operations to be effective and in alignment with ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 Integrated Management System (IMS) requirements, a systematic documentation and control system is imperative. This system must not only encompass our services and business activities within the region but also be characterized by:

- A well-defined QHSE framework.
- Thoughtfully structured processes.
- Enhanced efficiency that minimizes risks.

By nurturing these three pillars – People, Knowledge, and System – we aim to foster a generative QHSE culture that empowers our employees and strengthens our commitment to health, safety, and environmental excellence.



Uzma 12 Orange Rules

The 12 Orange Rules were developed as a complement to the uzmaWAY’s Health and Safety element. They establish clear “Do’s” and “Don’ts” that all employees and contractors must adhere to all times.

No.	Elements	Description
1	Permit to Work <i>Work with a valid permit when required</i>	Permit to Work (“PTW”) is a systematic process used to authorize controlled work in non-standard and/or, potentially hazardous conditions. The objective of the PTW is to: <ul style="list-style-type: none">- Control access to plant and equipment;- Minimize the risk of injury to personnel; and- Minimize the risk of damage to plant.
2	Adhere Safety Control <i>Obtain authorization before overriding or disabling safety controls</i>	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 <i>Keep yourself and others out of the line of fire</i>	“Line of Fire” refers to those work situations where workers could be struck by something that 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 <i>Plan lifting operations and control the area</i>	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 accidents and fatalities.
5	Working at Height <i>Protect yourself against a fall when working at a height</i>	Use fall protection equipment when working at a height of two (2) meters or higher above the ground outside protective equipment. 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.
6	Energy Isolation <i>Verify isolation and zero energy before work begins</i>	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 need 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 <i>Obtain authorization before entering a confined space</i>	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 include vessels, tanks, pipes, cellars, or areas with energy releases, lack of oxygen, exposure to hazardous chemicals, hazards that can fall on you or crush you, or areas you can fall into. Authorized access keeps you safe.
8	Journey Management <i>Follow safe driving rules</i>	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 ensuring 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 <i>Conduct and review risk assessment</i>	Conducting and reviewing all risks associated with activities to ensure that control measures for hazards and risks are identified and mitigated. By conducting the risk assessment, it will avoid the chances of incidents related to people, the environment, assets, and the company's reputation.

No.	Elements	Description
10	Hot Work <i>Control flammables and ignition sources</i>	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 <i>Ensure the right PPE and proper control when handling hazardous chemicals</i>	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 gloves, face shield, etc.
12	Incident Reporting <i>All incidents and accidents are to be reported promptly</i>	All incidents shall be escalated immediately to ensure that correction and corrective actions are properly and promptly addressed. Continuous improvements are to be implemented based on lessons learned from incidents to avoid future recurrence.

TABLE 14: ELEMENTS IN UZMA'S 12 ORANGE RULES

HSE Performance in FY2023

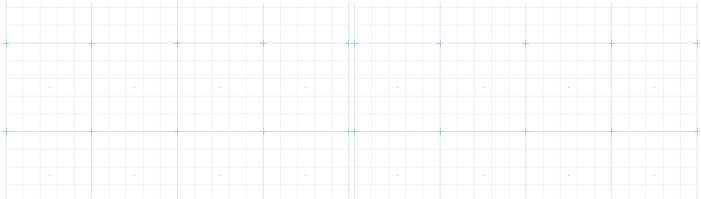
We are unwavering in our commitment to providing a safe and healthy workplace for our employees in Uzma. Our dedication to the well-being of our workplace is demonstrated through our adherence to internationally recognized standards. We are proud to hold certifications under ISO 9001:2015 (Quality Management System) and ISO 45001:2018 (Occupational Health and Safety Management System), which underscore our relentless pursuit of Quality, Health, Safety, and Environment (QHSE) excellence.

These certifications affirm that our equipment, personnel, and operational processes are under precise control, ensuring that our employees operate in a secure environment. Health and safety are paramount to us, and we prioritize them as key pillars of our corporate responsibility. We aspire to create an atmosphere where every employee feels empowered to take responsibility for health and safety at all levels.

In FY2023, our unwavering efforts yielded significant results. We achieved an impressive milestone, recording 1.4 million manhours with zero Lost Time Injuries (“LTI”). This remarkable achievement contributed to our cumulative tally of 7.1 million LTI-free manhours and 1,336 days without Lost Time Injury incidents, marking a major milestone in our commitment to employee safety.

To ensure continuous engagement and alignment with our QHSE objectives, we conducted monthly employee engagement sessions throughout FY2023. These sessions provided a platform for discussing various aspects of QHSE, including performance updates and the latest developments in our QHSE plan.

As we head into the future, we are resolute in our commitment to maintaining and further enhancing our occupational safety and health standards. Our employees’ well-being remains as our top priority, and we are determined to persist in our journey towards creating a safe and secure working environment for all.



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Health And Safety Statistics	FY2021	FY2022	FY2023
Total Man-hours Worked	2,258,434	1,807,990	1,419,852
No. of Lost Workdays	0	0	0
No. of Fatality	0	0	0
No. of Lost Time Injury ("LTI")	0	0	0
Lost Time Injury Frequency ("LTIF")	0.00	0.00	0.00
No. of Restricted Work Cases ("RWC")	1	1	2
No. of Medical Treatment Case ("MTC")	1	0	0
No. of First Aid Case ("FAC")	2	2	2
No. of Near Miss ("NM")	7	3	0
No. of Occupational Illness ("OI")	0	0	0
No. of Major Fire / Explosion	0	0	0
No. of Minor Fire	2	1	0
No. of Property Damage ("PD") / Property Lost ("PL")	3	1	0
No. of Motor Vehicle Accident ("MVA")	0	1	0
No. of Major / Minor Spill ("LOPC")	2	2	0
No. of Environmental Pollution	0	0	0
Fatal Accident Rate ("FAR")	0.00	0.00	0.00
Severity Rate	0.00	0.00	0.00
Total Recordable Case Frequency ("TRCF")	0.88	0.55	1.41
Total Recordable Occupational Illness Frequency ("TROIF")	0.00	0.00	0.00

TABLE 15: HSE STATISTICS FROM FY2021 TO FY2023

QHSE Key Performance Indicators ("KPIs") (Objectives and Targets)

In FY2023, Uzma recognized the paramount importance of developing Corporate QHSE KPIs that aligned with the internal and external dynamics influencing the organization. These KPIs were thoughtfully designed and implemented, following the SMART (Specific, Measurable, Achievable, Relevant, Time-bound) approach to ensure that each target was well-defined and attainable. The comprehensive framework of KPIs was closely monitored and analyzed through the QHSE Dashboard, which provided real-time insights into Uzma's performance in various QHSE aspects. Regular monthly reviews of these KPIs were conducted by the Management Committee ("MC") demonstrating our unwavering commitment to fostering a culture of continuous improvement and accountability within the organization. This proactive approach allowed us to maintain our strong commitment to QHSE excellence and contributed to our sustained efforts in providing safe, high-quality, and environmentally responsible services.

Objectives	Key Results (Metrics)	FY2023 Target	Overall Status
Ensure Quality Delivery to Customers	STAR Rating	All project scores => 3 STAR	100% (3 STAR: 20%, 4 STAR: 80%)
	Uzma's Customer Delivery Survey ("CDS") Ratings	Average score for the whole project => 80%	87%
Provide a Safe and Secure Environment	HSE Statistics	Zero LTI & Zero Major Spills	0 LTI & 0 Major Spills
	Evaluation of compliance result	Increase from 95% to 100% compliance on applicable HSE Legal and Regulatory Requirements	98.5%

TABLE 16: QHSE KEY PERFORMANCE INDICATORS IN FY2023



QHSE Programmes Conducted in FY2023

Throughout FY2023, Uzma diligently executed a series of comprehensive QHSE programmes across all our business subsidiaries, divisions, and departments. These programmes were thoughtfully designed and strategically implemented to enhance our QHSE practices, foster a culture of safety and environmental responsibility, and continually improve our services. These initiatives underscore our unwavering commitment to maintaining the highest standards of QHSE excellence, ensuring the well-being of our employees, and minimizing our environmental footprint.

Date	Programme
13th Oct 2022	Uzma 12 Orange Rules Launching, Jom Patuh & Tegur Campaign
9th – 31st Jan 2023	Internal Audit
7th Feb 2023	IMS Management Review
15th Feb – 20th Mar 2023	IMS Management Review
31st May & 15th June 2023	Critical Vendor Site Assessment
21st June 2023	Random Drug & Alcohol Test
Quarterly	HSE Committee Meeting
Bi-Monthly	Quality, Health, Safety & Environmental Sharing
Monthly	Monthly HSE Engagement
Yearly	Emergency Evacuation Drill at all location
Monthly	QHSE Inspection at Site
Bimonthly	Quality Meeting

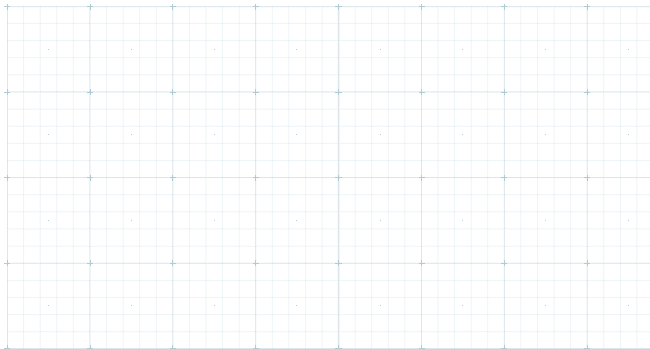
TABLE 17: QHSE PROGRAMMES CONDUCTED IN FY2023

QHSE Standards & Certifications

Uzma upholds a steadfast commitment to maintaining the highest standards of QHSE across our operations. To demonstrate this commitment, we undergo regular assessments and certifications by recognized classification societies in accordance with the rigorous standards of ISO. These certifications encompass our Quality Management System, Occupational Safety and Health Management System, and Environmental Management System. By aligning our business and operations with these international standards, we not only showcase our capabilities but also foster economic confidence among our stakeholders. In addition, we ensure full compliance with legal requirements and other specifications laid out by our valued clients, reinforcing our dedication to delivering top-tier QHSE performance.

Comprehensive Employee Compensation and Benefits

Uzma is deeply committed to the principle of providing equal pay for equal work, in strict compliance with all relevant local laws. Our approach to remuneration, including bonuses and salary increments, is firmly rooted in meritocracy. We meticulously assess employees' work performance, considering their achievements in accomplishing their personal KPIs. Furthermore, we recognize employee skills and professional qualifications when determining remuneration, all while continuously benchmarking and reviewing the competitiveness of our compensation and benefits structure, subject to affordability.



Our overarching goal is to establish a fair and competitive compensation framework that places significant value on the contributions of our employees, fostering an environment that encourages their ongoing professional development. To this end, Uzma extends a comprehensive range of benefits to our full-time employees. This offering encompasses both mandatory benefits as stipulated in Malaysia's Employment Act of 1955, as well as additional benefits provided at our discretion. This approach ensures that our employee remuneration remains highly competitive, enabling us to attract and retain the best talent in the industry.

LEAVES	ALLOWANCES	BUSINESS TRAVELLING ENTITLEMENTS	MEDICAL, HOSPITALIZATION & INSURANCE	OTHERS
<ul style="list-style-type: none">• Annual• Replacement• Offshore• Medical• Prolonged Illness• Marriage• Maternity & Paternity• Examination• Hajj• Compassionate• Special• Unpaid	<ul style="list-style-type: none">• Telecommunication• Transportation• Project• Hardship• Onshore & Offshore• Acting• Vacation• Marriage Gift• Newborn Gift• Bereavement Fund• Calamity Assistance	<ul style="list-style-type: none">• Mileage Claims• Toll & Parking Claims• Subsistence Allowance• Accommodation Allowance• Laundry Expenses Claim• Telecommunication & Internet Access Claims	<ul style="list-style-type: none">• Group Outpatient General Treatment• Group Hospitalization & Surgical• Group Personal Accident• Group Term Life	<ul style="list-style-type: none">• Professional Membership• Transfer / Relocation Benefits• Gym Membership Subsidy

TABLE 18: EMPLOYEE LEAVE, ALLOWANCES, ENTITLEMENTS, MEDICAL AND INSURANCE, AND OTHER BENEFITS

The commitment we hold for our employees is unwavering and extends to ensuring they are not only adequately rewarded but also provided with benefits that significantly enhance their overall well-being. We maintain a competitive remuneration and rewards framework that is firmly rooted in the principles of equity. This system undergoes regular reviews, guaranteeing that our salary levels consistently align with local market standards.

Our comprehensive compensation and benefits package not only sustains a culture of fairness but also assures the well-being of our employees, promoting their financial stability and enhancing their overall quality of life. This commitment to our workforce remains a cornerstone of our sustainability vision as we strive to create a thriving, equitable, and harmonious workplace for all.

EMPOWER OUR WORKFORCE THROUGH HUMAN CAPITAL DEVELOPMENT

Training and Development

At Uzma, we are dedicated to nurturing a workforce that is adaptable, skilled, and always ready to embrace new challenges to flourish and excel, they need to continually expand their knowledge and capabilities. As a result, we place immense importance on their professional development, offering a wide array of training programs that cater to all levels of employment, from management to executives and non-executive personnel.

In FY2023, our unwavering commitment to training and development resulted in a total of 21,444 training hours (FY2022: 2,120* training hours) being invested in our employees, representing an investment of RM1.92 million (FY2022: RM0.25 million). These training programmes encompass a diverse spectrum, including soft skills, mandatory operational courses, and various training initiatives focused on corporate responsibility, sustainability awareness, and health and safety. The average training hours per employee in FY2023 amounted to 29 hours (FY2022: 6.4 hours), reflecting our dedication to enhancing their knowledge and skills.

Categories	FY2021	FY2022	FY2023
Total training hours Groupwide	12,386*	2,120*	21,444
Total training spend Groupwide	RM 1.41* million	RM 0.25* million	RM 1.92 million
Average training hours per employee	28.8* hours	6.4* hours	29.0 hours

Note: (*) Applies to employees from Uzma Berhad, Uzma Engineering Sdn. Bhd., Premier Enterprise Corporation (M) Sdn. Bhd., Uzma Environergy Sdn. Bhd., Geospatial AI Sdn. Bhd., Uzma LNG Sdn. Bhd., and Uzma Artificial Lift Sdn. Bhd. only.

TABLE 19(A) : TRAINING AND DEVELOPMENT DATA FROM FY2021 TO FY2023



Total Training Hours By Employment Category	FY2021	FY2022	FY2023
Management	546*	80*	1,084*
Executive	1,029*	329.5*	1,712*
Non-Executive	10,811*	1,710.5*	2,676*

Note: (*) Applies to employees from Uzma Berhad, Uzma Engineering Sdn. Bhd., Premier Enterprise Corporation (M) Sdn. Bhd., Uzma Environergy Sdn. Bhd., Geospatial AI Sdn. Bhd., Uzma LNG Sdn. Bhd., and Uzma Artificial Lift Sdn. Bhd. only.

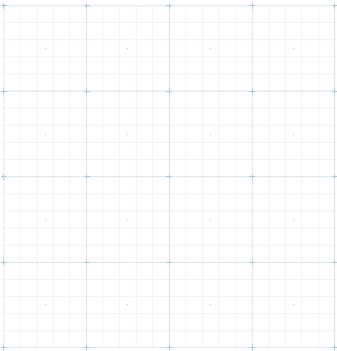
TABLE 19(B) : BREAKDOWN OF TOTAL TRAINING HOURS BY EMPLOYMENT CATEGORY FROM FY2021 TO FY2023

Our approach to training encompasses various aspects. These include addressing performance or skills gaps that individual employees may have, serving as a form of reward, bolstering employee morale, retaining valuable staff, and nurturing potential future leaders of the Group, thereby contributing to succession planning.

These training programs not only equip our employees with essential competencies but also foster a culture of continuous learning, positioning Uzma as an employer of choice and a champion of talent development in our industry. The Group actively invests in training, facilitating it through contributions to the Human Resource Development FUND ("HRDF"), and reaffirming our commitment to fostering the growth and development of our employees.

Talent Attraction and Retention

At Uzma, we recognize that retaining and developing talent is essential for our continued success. Our talent management strategy revolves around providing continuous learning and development opportunities, establishing clear career paths, offering competitive compensation and benefits, and fostering a supportive and inclusive work environment. We firmly believe that by investing in our employees, we can cultivate a culture of excellence and innovation that propels our business forward.



In line with our commitment to equal opportunity, diversity, and merit, Uzma does not discriminate on the basis of race, gender, age, marital status, or other socio-demographic factors during the recruitment process. We prioritize local talent while also welcoming foreign applicants for all advertised positions. Successful hires are provided with detailed contracts that clearly stipulate their roles, responsibilities, and remuneration, ensuring mutual understanding and fair compensation.

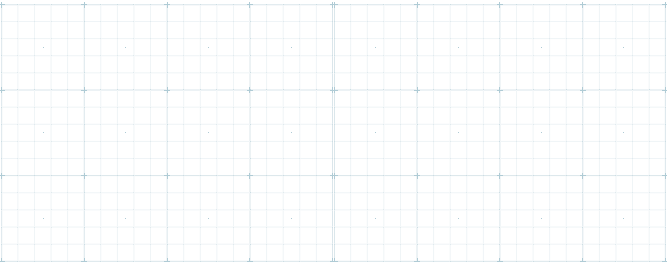
Our employees are at the core of our organization, driving our success with their skills, dedication, and enthusiasm. Talent attraction and retention are pivotal to our sustainability efforts. In FY2023, we welcomed 161 new employees into the Uzma family, each contributing their unique talents to our diverse workforce, demonstrating our commitment to nurturing fresh talent.

Categories	FY2021	FY2022	FY2023
New hires	92	90	161
Male	64	60	110
Female	28	30	51
Turnover rate	10.18	17.43	14.78

TABLE 20: NEW HIRES AND TURNOVER RATE

Employee turnover is a critical metric influencing organizational stability and growth. In FY2023, our turnover rate was 14.78%, reflecting our ongoing emphasis on retaining skilled professionals. By nurturing a work environment that values personal and professional growth, we are better positioned to retain the talents that make Uzma a dynamic and innovative company.

Our commitment to talent attraction and retention is both a strategic advantage and a testament to our dedication to long-term sustainability. A satisfied and engaged workforce is essential for our continued growth and success, and we remain committed to attracting, nurturing, and retaining exceptional talent in the years ahead.



Onboarding for New Hires

New hires undergo a comprehensive onboarding process that familiarizes them with their rights and entitlements as provided by the laws of the country and the Group's policies. This includes matters related to human rights, anti-corruption, and ethical conduct aligned with good governance practices. The induction process also helps new hires become acclimated to organizational practices, engagement channels, and Uzma's culture, providing them with the necessary support to adjust to their new work environment.



Preparation of Next Generation of Leadership

Uzma's unwavering commitment to nurturing future leaders and succession planning has resulted in significant advancements, notably with the introduction of the High Individual Performance Program ("uzmaHIP") in FY2023. Through this initiative, we have identified a remarkable cohort of 35 high-calibre individuals, each showcasing exceptional potential for accelerated career growth within the organization. This group are being thoughtfully groomed to assume pivotal roles across the Group. By investing in the development and mentorship of these promising talents, we are not only ensuring a robust and sustainable leadership pipeline but also reinforcing our commitment to building a resilient future for the company.

Employee Performance Management

Uzma places great emphasis on nurturing its talented workforce and ensuring that they are motivated and developed to achieve their fullest potential. We are committed to fostering a highly performance-driven work environment where individuals with a passion for excellence can excel. To facilitate this, we have established our Performance Management System, known as the Personal Performance Appraisal ("PPA") System, with a clear focus on the following objectives:

- Serves as a tool to instill ownership and accountability throughout the organization, encouraging every employee to take responsibility for delivering results. It aligns individual goals and Key Performance Indicators ("KPIs") with the company's overarching objectives.
- Emphasizes the need for our line managers to actively engage with their team members, fostering an environment of open dialogue, feedback, and coaching. This engagement contributes to a more constructive performance assessment.
- Allows for the identification, recognition, and retention of high-performing employees. Simultaneously, it objectively manages underperforming individuals, providing them with opportunities to improve their performance.
- Aims to simplify and clarify the performance assessment procedures for all employees, ensuring that expectations are well understood at every level.

Employee performance is primarily assessed based on the goals established within Key Results Areas and Work Objectives during the PPA process. These assessments include frequent performance discussions between line managers and their subordinates. The comprehensive approach not only improves talent development but also enables our leaders to identify high-performing employees and potential successors for future leadership roles.

The annual PPA results serve as the foundation for our company's reward system. All employees across the Group undergo formal performance appraisals. Annual increments, promotions, and other incentives, including performance bonuses, are determined based on individual PPA ratings from the previous financial year.

Our appraisal approach is designed to be a constructive, two-way process, encouraging employees to express their perspectives on their own performance. Employees have the autonomy to accept or reject their appraisal, ensuring a fair and transparent assessment. Those who disagree with their appraisal scores can utilize our formal employee grievance mechanism to address their concerns, demonstrating our commitment to an equitable evaluation process. We believe that fostering a culture of accountability and performance excellence not only benefits our employees but also drives the success of our organization.



Employee Recognition Programme

Uzma proudly recognizes and celebrates the outstanding contributions of its dedicated employees through the uzmaGRIT award. In FY2023, 31 employees and 4 teams received the uzmaGRIT award. This corporate-wide recognition and reward programme is a testament to the unwavering commitment, passion, and perseverance exhibited by our workforce in their respective roles. The term “GRIT” served as the inspiration for this programme, symbolizing a personality trait found in individuals who display exceptional dedication and resolve to achieve success. Additionally, “GRIT” conveniently forms an acronym for ‘Group Recognition for Individuals and Teams,’ reflecting its core purpose. As a vital component of Uzma’s ongoing efforts to reinforce the uzmaWAY culture and promote positive behaviours, the uzmaGRIT award programme places a spotlight on six essential behaviours that are pivotal to the company’s continued progress. These behaviours are summarized in the following table, encouraging the embodiment of these principles throughout the organization.

GO BEYOND <i>I stretch my limits to deliver extraordinary results.</i>
OWN IT <i>I hold myself accountable to achieve the results and do not blame others.</i>
OUT OF THE BOX <i>I am innovative in providing solutions that add value to Uzma and its customers.</i>
WIN TOGETHER <i>I collaborate with others for the greater good of Uzma.</i>
BETTER EVERYDAY <i>I continuously improve myself and my team (including learning from my mistakes).</i>
CARE FOR ALL <i>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.</i>

TABLE 21: uzmaGRIT CHARACTERISTICS

Nurturing Tomorrow’s Talent

At Uzma, we firmly believe in the importance of nurturing the next generation of talent and giving back to society. To put our commitment into action, we have established a strong Internship Programme.

Our Internship Programme is designed to provide students from local universities and colleges with a valuable stepping stone as they embark on their professional careers. We recognize that the transition from academics to the workplace can be challenging, and our internship programme is tailored to bridge this gap effectively.

Interns who join our programme gain more than just work experience; they experience the diverse and dynamic environment of Uzma. Our interns have the opportunity to immerse themselves in various aspects of our business, benefiting from knowledge sharing, learning work ethics, and gaining hands-on experience in their chosen field.

Furthermore, the programme is not just about technical skills. We focus on developing soft skills, building character, and nurturing talent. We see our interns at future industry leaders and believe in equipping them with the necessary tools to succeed.

In FY2023, we were delighted to have welcomed 35 interns into the Uzma family. As they contributed their fresh perspectives and enthusiasm, we provided them with the guidance and support they needed to thrive in a professional setting.

Our Internship Programme not only benefits the students but also Uzma. It allows us to identify and engage with potential future employees, building a pipeline of talent that aligns with our vision and goals. We are proud of our Internship Programme and remain committed to providing students with the opportunity to learn, grow, and possibly embark on their professional journey with us.

ENGAGEMENT WITH LOCAL COMMUNITIES

At Uzma, we believe in the power of community engagement and our responsibility to support the well-being of those around us. Our commitment to social responsibility extends to various initiatives and activities that not only reflect our values but also aim to bring about meaningful change. Here’s a glimpse of our engagements with local communities:

Beach Cleaning for Bintulu’s Shoreslines	Celebrating 1.5 Million Manhours with Ocean’s Love
Date : 17 August 2022	Date : 17 August 2022
Location : Tanjung Batu Beach, Bintulu	Location : Teluk Mak Nik Beach Turtle Conservation Center
Purpose : Uzma collaborated with PETRONAS and chemical contractors for a beach cleaning activity at Tanjung Batu Beach. This initiative reinforced our dedication to the community, ensuring cleaner shorelines.	Purpose : To commemorate achieving 1.5 million manhours safely, we celebrate with the theme of “ocean’s love”. This event supported marine life conservation and the Turtle Conservation Center.

Preserving Pantai Kuala Kemaman
Date : 18 August 2022
Location : Pantai Kuala Kemaman
Purpose : Uzma organized a beach cleanup event to ensure the preservation of this beautiful beach for generations. In total, we collected 115kg of rubbish.

Celebrating World Rivers Day at Taman Eko Rimba Kanching
Date : 25 September 2022
Location : Taman Eko Rimba Kanching Templer Park (Rawang)
Purpose : In conjunction with World Rivers Day, we collected rubbish to protect the environment and rivers. Our donation of RM200 supported this important cause.

Supporting Flood Disaster Management
Date : 2 February 2023
Purpose : Uzma donated RM5,000 to Pertubuhan Syabab for flood disaster management, assisting flood relief operations in the region.

Back to School Programme for Uzma Staff
Date : 15 March 2023
Purpose : We allocated RM31,200 to assist our staff with their children’s schooling needs, demonstrating our commitment to our Uzma family.

Supporting Hari Raya Aidiladha Celebration
Date : 26 June 2023
Location : Kuala Lumpur
Purpose : We contributed RM1,500 to Maahad Tahfiz Ar-Rashidi for food during the Hari Raya Aidiladha celebration.

Upgrading Masjid Tuan Guru Hj. Wan Ismail
Date : 18 October 2022
Location : Kelantan
Purpose : We contributed RM2,000 to upgrade the infrastructure of Masjid Tuan Guru Hj. Wan Ismail, supporting the local community.

Enhancing Maahad Tahfiz Ar-Rashidi, Kuala Lumpur
Date : December 2022
Location : Kuala Lumpur
Purpose : We contributed RM2,000 to upgrade the infrastructure of Maahad Tahfiz Ar-Rashidi, positively impacting the community.

Financial Assistance through “Program Ukhuwah Insan”
Date : February 2023
Purpose : We provided RM2,000 in financial contributions to support the Asnaf community through “Program Ukhuwah Insan.”

Providing Furniture to Maahad Tahfiz Al-Quran As-Syakirin
Date : 17 August 2022
Location : Kuala Lumpur
Purpose : We donated RM3,000 for the purchase of furniture at Maahad Tahfiz Al-Quran As-Syakirin.

Uzma CSR Beach Bliss 2023
Date : 27 June 2023
Location : Pantai Kelanang & Pantai Bayu Laut
Purpose : Uzma’s CSR Beach Bliss event involved cleaning Pantai Kelanang and Pantai Bayu Laut, Banting. Our team collected 118kg of rubbish, ensuring cleaner and safer beaches for all.

These engagements reflect our dedication to creating a sustainable and positive impact on local communities. At Uzma, we believe that collective efforts can lead to a brighter and more prosperous future for everyone.



GOVERNANCE

The Governance pillar of Uzma’s Sustainability Framework forms the foundation of our commitment to upholding the highest standards of integrity, transparency, and accountability. It entails a steadfast dedication to ensuring our operations adhere to the laws, regulations, and best practices that govern our industry. Governance sustainability is pivotal to fostering trust, both within our organization and among our stakeholders. We continually strive to enhance our governance processes and practices, as we believe that a foundation built on ethical leadership, compliance, accountability, and risk management is essential to the long-term success of our business and the preservation of our stakeholders’ trust.

ETHICAL BUSINESS PRACTICES

Corporate Governance and Policies

Uzma upholds unwavering dedication to the highest standards of corporate governance, ensuring the creation of enduring sustainable value for all our stakeholders. The Board holds the pivotal role of shaping the Group’s strategic direction and execution of policies that fortify sound corporate governance

Our governance framework is further bolstered by a comprehensive set of organizational policies, codes, charters, and Terms of References, including but not limited to:

- Board Charter
- Terms of Reference for
 - Audit Committee
 - Nomination and Remuneration Committee
- Code of Conduct and Business Ethics
- Limits of Authority
- Anti-Bribery and Corruption Policy
- Directors’ Fit and Proper Policy
- QHSE Policy
- Whistleblowing Policy
- People Handbook

More details of the Group’s practice of corporate governance, including the related governance structure and policies, are provided in the Corporate Governance Overview Statement available in this Annual Report and the Corporate Governance Report in Uzma’s website at www.uzmagroup.com, further exemplifying our commitment to transparency and accountability.

Board Composition Diversity

Our Board plays a pivotal role in the long-term success of the Group, as it is instrumental in creating sustainable value and serving the interests of our stakeholders. To ensure the robustness of our decision-making processes, we have thoughtfully composed our Board with individuals possessing diverse professional experiences and competencies. This diversity enriches our strategic perspectives, contributing to well-rounded and informed governance.

When assessing prospective Board members for appointment, we consider a range of criteria, which encompass:

- Skills and competency
- Knowledge and expertise
- Regional and industry experience
- Academic and professional qualifications
- Reputation
- Background, race, gender, age and nationality
- Personal and professional ethics, integrity and values
- Relationship-building capabilities
- Commitment to devote the necessary time to fulfill Board responsibilities
- Financial capability and business stability
- Existing directorships

At present, our board comprises individuals with diverse expertise, including chartered accounting and members of engineering associations. Notably, seven out of our nine members are independent directors, reinforcing our commitment to leadership integrity. To ensure the continued effectiveness of the Board, we conduct annual evaluations.

In support of Bursa Securities’ target of achieving 30% representation of women directors, this aspect is also considered when evaluating potential Board candidates. As of FY2023, women make up 22% of our Board members, and it’s important to highlight that all our Board members are Malaysians.

BOARD GENDER BREAKDOWN

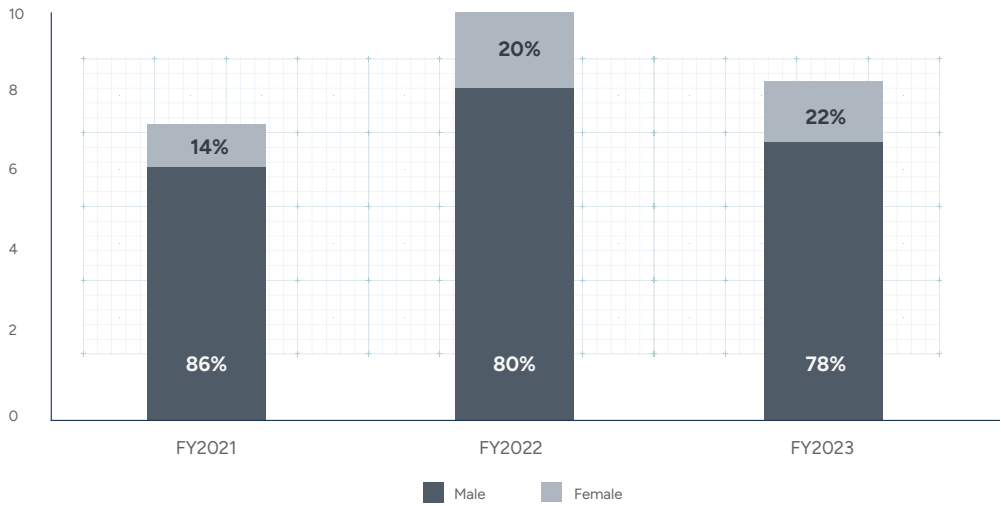


FIGURE 13: BREAKDOWN OF BOARD COMPOSITION BY GENDER FROM FY2021 TO FY2023

Uzma’s commitment to diversity extends to age as well, fostering a well-rounded and inclusive environment within our governance structure.

BOARD AGE BREAKDOWN

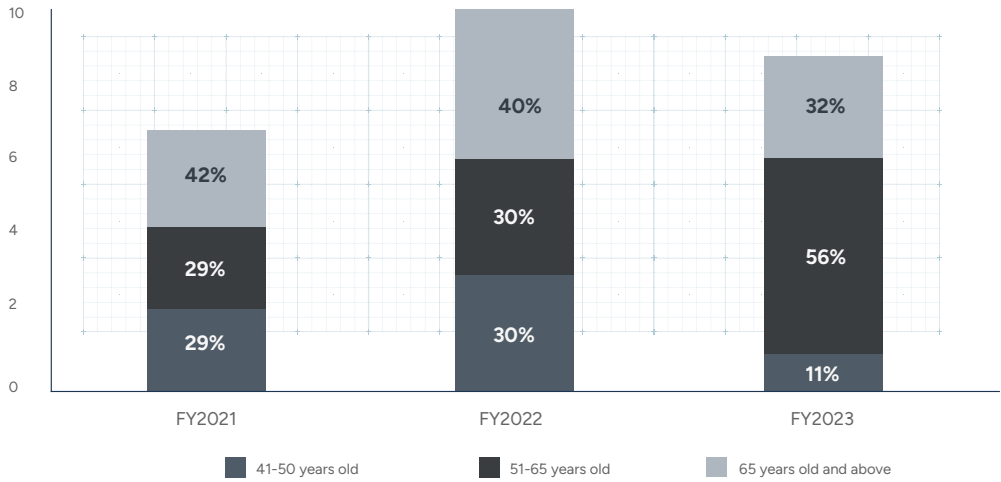


FIGURE 14: BREAKDOWN OF BOARD COMPOSITION BY AGE GROUP FROM FY2021 TO FY2023



Categories		FY2021	FY2022	FY2023
Gender	Male	6	8	7
	Female	1	2	2
Age	41 – 50	2	3	1
	51 – 65	2	3	5
	Aged > 65	3	4	3
Nationality	Malaysian	7	10	9
	Non-Malaysian	-	-	-
Ethnicity	Malay	7	10	9
	Others	-	-	-

TABLE 22: BREAKDOWN OF BOARD COMPOSITION FROM FY2021 TO FY2023

Name of Directors	Auditing / Taxation	Civil Service	General Management / Business / Sales & Marketing	Human Resources	Oil & Gas / Engineering	Banking / Financial Services	Legal
Datuk Abdullah Bin Karim <i>Independent Non-Executive Chairman</i>			✓		✓		
Dato’ Kamarul Redzuan Bin Muhamed <i>Managing Director / Group Chief Executive Officer</i>			✓		✓		
Dato’ Che Nazahatuhisamudin Bin Che Haron <i>Executive Director</i>			✓		✓		
Encik Yahya Bin Razali <i>Independent Non-Executive Director</i>	✓	✓	✓			✓	
Datuk Seri Zurainah Binti Musa <i>Independent Non-Executive Director</i>		✓	✓	✓			
Encik Ikhlas Bin Abdul Rahman <i>Independent Non-Executive Director</i>			✓		✓		
YM Tengku Ezuan Ismara Bin Tengku Nun Ahmad <i>Independent Non-Executive Director</i>	✓		✓	✓		✓	✓
Datuk Farisha Binti Pawan Teh <i>Independent Non-Executive Director</i>		✓	✓	✓			
Encik Mazli Zakuan Bin Mohd Noor <i>Independent Non-Executive Director</i>		✓	✓		✓	✓	

TABLE 23: BREAKDOWN OF BOARD QUALIFICATION AND SKILLS

Robust Anti-Bribery and Corruption Stance

At Uzma, we are deeply committed to creating value for our customers, employees, and stakeholders by upholding the highest standard of integrity and Quality, Health, Safety and Environment (“QHSE”). We are dedicated to implementing and enforcing systems that prevent any form of corruption and bribery. Our aspiration is to achieve superior financial and operating results while maintaining the highest standards of business conduct.

Uzma maintains a steadfast commitment to a zero-tolerance approach when it comes to any manifestations of bribery and corruption, not only within the Group but also throughout its entire value chain and in its relationships with business partners. The Group’s pledge to uphold the highest standards of ethical conduct and integrity in all business activities is unwavering.

To reinforce this commitment, Uzma proactively conducted organization-wide training on anti-bribery and corruption in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (“MACC Act”). Subsequently, every employee and director affirmed their dedication by signing the pledge to ensure compliance. Additionally, the Group formally established its own Anti-Bribery and Corruption (“ABC”) Policy, receiving approval from the Board in May 2020. This Policy provides crucial guidelines and further bolsters the Group’s anti-corruption and anti-bribery stance. Fundamental principles and directives regarding anti-bribery and corruption are also seamlessly integrated into Uzma’s Code of Conduct and Business Ethics (“COCBE”).

The ABC Policy is thoughtfully structured to outline the Group’s expectations for both internal and external parties who are involved with, work for, or represent the Group. This Policy serves as a guiding document that ensures compliance with the regulations pertaining to bribery and corruption in Malaysia, as specified by the MACC Act.

The Board, as the highest organisational body within Uzma, has oversight of anti-bribery and anti-corruption matters within the Group. The ABC Policy is periodically reviewed by the Board when necessary to better reflect the latest legislative updates in Uzma’s governance frameworks. The ABC Policy can be read on the Group’s website at www.uzmagroup.com.

This Policy is applicable to all individuals working for any company within Uzma, regardless of their grade, in all jurisdictions where Uzma operates. This includes, but is not limited to, the Board, senior management team, and employees. In FY2023, Uzma continued to communicate anti-corruption information, provide training, and conduct briefings for all Board members, senior management personnel, and employees.

Mandatory induction sessions are held for new employees, which include anti-bribery and corruption briefings, in addition to familiarizing them with other established company policies and COCBE. Uzma employs various channels for conveying anti-corruption awareness, including the Group’s website, email notifications, and People Handbook.

Notably, our COCBE outlines how employees should conduct themselves regarding the giving or receiving of any gifts, meals, or entertainment (collectively known as business courtesies). Employees are strictly prohibited from offering or accepting gifts in the form of money, loans, kickbacks, and similar monetary advantages from third parties.

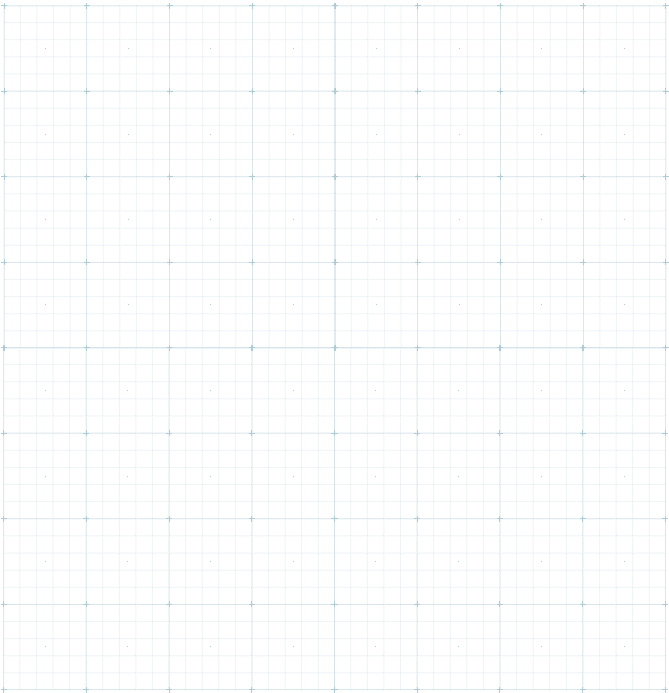
Furthermore, employees are expected to remain impartial and shall not attempt to unduly influence others by providing or accepting favours. Business courtesies may only be offered or accepted if they are reasonable and appropriate within the given context, and under no circumstances shall they create the appearance of improper bias in the business relationship.

Any individual or entity found to have violated the ABC Policy, COCBE, or any other related anti-corruption policies, or engaged in stipulated forms of bribery and corruption, will be subjected to stringent disciplinary proceedings, including employment suspension, termination, or even legal actions when necessary.

To further enhance the Group’s anti-corruption due diligence alongside the ABC Policy, Uzma Engineering Sdn. Bhd., a wholly owned subsidiary of the Company, is a member of TRACE, a globally recognized non-profit business association dedicated to pursuing anti-bribery business association dedicated to pursuing anti-bribery compliance and good governance.

Uzma maintains its stance as an apolitical organisation. The Group did not make any political donations or contributions in the current reporting year. However, the Group might occasionally participate in government-organised nation-building events.

Notably, there were zero confirmed incidents or cases of corruption or violations of the ABC Policy at Uzma during FY2023.



Whistleblowing and Grievance Mechanism

The Whistleblowing Policy established by Uzma Berhad’s Board of Directors serves as a crucial instrument in the Group’s mission to eradicate fraud and corruption elements within Uzma. This Policy applies to the Group’s Directors, employees, stakeholders, and the general public across all countries where Uzma conducts its business. It aims to create an environment where individuals can report serious wrongdoings, misconduct, illegal acts, or unethical business conduct without fear. This encompasses issues such as fraud, corruption, malpractice, financial irregularities, dishonesty, criminal activities, personal misconduct, and significant breaches of internal policies and codes. The Policy explicitly excludes grievances unrelated to wrongdoings, frivolous complaints, or matters already subject to legal proceedings.

Uzma commits to several guiding principles in the execution of this Policy. These include encouraging employees to report unlawful or unethical situations, ensuring all reports are handled discreetly, promptly, thoroughly, and confidentially protecting whistleblowers from reprisals, and offering fair treatment and an opportunity to be heard for all involved parties. These principles underscore Uzma’s dedication to maintaining an ethical and responsible workplace.

This Policy outlines the process for reporting wrongdoings, allowing for anonymous disclosures, and providing contact information for designated recipients within the organisation. It further describes the steps for handling disclosures, from documenting and assessing reports to determining appropriate actions. Finally, it emphasises the importance of keeping whistleblowers informed about the status of their reports and protecting their identities. This Policy also details the reporting of disclosures to the Board and the periodic review of this Policy by the Company to ensure its ongoing effectiveness and relevance.

Reports can be made to either one of the following Prescribed Persons:

- Email to Uzma’s Chief People Officer, Datin Rozita Binti Mat Shah @ Hassan at rozita@uzmagroup.com
- Email to Uzma’s Managing Director/ Group Chief Executive Officer, Dato’ Kamarul Redzuan Bin Muhamed at kamarul@uzmagroup.com

If making a report to Management is a concern or if the alleged Wrongdoing involves the Prescribed Persons or a Director, the report may be made directly to the Audit Committee Chairman by:

- Emailing to Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad at ezuan.ismara@uzmagroup.com.

By providing a comprehensive framework for reporting and addressing wrongdoings, Uzma’s Whistleblowing Policy reinforces the Group’s commitment to ethical behaviour and maintaining a responsible and transparent business environment.

Trainings regarding Uzma’s whistleblowing and grievance mechanism will be carried out in FY2024 for all employees to learn about how to report their concerns appropriately.

You can find comprehensive details on Uzma’s Whistleblowing Policy on our website at www.uzmagroup.com.

During FY2023, no whistleblowing or grievance cases were reported.

Code of Conduct and Business Ethics

Uzma is unwavering in its commitment to upholding the highest standards of integrity and ethical conduct within the organisation and in its interactions with external parties. The company’s dedication to ethical business practices extends to all stakeholders, including directors, employees, clients, shareholders, and the community.

- Employees are expected to adhere to the following principles:
- Conduct themselves with propriety and decorum at all times, reflecting the Company’s good standing.
 - Support the Company’s policies, procedures, and practices.
 - Fulfill the responsibilities assigned by the Company and its related entities within the Group while consistently promoting and advancing the Company’s interests.
 - Devote their professional efforts exclusively to the Company, refraining from direct or indirect engagement in other forms of employment or service.



Uzma’s Code of Conduct and Business Ethics (referred to as the “Uzma Code”) is a policy document designed to provide guidance to Uzma’s employees and directors as they carry out their duties and responsibilities with the utmost standards of personal and corporate integrity. This guidance applies to all interactions within the Group and with stakeholders. The Uzma Code serves as a framework for ensuring that all employees and directors conduct their activities in compliance with applicable laws, regulations, and the Company’s policy and procedures. While promoting legal and procedural compliance, the Uzma Code also serves as a moral compass, aligning individual behaviour with Uzma’s corporate values, encapsulated in the uzmaWAY.

Supply Chain Governance and Processes

Uzma is dedicated to fostering fair and robust supply chain governance through the rigorous practice of ethical standards. Responsible sourcing at Uzma involves actively and consciously procuring products and services in a manner that aligns with ethical, sustainable, and socially responsible practices.

Central to this commitment is the Uzma Code of Conduct and Business Ethics (referred to as the “Uzma Code”). The Uzma Code, which encompasses anti-corruption measures and action plans, plays a pivotal role in promoting ethical practices and supporting the national anti-corruption agenda within the Group’s supply chain.

In line with compliance with the Uzma Code, Uzma holds its business partners to high standards when addressing issues of bribery and corruption. This includes adherence to the principles outlined in its ABC Policy. When Uzma employees engage third-party partners on the Company’s behalf, they are responsible for ensuring rigorous due diligence has been conducted on these partners. Suppliers and vendors must acknowledge and affirm their understanding of the Uzma Code, ABC Policy, and other pertinent policies and guidelines as a prerequisite for conducting business with the Group.

Evaluating Supply Chain Integrity

Uzma actively maintains an updated vendor and supplier list and places great importance on the due diligence process for suppliers and vendors. Thorough screening is carried out prior to engaging with any third parties, ensuring that Uzma exclusively collaborates with partners who uphold a commendable standard of business integrity. This due diligence encompasses a meticulous examination of the economic, legal, fiscal, and financial aspects of a potential business partner, vendor, or individual.

Furthermore, Uzma mandates that vendors complete the Vendor Registration Form and provide the required additional documents. These documents include the vendor company’s profile and financial report, relevant health and safety policies, and other related policies. This comprehensive approach ensures that third-party partners working with Uzma uphold strong governance on ESG matters within their own organizations.

Responsible Sourcing Strategies

Responsible procurement and purchasing at Uzma are governed by the Standard Operating Procedure (“SOP”) for Procurement and Payables. This SOP guides Uzma employees in acquiring goods and services, ensuring that purchases meet the organization’s needs in terms of quality, value, quantity, timeliness, and location. These practices are carried out efficiently while maintaining a commitment to quality vendors. Purchases are conducted transparently, fairly, and in line with professional best practices and ethical standards, promoting a competitive and ethical marketplace. Additionally, Uzma diligently monitors vendor contracts to optimize their efficiency and effectiveness.

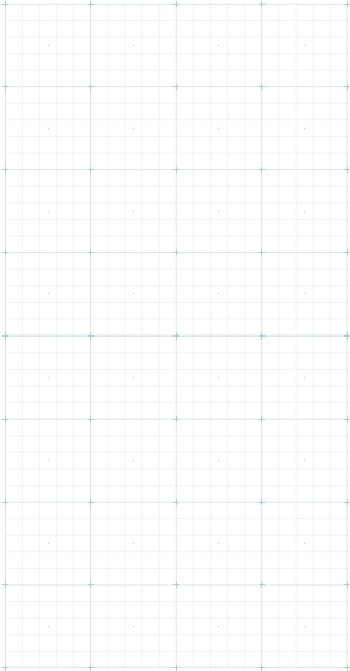
Vendor Performance Assessment and Audits

To uphold the highest standards of supply chain integrity, Uzma diligently conducts vendor performance evaluations, physical site inspection audits, and annual performance assessments for its existing suppliers. In FY2023, 87 vendors underwent evaluations to ensure their adherence to Uzma’s supply chain integrity standards.

Uzma also places a strong emphasis on assessing the performance of key local and foreign vendors to ensure the reliability and smooth operation of the supply chain with trusted partners. The assessment of vendor performance is facilitated through Uzma’s internal vendor evaluation tool, which assigns grading scores as outlined below:

GRADE	FY2021	FY2022	FY2023
Excellent	22	4	2
Good	317	62	60
Fair	54	23	24
Poor	2	1	1
TOTAL VENDORS ASSESSED	395	90	87

TABLE 24: VENDOR ASSESSMENT SUMMARY OVER THREE FISCAL YEARS



The responsibility of reviewing and endorsing the evaluation form to all Uzma’s vendors lies with the Procurement Manager.

In the event that vendors fail to meet the stipulated requirements of the evaluations (i.e., those who score Below Average in their grade), they are engaged in a meeting with the Group to discuss the related performance issues. Should a vendor’s poor performance persist, Uzma will issue a warning letter to the vendor. Continued subpar performance beyond the communicated warnings will result in the termination of the vendor.

Starting from the middle of the fiscal year 2024, Uzma’s Group Supply Chain Management department will enhance the screening process for new vendors and suppliers during vendor registration. This screening process will include more robust and explicit ESG criteria. These criteria will encompass employment practices, including aspects such as human rights, child labour, and forced or compulsory labour, as well as health and safety practices. This proactive approach underscores Uzma’s unwavering commitment to sustainable and responsible supply chain practices.

Regulatory Compliance

Uzma places paramount importance on regulatory compliance as a cornerstone of our operational sustainability. Non-compliance with regulations poses risks to our license to operate, encompassing issues such as corruption, pollution, modern slavery, and data privacy, among others. It is our obligation to meet the requirements of regulatory bodies, which includes the timely publication of our financial performance on an annual and quarterly basis, along with corporate announcements and governance-related disclosures on our website in adherence to Uzma’s listing obligations.

Furthermore, we are deeply committed to upholding principles of fair competition and refraining from any anti-competitive conduct or the misuse of our market position for undue advantages. Our policies prohibit all forms of collusion, anti-competitive actions, and market restrictions, including practices like price-fixing and bid coordination.

To ensure unwavering regulatory compliance, the Group diligently monitors changes in the regulatory landscape. This endeavour is embedded within our comprehensive Risk Management and Internal Control framework, guaranteeing that we consistently adhere to all applicable laws and industry regulations.

DATA PRIVACY AND CYBERSECURITY

Data privacy and cybersecurity are paramount to Uzma’s commitment to business continuity. With extensive data on our business, supply chain, and customers, safeguarding data confidentiality is of utmost importance. Uzma diligently complies with the Personal Data Protection Act 2010 and maintains robust internal security systems for core applications, ensuring high availability. The Group employs a comprehensive Information Technology (“IT”) security system to thwart malicious and unknown cyber threats. In FY2023, no substantiated complaints about breaches of customer privacy or data losses were reported, and there were no data breaches or framework non-compliances, underscoring our dedication to data protection.



OUR ESG PERFORMANCE DATA
IN FY2023

ECONOMIC PERFORMANCE

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
SUPPLY CHAIN MANAGEMENT				
Total procurement spend	RM mil	148.1	126.1	94.4
Total procurement spend on local suppliers	RM mil	88.6	86.4	56.9
Total procurement spend on foreign suppliers	RM mil	59.5	39.7	37.5
Proportion of spending on local suppliers	%	60	69	60
Total number of registered active vendors	Number	1,582	1,664	1,826
Number of registered local vendors	Number	1,283	1,353	1,480
Number of registered foreign vendors	Number	299	311	346
Percentage of registered local vendors	%	81	81	81

ENVIRONMENTAL PERFORMANCE

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
Environmental fines and penalties incident	Number	0	0	0
Environmental fines and fines amount	RM	0	0	5,000
ENERGY				
Total fuel consumption (diesel)	Liters	454,405	549,172	94,439
Total electricity consumption	kWh	429,252	380,827	388,407
WATER CONSUMPTION				
Total volume of water use	m³	1,260	839	1,480
WASTE AND EFFLUENT				
Number of minor environmental spills	Number	2	2	1
Number of major environmental spills	Number	0	0	0



SOCIAL PERFORMANCE

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
HSE PERFORMANCE				
Total manhours worked	Hours	2,258,434	1,807,990	1,419,852
Number of work-related fatalities	Number	0	0	0
Fatality rate	Rate	0.00	0.00	0.00
Number of Lost Time Injury ("LTI")	Number	0	0	0
Lost Time Incident Rate ("LTIR")	Rate	0.00	0.00	0.00
Number of Restricted Work Case ("RWC")	Number	1	1	2
Number of Medical Treatment Case ("MTC")	Number	1	0	0
Number of First Aid Case ("FAC")	Number	2	2	2
Number of Near Miss ("NM")	Number	7	3	0
Number of Occupational Illness ("OI")	Number	0	0	0
Number of Major Fire / Explosion	Number	0	0	0
Number of Minor Fire	Number	2	1	0
Number of Property Damage ("PD") / Property Lost ("PL")	Number	3	1	0
Number of Motor Vehicle Accident ("MVA")	Number	0	1	0
Number of Major / Minor Spill ("LOPC")	Number	2	2	0
Number of Environmental Pollution	Number	0	0	0

WORKFORCE DIVERSITY				
Total workforce	Number	880	748	771
Breakdown of employees, by nationality				
• Malaysian employees	%	78	78	78
• Non-Malaysian employees	%	22	22	22
Breakdown of employees, by employment category				
• Permanent employees	%	67	66	74
• Contract employees	%	33	34	26
Managerial employees:				
• Male	%	11	12	12
• Female	%	5	5	4
• Aged 30 and below	%	0	0	0
• Aged 31 – 50	%	13	14	12
• Aged 51 – 60	%	2	3	3
• Aged 61 years and above	%	1	0	0
• Malay	%	11	13	13
• Chinese	%	1	0	1
• Indian	%	0	0	0
• Other ethnicities	%	4	3	2
• Number / percentage of disabled	Number / %	0	0	0

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
Executive employees:				
• Male	%	15	13	12
• Female	%	10	11	11
• Aged 30 and below	%	9	9	10
• Aged 31 – 50	%	15	14	13
• Aged 51 – 60	%	1	1	0
• Aged 61 years and above	%	0	0	0
• Malay	%	20	17	17
• Chinese	%	0	1	1
• Indian	%	0	0	0
• Other ethnicities	%	5	6	5
• Number / percentage of disabled	Number / %	0	0	0
Non-executive employees:				
• Male	%	52	53	54
• Female	%	7	6	7
• Aged 30 and below	%	20	18	19
• Aged 31 – 50	%	35	35	35
• Aged 51 – 60	%	4	6	6
• Aged 61 years and above	%	0	1	1
• Malay	%	31	30	30
• Chinese	%	1	1	1
• Indian	%	0	0	0
• Other ethnicities	%	27	28	31
• Number / percentage of disabled	Number / %	0	0	0

HIRING AND ATTRITION				
Total new hires	Number	92	90	161
• New hires (male)	%	70	67	68
• New hires (female)	%	30	33	32



DISCLOSURES	UNIT	FY2021	FY2022	FY2023
TRAINING AND DEVELOPMENT				
Total training spend Groupwide	RM mil	1.41*	0.25*	1.92
Total training hours Groupwide	Number	12,386*	2,120*	21,444
Total training hours by employment category:				
• Management	Number	546*	81*	1,084*
• Executives	Number	1,029*	330*	1,712*
• Non-executives	Number	10,811*	1,711*	2,676*
Total average training hours by employment category:				
• Management	Number	19.73*	4.44*	34.82*
• Executives	Number	11.56*	3.83*	18.21*
• Non-executives	Number	42.23*	10.56*	23.27*
EMPLOYEE BENEFITS AND REMUNERATION				
Total payments to employees in terms of salaries, bonuses, and benefits	RM mil	74	63	51
Statutory payments made for employees' retirement benefits ("EPF")	RM mil	11.0	11.5	11.8
Total SOCSO payment made for employees' medical insurance	RM mil	0.74	0.70	0.77
Number of employees entitled for maternity and paternity leave	Number	880	747	767
Number of employees who took paternity leave	Number	12	18	17
Number of employees who took maternity leave	Number	11	14	14
Male employees return to work rates (return to work after parental leave period)	%	100	100	100
Female employees return to work rates (return to work after parental leave period)	%	91	100	100
Male employee's retention rates (remain with the organisation for 12 months or more post parental leave)	%	100	100	100
Female employee's retention rates (remain with the organisation for 12 months or more post parental leave)	%	91	100	100

(*) Applies to employees from Uzma Berhad, Uzma Engineering Sdn. Bhd., Premier Enterprise Corporation (M) Sdn. Bhd., Uzma Environenergy Sdn. Bhd., Geospatial AI Sdn. Bhd., Uzma LNG Sdn. Bhd., and Uzma Artificial Lift Sdn. Bhd.

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
COMMUNITY ENGAGEMENT				
Total amount invested in the community	RM	12,500	13,000	51,000
Number of community engagement activities	Number	7	4	12

GOVERNANCE PERFORMANCE

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
CORPORATE GOVERNANCE				
Total number of Directors	Number	7	10	9
Total number and percentage of Directors by gender:				
• Male	Number (%)	6 (86%)	8 (80%)	7 (78%)
• Female	Number (%)	1 (14%)	2 (20%)	2 (22%)
Number and percentage of independent directors	Number (%)	5 (71%)	8 (80%)	7 (77%)
Total number and percentage of Directors by age group:				
• Aged < 30	Number (%)	0 (0%)	0 (0%)	0 (0%)
• Aged 31 - 50	Number (%)	2 (29%)	3 (30%)	1 (11%)
• Aged 51 - 65	Number (%)	2 (29%)	3 (30%)	5 (56%)
• Aged > 65	Number (%)	3 (42%)	4 (40%)	3 (33%)
Total number and percentage of Directors by ethnicity:				
• Malay	Number (%)	7 (100%)	10 (100%)	9 (100%)
• Others	Number (%)	0 (0%)	0 (0%)	0 (0%)
Total number and percentage of Directors by nationality:				
• Malay	Number (%)	7 (100%)	10 (100%)	9 (100%)
• Foreign	Number (%)	0 (0%)	0 (0%)	0 (0%)
Number/percentage of Directors with disabilities	Number / %	0	0	0

DISCLOSURES	UNIT	FY2021	FY2022	FY2023
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ANTI-CORRUPTION

Number of Directors and employees who have received training on anti-corruption by employee category:

- | | | | | |
|-------------|--------|-----|---|-----|
| • Directors | Number | 3 | 2 | 0 |
| • Employees | Number | 150 | 0 | 144 |

Confirmed incidents of corruption	Number	0	0	0
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- | | | | | |
|--|----|---|---|---|
| • Cost of fines, penalties, or settlements in relation to corruption | RM | 0 | 0 | 0 |
|--|----|---|---|---|

Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	Number	0	0	0
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Public legal cases regarding corruption brought against the organisation or its employees during the reporting period and the outcomes of such cases	Number	0	0	0
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DATA PRIVACY AND SECURITY

- | | | | | |
|--|--------|---|---|---|
| • Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 | 0 |
|--|--------|---|---|---|

BURSA SUSTAINABILITY REPORTING
GUIDE 2022 DISCLOSURE INDEX

COMMON INDICATORS

COMMON SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE
Anti-corruption	C1(a)	Percentage of employees who have received training on anti-corruption by employee category.	136, 137
	C1(b)	Percentage of operations assessed for corruption-related risks	
	C1(c)	Confirmed incidents of corruption and action taken	
Community / Society	C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer.	136
	C2(b)	Total number of beneficiaries of the investment in communities	
Diversity	C3(a)	Percentage of employees by gender and age group, for each employee category	133-134, 136
	C3(b)	Percentage of directors by gender and age group	
Energy management	C4(a)	Total energy consumption	108
Health and safety	C5(a)	Number of work-related fatalities	117, 133
	C5(b)	Lost time incident rate	
	C5(c)	Number of substantiated complaints concerning human rights violations	
Labour practices and standards	C6(a)	Total hours of training by employee category	120, 135
	C6(b)	Percentage of employees that are contractors or temporary staff	112, 133
	C6(c)	Total number of employee turnover by employee category	121
	C6(d)	Number of substantiated complaints concerning human rights violations	N/A
Supply chain management	C7(a)	Proportion of spending on local suppliers	103, 132
Data privacy and security	C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	131, 137
Water	C9(a)	Total volume of water used	109, 132



COMMON SUSTAINABILITY MATTERS	CODE	INDICATORS	PAGE
Waste management	C10(a)	Total waste generated, and a breakdown of the following: <ul style="list-style-type: none">Total waste diverted from disposalTotal waste directed to disposal	N/A
Emissions management	C11(a)	Scope 1 emissions in tonnes of CO2e	N/A
	C11(b)	Scope 2 emissions in tonnes of CO2e	
	C11(c)	Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	

SECTOR-SPECIFIC INDICATORS: ENERGY

SECTOR-SPECIFIC MATTERS	CODE	INDICATORS	PAGE
Biodiversity	S1(a)	Percentage of employees who have received training on anti-corruption by employee category.	N/A
	S1(b)	Size and location of all habitat areas protected or restored	
	S1(c)	Total number of International Union for Conservation of Nature (“IUCN”) Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company	
Emissions – Air Quality / Pollution	S4(a)	Amount of air emissions of pollutants and particular matter	N/A
Materials	S5(a)	Total weight or volume of materials that are used to produce and package products and services	N/A
Effluents	S8(a)	Total volume of water (effluent) discharge over the reporting period	N/A

GRI STANDARDS 2021 CONTENT INDEX

GRI STANDARD	CODE	DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-1	Organisational details	Corporate Information	27-28
	2-2	Entities included in the organisation’s sustainability reporting	Corporate Structure About This Statement	29 - 30 83 - 84
	2-3	Reporting period, frequency and contact point	About This Statement	83 - 84
	2-4	Restatements of information	N/A	-
	2-5	External assurance	About This Statement	83 - 84
	2-6	Activities, value chain and other business relationships	Diversity, Equity and Inclusion	110 - 112
	2-7	Employees		
	2-8	Workers who are not employees		
	2-9	Governance structure and composition	Corporate Governance Overview Statement	149 - 162
	2-10	Nomination and selection of the highest governance body		
	2-11	Chair of the highest governance body		
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance	88 - 89
	2-13	Delegation of responsibility for managing impacts		
	2-14	Role of the highest governance body in sustainability reporting		
	2-15	Conflicts of interest	Corporate Governance Overview Statement Additional Compliance Information Analysis of Shareholdings	149 – 162 174 305 - 308
	2-16	Commitment of critical concerns	Material Matters	96 - 97
	2-17	Collective knowledge of the highest governance body	Board Qualification and Skills	127
	2-18	Evaluation of the performance of the highest governance body	Board Annual Evaluation on Effectiveness	158
	2-19	Remuneration policies	TOR of Board Nomination and Remuneration Committee at www.uzmagroup.com	
	2-20	Process to determine remuneration		



GRI STANDARD	CODE	DISCLOSURE	LOCATION	PAGE
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	N/A	-
	2-22	Statement on sustainable development strategy	A Message from the MD/Group CEO	85
	2-23	Policy commitments	Ethical Business Practices	125 - 129
	2-24	Embedding policy commitments		
	2-25	Processes to remediate negative impacts	Whistleblowing and Grievance Mechanism	129
	2-26	Mechanisms for seeking advice and raising concerns	Whistleblowing and Grievance	129
	2-27	Compliance with laws and regulations	Regulatory Compliance	131
	2-28	Membership associations	Uzma's Active Engagement in Industry Associations and Collaborative Initiatives	95
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	91 - 94
	2-30	Collective bargaining agreements	Labour Practices and Human Rights Supply Chain Management	113 101 - 103
GRI 3: Material Topics	3-1	Process to determine material topics	Material Matters	96 - 97
	3-2	List of material topics		
	3-3	Management of material topics	Management of all material topics are provided in the respective topical disclosures within this report	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance	100
	201-2	Financial implications and other risks and opportunities due to climate change	N/A	-
	201-3	Detailed benefit plan obligations and other retirement plans	Comprehensive Employee Compensation and Benefits	119 - 120
	201-4	Financial assistance received from government	N/A	-

GRI STANDARD	CODE	DISCLOSURE	LOCATION	PAGE
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N/A	-
	202-2	Proportion of senior management hired from the local community		
GRI 203: Indirect Economic Impacts 2016	203-1	Proportion of senior management hired from the local community	Engagement with Local Communities	123 - 124
	203-2	Significant indirect economic impacts		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supporting Local Suppliers	102 - 103
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Ethical Business Practices	125 - 129
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Energy Management	108
	302-2	Energy consumption outside of the organization		
	302-3	Energy intensity		
	302-4	Reduction of energy consumption		
	302-5	Reductions in energy requirements of products and services		
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water and Effluent Management	109
	303-2	Management of water discharge-related impacts		
	303-3	Water withdrawal		
	303-4	Water discharge		
	303-4	Water consumption		
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	-
	304-2	Significant impacts of activities, products, and services on biodiversity		



GRI STANDARD	CODE	DISCLOSURE	LOCATION	PAGE
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Emissions Management	107
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity		
	305-5	Reduction of GHG emissions		
	305-6	Emissions had increased in FY2023, year-on-year		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management	108
	306-2	Management of significant waste-related impacts		
	306-3	Waste generated		
	306-4	Waste diverted from disposal		
	306-5	Waste directed to disposal		
GRI 308: Supplier Environmental Awareness 2016	308-1	New suppliers that were screened using environmental criteria	N/A	-
	308-2	Negative environmental impacts in the supply chain and actions taken		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent Attraction and Retention	121 - 122
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Comprehensive Employee Compensation and Benefits	119 - 120
	401-3	Parental leave	Employee Benefits and Remuneration Data	135
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes	N/A	-
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	A Commitment to Employee Well-being	114 – 119
	403-2	Hazard identification, risk assessment, and incident investigations	HSE Performance Data	133
	403-3	Occupational health services		
	403-4	Worker participation, consultation, and communication on occupational health and safety		
	403-5	Worker training on occupational health and safety		
	403-6	Promotion of worker health		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8	Workers covered by an occupational health and safety management system		
	403-9	Work-related injuries		
	403-10	Work-related ill health		

GRI STANDARD	CODE	DISCLOSURE	LOCATION	PAGE
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training and Development	120 - 121
	404-2	Programs for upgrading employee skills and transition assistance programs		
	404-2	Percentage of employees receiving regular performance and career development reviews		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion	110
	405-2	Ratio of basic salary and remuneration of women to men	N/A	-
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Labour Practices and Human Rights	113
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Labour Practices and Human Rights	113
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Labour Practices and Human Rights	113
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Labour Practices and Human Rights	113
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Engagement with Local Communities	123
	413-2	Operations with significant actual and potential negative impacts on local communities	Community Engagement Data	136
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	-	-
	414-2	Negative social impacts in the supply chain and actions taken		
GRI 415: Public Policy 2016	415-1	Political contributions	Robust Anti-Corruption and Corruption Stance	128
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy and Cybersecurity	131



PILLAR	CODE	LOCATION	DISCLOSURE	PAGE
Environmental	EBD	Biodiversity	Marine Biodiversity	-
	ECC	Climate Change	Embracing Climate Change Responsibly	106
			Commitment to Environmental Compliance	107
			Energy Consumption Data	108
	EPR	Pollution & Resources	Pollution and Waste Management	-
	ESC	Supply Chain (Environment)	Supply Chain Management	101-105
			Risk Management & Regulatory Compliance	101
			Supply Chain Management Performance Data	103
	EWT	Water Use	Pollution and Waste Management	108
			Water Consumption Performance Data	109
Social	SCR	Customer Responsibility	N/A	-
	SHS	Health & Safety	Occupational Safety and Health	114-119
			HSE Performance Data	117
	SHR	Human Rights & Community	Labour Practices and Human Rights	113
			Talent Retention and Development	121
			Local Community Impact	123-124
			Corporate Governance & Anti-Corruption	125-131
			Community Engagement Performance Data	136
	SLS	Labour Standards	Labour Practices and Human Rights	113
			Talent Retention and Development	121
			Corporate Governance & Anti-Corruption	125-131
			Workforce Diversity	110-112
			Hiring and Attrition	121
			Staff Training	120
			Employee Benefits and Remuneration	119-120
			Employee Engagement Performance Data	-
	SSC	Supply Chain (Social)	Labour Practices and Human Rights	113
			Talent Retention and Development	121
			Supply Chain Management	101-103
			Risk Management & Regulatory Compliance and Supply Chain Management Performance Data	90,103

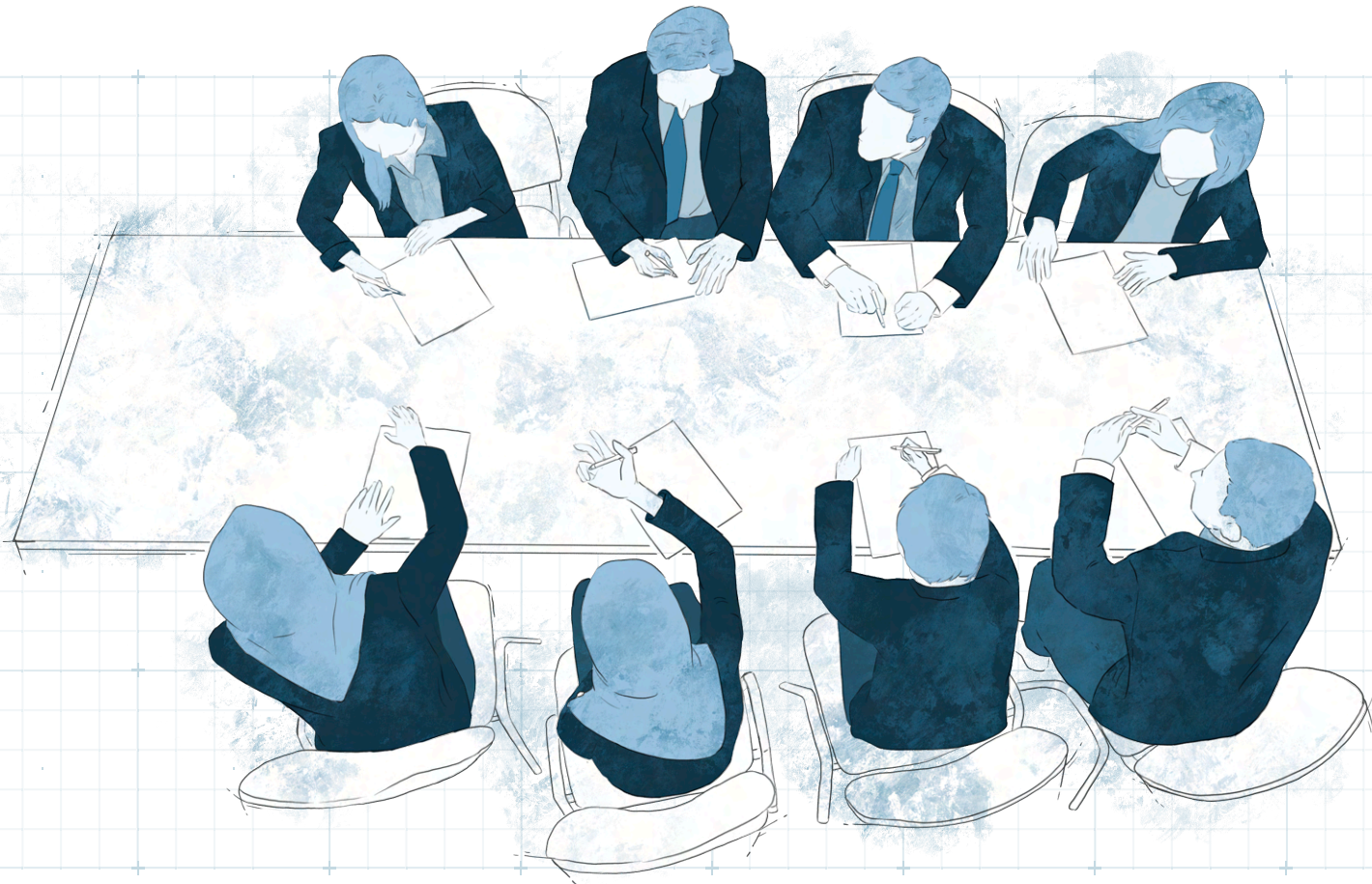
PILLAR	CODE	LOCATION	DISCLOSURE	PAGE
Governance	GAC	Anti-Corruption	Corporate Governance & Anti-Corruption	125-131
			Anti-Corruption Performance	137
	GCG	Corporate Governance	Sustainability Governance	88-90
			Governance Body Composition Performance Data	127
			Corporate Governance Overview Statement	149-162
	GRM	Risk Management	Embedding ESG Considerations into Risk Management	90
			Regulatory Compliance	131
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SECTION 5

CORPORATE GOVERNANCE

Corporate Governance Overview Statement
Statement on Risk Management and Internal Control
Audit Committee Report
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Additional Compliance Information

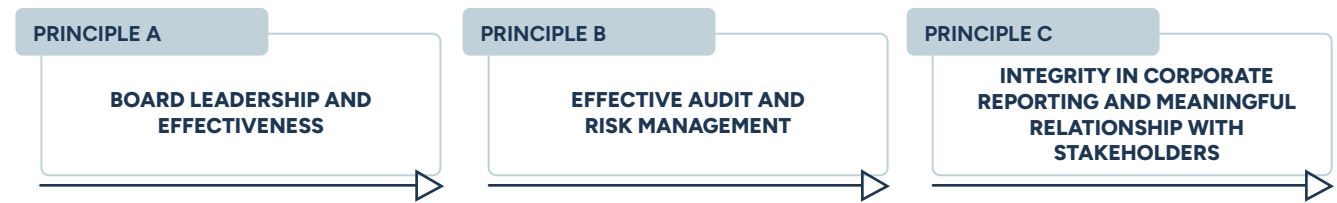


CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Uzma Berhad (“Uzma” or “the Company”) firmly believes that good corporate governance is the foundation of building a sustainable and resilient organization. It serves to protect shareholders’ investments while enhancing shareholder value and promoting the interests of other stakeholders.

This Corporate Governance Overview Statement (“Statement”) covers Uzma and its subsidiaries (collectively referred to as “Uzma Group” or “the Group”), aims to provide insight into the corporate governance practices (“Practices”) of the Group under the guidance of the Board. These Practices are aligned with the Malaysian Code on Corporate Governance (“MCCG” or “the Code”) during the financial year ended 30 June 2023 (“FY2023” or “Financial Year”).

The Company’s corporate governance framework has been developed based on the principles and best practice recommendations outlined in the Code. These principles are categories into three (3) key areas as specified in the MCCG :-



This Corporate Governance Overview Statement is prepared in accordance with Paragraph 15.25(2) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). It is complemented by the Corporate Governance Report (“CG Report”), which offers a detailed account of the application of MCCG practices during the year under review. The CG Report is available on the Company’s website (www.uzmagroup.com) and is also announced on the Bursa Securities website.

Consistent with the MCCG and MMLR requirements, the Group has provided clear and comprehensive explanations for any deviations from the Practices in the CG Report. In instances where departures from Practices are explained, the Board has disclosed alternative measures in place to achieve outcomes comparable to those intended by the MCCG. These explanations for departures, along with details of the alternative practices, are provided 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 FY2023, 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 Business 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 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 and Whistleblowing Policy and Procedure (“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 Policies 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 two (2) 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 Company Secretary's Licence by Companies Commission of Malaysia. During the year under review, Ms Khoo Ming Siang and Ms Chin Wai Leng were appointed as the new Company Secretaries in place of Ms Chan Yoke Peng, Ms Tai Yit Chan and Ms Maziah Binti Martin with effect from 30 December 2022.

The Company Secretaries play an advisory role, particularly on the corporate 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 Secretaries or their 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 Secretaries include coordinating with the Management on the preparation of the Board papers and ensuring the Board procedures and applicable rules are observed. The Company Secretaries 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 reserved matters 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 and Board Committee Members for review and comments within a reasonable timeframe prior to the Chairman's confirmation at the next Board and Board Committee meetings respectively.

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 FY2023						Total	Percentage (%)
	24 Aug 2022	26 Oct 2022	29 Nov 2022	22 Feb 2023	31 Mar 2023	30 May 2023		
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 Nazahatussamudin Bin Che Haron (Executive Director)	✗	✓	✓	✓	✓	✓	5/6	83.33
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)	✓	✓	✓	✓	✓	✓	6/6	100
Datuk Farisha Binti Pawan Teh (Independent Non-Executive Director)	✓	✗	✓	✓	✓	✓	5/6	83.33
Mazli Zakuan Bin Mohd Noor* (Independent Non-Executive Director)	-	✓	✓	✓	✓	✓	5/5	100
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim** (Independent Non-Executive Director)	✓	✓	✓	-	-	-	3/3	100

Notes:

(*) Encik Mazli Zakuan Bin Mohd Noor was appointed to the Board on 1 September 2022.

(**) Dato' Dr. (H) Wahab bin Haji Ibrahim retired on 14 December 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:-

Names of Directors	Training Programmes
Datuk Abdullah Bin Karim (Independent Non-Executive Chairman)	1. Board Conversation with Audit Committees 2. ESG Training 3. Roles and Responsibilities of Board in Financial Reporting, Malaysian Reporting Standard, Bursa Requirements 4. Thorny Topics for Audit Committees
Dato' Kamarul Redzuan Bin Muhamed (Managing Director/Group Chief Executive Officer)	1. 2nd Annual Clean Power & Energy Forum 2022 2. Kursus Asas Arkeologi 2022 3. National OGSE Sustainability Plans 4. Program Kolaborasi Teknologi Malaysia Dan Turkiye 5. Speaker for SPE Symposium: Production Enhancement and Cost Optimisation - Executive Plenary Session 6. Speaker at Energy Asia 2023 "New Pathways for Monetising Stranded Gas in Asia Pacific" 7. Panelist for the Langkawi International Space Forum: Fireside Chat "Malaysia's Trajectory into Space" 8. Speaker for the Langkawi International Space Forum 2023 Gala Dinner 9. Speaker for the Bicara Inspirasi at the Young Leaders Summit 10. Speaker at the MOGSEC 2022 "Effective Contracting Strategy for a Sustainable Ecosystem"
Dato' Che Nazahatuhisamudin Bin Che Haron (Executive Director)	1. Directors Behaviour and Boardroom Dynamics
Encik Yahya Bin Razali (Independent Non-Executive Director)	1. Reporting on Impact of Climate Change Effects – What Directors Need to Know and Do
Datuk Seri Zurainah Binti Musa (Independent Non-Executive Director)	1. Persidangan International Telecommunications Union (ITU) Plenipotentiary 2022 organised by ITUPP Bucharest 2. Advanced Leadership and Management Programme organised by INTAN 3. 30th Annual Conference of the Asia Pacific Parliamentary Forum APPF organised by Malaysia Parliament 4. Forum "Antara Cantik & Bakat, Dimana Magis Pengukuh Kredibiliti?" organised by Universiti Kebangsaan Malaysia
Encik Ikhlas Bin Abdul Rahman (Independent Non-Executive Director)	1. Directors Behaviour and Boardroom Dynamics
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Independent Non-Executive Director)	1. Tax & Budget Webinar
Datuk Farisha Binti Pawan Teh (Independent Non-Executive Director)	1. Directors Behaviour and Boardroom Dynamics
Encik Mazli Zakuan Bin Mohd Noor (Independent Non-Executive Director)	1. CGM: Incentivising for Success: The role of remuneration in climate transition plans 2. ICDM: International Directors Summit 3. Developing and Financing Green Housing in Asia 4. ICDM: Bursa Malaysia's Enhanced Sustainability Reporting Framework 5. ICDM: Navigating The ESG Risk In the Supply Chain

Uzma Group's Legal team and Company Secretaries organize internal training programmes and keep the Directors informed about relevant external training programmes. Company Secretaries also circulate guidelines on statutory and regulatory requirements periodically for the Board's reference and provide updates during Board meetings

Additionally, External Auditors play a role in briefing the Board about the latest changes to the Malaysian Financial Reporting Standards ("MFRS") affecting 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 during the financial year under review are as follows:-

Audit Committee	Meeting (s) Attended	Responsibilities
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Independent Non-Executive Director)	5/5	<ul style="list-style-type: none">• 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.
Encik Ikhlas Bin Abdul Rahman (Independent Non-Executive Director)	5/6	
Encik Mazli Zakuan Bin Mohd Noor (Independent Non-Executive Director)	5/5	



Nomination and Remuneration Committee	Meeting (s) Attended	Responsibilities
Datuk Seri Zurainah Binti Musa (Independent Non-Executive Director)	1/2	<ul style="list-style-type: none"> 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;
Datuk Abdullah Bin Karim (Independent Non-Executive Chairman)	2/2	<ul style="list-style-type: none"> 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;
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Independent Non-Executive Director)	2/2	<ul style="list-style-type: none"> Assists the Board in its annual assessment of the effectiveness of the Board as a whole and the Board Committees; Develop, maintain and review the criteria to be used in the recruitment process and annual assessment of directors. The nomination and election process as well as the criteria used in the selection process and the assessment undertaken in respect of its Board, committees and individual Director should be disclosed in the Annual Report; Assess the training needs of each director, review the fulfilment of such training and to disclose details in the Annual Report as appropriate; Assesses annually the independence of the independent directors and their tenure of service; Recommend to the Board for continuation (or not) in service of executive director(s) and directors who are due for retirement by rotation; Consider and recommend the Independent directors beyond nine (9) years for continuation in office, having due regard to their performance and ability to continue to contribute to the Board; 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; and Review and recommend to the Board and thereafter the shareholders at the Annual General Meeting, the fees of the directors and any benefits payable to the directors.

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

a) Audit Committee

Date of Change		
Chairman	Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Independent Non-Executive Director)	Appointed as Member on 1 September 2022 Redesignated as Chairman on 14 December 2022
	Dato' Dr (H) Ab Wahab Bin Haji Ibrahim (Independent Non-Executive Director)	Retired as Chairman on 14 December 2022
Member	Encik Ikhlas Bin Abdul Rahman (Independent Non-Executive Director)	-
	Encik Mazli Zakuan Bin Mohd Noor (Independent Non-Executive Director)	Appointed as Member on 1 September 2022
	Encik Yahya Bin Razali (Independent Non-Executive Director)	Resigned as Member on 1 September 2022
	Datuk Seri Zurainah Binti Musa (Independent Non-Executive Director)	Resigned as Member on 1 September 2022

b) Nomination and Remuneration Committee

Date of Change		
Chairperson	Datuk Seri Zurainah Binti Musa (Independent Non-Executive Director)	Appointed as Chairperson on 1 September 2022
Member	Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Independent Non-Executive Director)	Appointed as Member on 1 September 2022
	Datuk Farisha Binti Pawan Teh (Independent Non-Executive Director)	Appointed as Member on 1 October 2023
	Dato' Dr (H) Ab Wahab Bin Haji Ibrahim (Independent Non-Executive Director)	Resigned as Member on 1 September 2022
	Datuk Abdullah Bin Karim (Independent Non-Executive Chairman)	Resigned as Member on 1 October 2023



Board Balance and Composition

As at the date of this Statement, the Board has a balanced composition of nine (9) directors consisting of two (2) Executive Directors and seven (7) Independent Non-Executive Directors (“INEDs”). This represents 77.8% 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 INEDs 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 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 En. Mazli Zakuan Bin Mohd Noor with effect 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.

During the year under review, Dato’ Dr (H) Ab Wahab Bin Haji Ibrahim retired as a Director of the Company during the AGM held on 14 December 2022, as duly announced to Bursa Securities.

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 Sixteenth (16th) AGM, Dato’ Che Nazahatussamudin Bin Che Haron, Datuk Seri Zurainah Binti Musa and Encik Ikhlas Bin Abdul Rahman 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.

The Board embraces the practice of retaining an independent director beyond nine (9) years and provides 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 INEDs and based on the assessment, the INEDs 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.

During the financial year under review, Encik Yahya Bin Razali has exceeded the 9-year tenure and will step down as Independent Director after the conclusion of the 16th AGM of the Company.

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 have a specific criteria for the assessment and selection of director candidate(s). However, the consideration would be taken on the need to meet the required skills, qualifications, knowledge, experience, competence, integrity 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 INEDs in the Board, i.e. 22% 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 two (2) female key senior management, namely Datin Rozita Binti Mat Shah @ Hassan as the Chief People Officer and Ms. Hanie Izawatie Binti Ahmad Kamil as Chief Legal Officer. 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 Group Chief Financial Officer of the Company.

Based on the results of the annual assessment, the Board was satisfied with the current composition of the Board and its committees, in respect of their balanced mix of skills, experience and expertise, as well as the individual 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.



vi. Directors’ Fit and Proper Policy

In compliance with Paragraph 15.01A of the MMLR of Bursa Securities, the Board has on 30 June 2023, adopted the new Directors’ Fit and Proper Policy for the appointment and re-election of directors.

The objective of the Directors’ Fit and Proper Policy is to guide the NRC and the Board in their review and assessment of potential candidates for appointment as directors as well as directors who are seeking for re-election at the AGM of the Company. This Policy also aims to ensure that directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders.

The Directors’ Fit and Proper Policy is published on the Company’s website at www.uzmagroup.com.

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 FY2023, 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) key senior management’s remuneration on a named basis. Further to the above, the Board is of the view that the disclosure thereof would not be in the best interest of the Group, due to the intense competition, scarcity for talents in the industry and the need to balance confidentiality and commercial sensitivities associated with remuneration matters.

As an alternative to the recommended practices of the Code and MCCG, the Board has adopted to disclose the remuneration of the five (5) key senior management on a group basis for FY2023 which amounted to RM5,157,800.08 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 the key senior management.

Further to the above, as 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 three (3) 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 2023 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 MC, 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 MC 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 strong investor relations and the importance of disseminating information fairly and equitably manner. The Board actively encourages 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

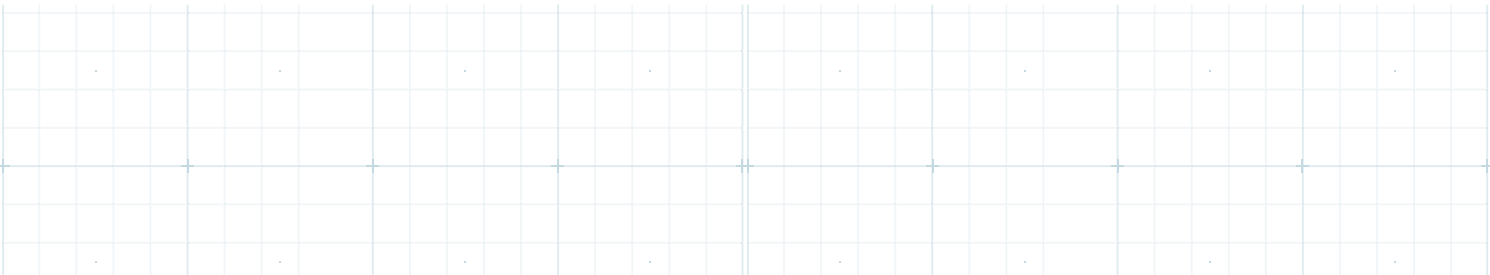
The AGM represents the principal forum for dialogue and interaction with all the shareholders of the Company. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. During the annual and other general meetings, members have direct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

During the preceding Fifteenth Annual General Meeting ("15th AGM"), the Company leverages on technology and continued to host its third virtual AGM through live streaming and online remote participation by using remoted participation and electronic voting facilities ("RPV"). The Chairman and members of the Board were present at the broadcast venue except Encik Yahya Bin Razali attended the 15th AGM remotely.

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 16th 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.

All Board members will ensure their attendance in the AGM and the Chairman of the respective Board Committees with the MC 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 acknowledges the significance of a diverse boardroom, encompassing not only gender diversity but also a spectrum of knowledge and expertise. Such a multi-dimensional board provides a blend of viewpoints, ideas, and market insights, resulting in enhanced problem-solving. This diversity uniquely positions us to gain a competitive advantage in effectively serving our increasingly diverse customer base.

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

During the financial year under review, the Board undertook a review of its Terms of Reference of the AC 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 regarding its responsibility in the preparation of the annual audited financial statements, mandated by as required under Paragraph 15.26(a) of the MMLR of Bursa Securities.

The Board bears the responsibility for ensuring that the financial statements are accurately prepared in accordance with the provisions of the Companies Act 2016 and the applicable Malaysian Financial Reporting Standards approved by the Malaysian Accounting Standards Board in Malaysia. These statements must provide a true and fair representation of the Company's financial position as at 30 June 2023, as well as their results and cash flows for FY2023.

In the process of preparing the financial statements, the Board has constantly chosen and applied appropriate accounting policies reasonable and prudent judgements and estimates. The Directors Board 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 approved by the Board on 25 September 2023.



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 2023 (“FY2023”). 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”)

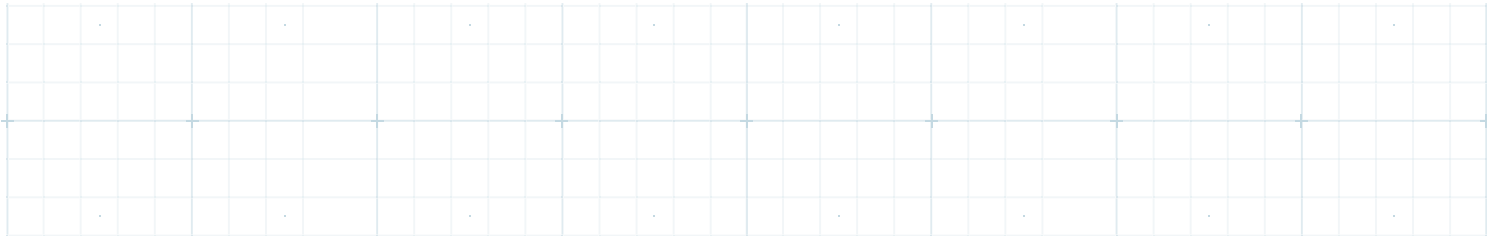
Audit Committee

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.

Management Committee

The Management Committee (“MC”) was established to assist the Managing Director/Group Chief Executive Officer (“MD/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 also meets on ad hoc basis to discuss specific matters.



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.

The Group’s risk profiles reflect the Group’s position and acceptability to take risks in various areas, namely strategic, operational, financial, stakeholders, QHSE, 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 to implement the Standard Operating Procedures (“SOPs”) that complies with the Ministry of Health (“MoH”) guidelines throughout the pandemic phase of COVID-19.

In FY2023, the COVID-19 BCP guidelines was updated to be consistent with the improving COVID-19 situation.

In addition, the MC conducted a strategic and tactical review of the O&G Business strategy moving forward 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 Tender Committee, Investment Committee and Management, to ensure the segregation of authority and collaborative as well as collective decision-making process.

Corporate Performance Management

As part of the Corporate Performance Management process, the MC conducted strategic review of the key factors (e.g., global economy, industry trends) that drives the corporate objective and 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, order book and bid book, 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 formed the PTC in 2020 to review, deliberate and endorse all procurement requests above a threshold 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, ISO 14001:2015 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 division 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 is reviewed monthly by the MC. Ultimately, the Uzma QHSE management system is part of the journey towards “Generative QHSE Culture” across the organisation.

Internal Audit Function

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.



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.

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

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

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of MMLR of Bursa Securities and Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on 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 2023. 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 was approved by the Board on 25 September 2023.




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 into the function, duties, and decision-making process of the AC for the financial year ended 30 June 2023 ("FY2023") 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 three (3) members, all of whom are Independent Non-Executive Directors as follows: -


CURRENT AUDIT COMMITTEE MEMBERS



Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad



Encik Ikhlas Bin Abdul Rahman



Encik Mazli Zakuan Bin Mohd Noor

Chairman

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

Member

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

Encik Mazli Zakuan Bin Mohd Noor
(Independent Non-Executive Director)

- Notes:
- (1) Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad was appointed as a member on 1 September 2022, and subsequently redesignated as Chairman of the AC on 14 December 2022.
 - (2) Encik Mazli Zakuan Bin Mohd Noor was appointed as a member of the AC on 1 September 2022.
 - (3) Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim retired as Chairman of the AC on 14 December 2022.
 - (4) Datuk Seri Zurainah Binti Musa and Encik Yahya Bin Razali resigned as members of the AC on 1 September 2022.

The Chairman of the AC is not the Chairman of the Board. All members of the AC are financially literate and well-equipped with relevant knowledge and experience to effectively discharge their duties and responsibilities as members of the AC.



A total of six (6) AC meetings were held during the financial year ended 30 June 2023. The composition and attendance of the AC members during the financial year are as follows :-

Director's Name	Meeting Attendance						Total	Percentage (%)
	24 Aug 2022	26 Oct 2022	29 Nov 2022	22 Feb 2023	31 Mar 2023	30 May 2023		
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad Chairman ¹ (Independent Non-Executive Director)	-	✓	✓	✓	✓	✓	5/5	100
Encik Ikhlas Bin Abdul Rahman Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✗	5/6	83.33
Encik Mazli Zakuan Bin Mohd Noor* Member ¹ (Independent Non-Executive Director)	-	✓	✓	✓	✓	✓	5/5	100
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim Chairman ² (Independent Non-Executive Director)	✓	✓	✓	-	-	-	3/3	100
Encik Yahya Bin Razali Member ³ (Independent Non-Executive Director)	✗	-	-	-	-	-	0/1	0
Datuk Seri Zurainah Binti Musa Member ³ (Independent Non-Executive Director)	✓	-	-	-	-	-	1/1	100

- Notes:
- (¹) Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad and Encik Mazli Zakuan Bin Mohd Noor were appointed as members of the AC on 1 September 2022.
 - (²) Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim retired as Chairman of the AC on 14 December 2022.
 - (³) Datuk Seri Zurainah Binti Musa and Encik Yahya Bin Razali resigned as members of the AC on 1 September 2022.

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 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 Terms of Reference. The AC shall have the resources required to perform its duties and also full and unrestricted access to any information pertaining to the Company and its subsidiaries (“the Group”). The AC is authorized to obtain independent or external professional or other advice and to secure the attendance of outsiders with 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:

- i. Oversee and appraise the quality of the audits conducted by the Group’s Internal Auditors and External Auditors;
- ii. 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;
- iii. Enhance the independence of both the External and Internal Auditors’ functions through active participation in the audit process;
- iv. Determine the adequacy of the Group’s administrative, operating, and accounting controls;
- v. Act upon the Board’s request to investigate and report on any issues or concerns with regards to the management of the Group; and
- vi. To consider any related party transactions and potential conflict of interests situations that arose, persist, or may arise within the Company/ Group, including any transaction, procedure, or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

The Terms of Reference (“TOR”) of the AC is reviewed regularly. The revised terms of reference, in line, with the updated Malaysian Code on Corporate Governance (“MCCG”) 2021 and MMLR were reviewed by the AC and approved by the Board on 23 August 2023. 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 are 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) Financial Reporting

- a) Reviewed and discussed with Management, the Group’s quarterly financial report before recommending it to the Board for its consideration and approval, focusing particularly on financial reporting issues, significant judgements made by the Management, and unusual events and compliance with accounting standards and other legal requirements.
- b) Reviewed the annual audited financial statements of the Company prior to submission to the Board for consideration and approval. The review focused particularly on changes in 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.

2) External Audit

- a) Reviewed the following matters with the External Auditors:
 - i) The audit planning memorandum, audit strategy, and scope of work for FY2023 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.

- b) Reviewed the independence of the External Auditors to which the External Auditors confirmed that they have been independent throughout the conduct of the audit engagement 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 (“IESBA Code”), and they have fulfilled other ethical responsibilities in accordance with the By-Laws and the IESBA Code. The AC was satisfied with the interaction with the engagement partner and the team, which demonstrated their independence and professionalism.
- c) 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. The AC was satisfied with the performance, suitability, and independence of the external auditors and thereby recommended to the Board for their reappointment at the Annual General Meeting (“AGM”) of the Company.
- d) Reviewed the proposed audit and non-audit fees of the external auditors for the financial year ended 30 June 2022. The non-audit service was in respect of the review on the Statement on Risk Management and Internal Control. The amount of non-audit fees was not significant compared to the audit fees. The AC was satisfied that the provision of non-audit services by the external auditors did not impair their objectivity and independence as external auditors.
- e) Reviewed the proposed audit fees for FY2023 and recommended to the Board for approval on the change of auditors from Messrs. Baker Tilly Monteiro Heng PLT to Messrs. Al Jafree Salihin Kuzaimi PLT.

3) Internal Audit

- a) Reviewed the following matters with the Internal Auditors: -
 - i) The appointment of an outsourced professional services firm as Internal Auditors of the Company.
 - ii) The annual internal audit plan and adequacy of scope and coverage of the activities of the Group, taking into consideration the assessment of the key risk areas. Audit areas were included and addressed accordingly. Discussed and approved the annual internal audit plan for adoption.
 - iii) The provision of services by the Internal Auditors and evaluated their independence and competency on their appointment.
 - iv) The internal audit reports presented by the Internal Auditors on their 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. A total of two (2) audit assignments were completed for FY2023.

4) Risk Management

- a) Assessed the adequacy and effectiveness of the risk management and internal control system.

5) Related Party Transactions

- a) Reviewed the related party transactions entered into by the Company and the Group to ensure the transactions are carried out on an arms-length basis at all times and identified 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 comply with the MMLR of Bursa Securities.

6) Annual Report Requirements

- a) 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
- b) 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 the MMLR.

7) Conducted a private session with the External Auditors in the absence of the Executive Directors and the Management during the AC meeting.



INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The Group's internal audit function is outsourced to an independent professional service provider, Tricor Axcelasia Sdn. Bhd. ("Tricor Axcelasia"), to assist the AC and the Board in performing their duties by independently assessing the adequacy and effectiveness of the internal control and risk management systems as established by the Management.

The Engagement Director is Ms. Sarine Loo, who is a professional member with the Institute of Internal Auditors of Malaysia ("IIAM").

The number of staff deployed by Tricor Axcelasia for the internal audit ranges from 3 to 5 staff per visit, including the Engagement Director. The staff involved in the internal audit hold professional qualifications and/or a university degree. Most of them are also members of the IIAM. They are free from any relationships or conflicts of interest that could impair their objectivity and independence in conducting internal audit for the Group.

During FY2023, the Internal Auditors attended and reported to the AC in two (2) out of five (5) AC meetings. An independent review of the key activities was conducted within the Group's operation to ensure proper internal control systems and risk management are in place by the Board and the Management. The areas covered in the reviews conducted during the financial year included the following :-

Entity Audited	Key Areas and Objectives
Uzma Engineering Sdn. Bhd. and its subsidiaries	Accrual Management
Uzma Engineering Sdn. Bhd. and its subsidiaries	Quality Management

The outcome of the audit reviews was discussed with Senior Management, and the Internal Auditors closely monitored the implementation progress of audit recommendations to ensure all audit findings and control concerns have been addressed by the Management in a timely manner. Although certain internal control weaknesses were identified, none of the weaknesses has resulted in any material losses or contingencies that would require additional disclosure in this Annual Report. The Board, through the Audit Committee, received and reviewed the internal audit reports on 18 May and 23 August 2023.

The total costs incurred for the outsourced internal audit function during the financial year ended 30 June 2023 amounted to RM50,000, excluding operating expenses.

The AC Report was prepared with the approval of the Board of Directors on 25 September 2023.

A SUMMARY OF ANY CONFLICT OF INTEREST OR POTENTIAL CONFLICT OF INTEREST SITUATION REVIEWED BY THE AUDIT COMMITTEE PURSUANT TO PARAGRAPH 15.12(1)(H) OF MMLR

In accordance with the latest amendment of the MMLR on 26 May 2023, the AC is pleased to report that the Annual Report now includes a summary of any conflict of interest or potential conflict of interest situations that have been reviewed by the Audit Committee. During the course of the FY2023 review, we wish to highlight that no instances of conflict of interest situations have been identified or noted by the Audit Committee. This underscores our commitment to maintaining the highest standards of transparency and governance within our operations.



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 2023 ("FY2023") 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 October 2023, restructured the NRC and appointed the following INEDs to sit on the NRC:-

CURRENT NOMINATION AND REMUNERATION COMMITTEE MEMBERS



Datuk Seri Zurainah Binti Musa



Y.M. Tengku Ezuan Ismara Bin
Tengku Nun Ahmad



Datuk Farisha Binti Pawan Teh

Chairperson	Datuk Seri Zurainah Binti Musa (Independent Non-Executive Director)
Member	Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad (Independent Non-Executive Director)
	Datuk Farisha Binti Pawan Teh (Independent Non-Executive Director) (Appointed on 1 October 2023)
	Datuk Abdullah Bin Karim (Independent Non-Executive Chairman) (Resigned as Member on 1 October 2023)



FUNCTIONS AND RELATED ACTIVITIES IN 2023

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 the Terms of Reference of the NRC and Approved the Change of Committee Name To "Nomination and Remuneration Committee";
- ii) Reviewed and recommended the Directors' fees and benefits payable to the Directors from 15 December 2022 until the next AGM to the Board for its recommendation for shareholders' approval;
- iii) Proposed Remuneration Packages for the Executive Directors and/or Key Management Personnel with their Respective Key Performance Indicator;
- iv) Reviewed trainings attended by the Directors to-date and assessed their further training needs and requirements;
- v) Proposed Change of Independent Director;
- vi) Proposed Bonus Payment in respect of the financial year ended 30 June 2023;
- vii) Proposed Revision to the Remuneration Package of the Chief People Officer; and
- viii) Proposed Revision to the Remuneration Package of the Managing Director/Group Chief Executive Officer.

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

ADDITIONAL COMPLIANCE INFORMATION

AUDIT AND NON-AUDIT FEES

The audit and non-audit fees paid/payable to the external auditors for services rendered to the Company and/or its subsidiaries for the financial year ended 30 June 2023 ("FY2023") are as follows :-

For the Financial Year Ended 30 June 2023 ("FY2023")	The Company (RM'000)	The Group (RM'000)
Audit Fees :		
- Statutory audits	170	604
- Regulatory related services	-	-
Non-Audit Fees	-	12

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.

CONTRACTS RELATING TO LOANS

There were no contracts relating to loans by the Company and its subsidiaries involving the interest of Directors and major shareholders during the financial year ended 30 June 2023.

UTILIZATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The Company had, on 7 July 2023, completed the private placement of a total of 35,200,000 new ordinary shares for a total cash consideration of RM21,472,000 pursuant to Section 75 & 76 of the Companies Act 2016 ("Private Placement").

As of 31 July 2023, the status of the utilization of proceeds raised from the Private Placement is as follows :-

Purpose	Proposed Utilization (RM'000)	Actual Utilization (RM'000)
Capital and development expenditure in relation to Renewable Energy ("RE") project	20,000	20,000
Working capital	822	874
Estimated expenses in relation to the Private Placement	650	598
TOTAL	21,472	21,472

Note:
* The remaining unutilised portion from the expenses in relation to the Private Placement was utilised for general working capital instead.



SECTION 6

FINANCIAL REPORT

- Corporate Information
- Directors' Report
- Statement by Directors
- Statutory Declaration
- Independent Auditors' Report
- Statements of Financial Position
- Statements of Profit and Loss and Other Comprehensive Income
- Statements of Changes in Equity
- Statements of Cash Flows
- Notes to the Financial Statements



CORPORATE INFORMATION

DIRECTORS

- DATUK ABDULLAH BIN KARIM
- DATUK SERI ZURAINAH BINTI MUSA
- YAHYA BIN RAZALI
- IKHLAS BIN ABDUL RAHMAN
- DATO' KAMARUL REDZUAN BIN MUHAMED
- DATO' CHE NAZAHATUHHISAMUDIN BIN CHE HARON
- Y.M. TENGKU EZUAN ISMARA BIN TENGKU NUN AHMAD
- DATUK FARISHA BINTI PAWAN TEH
- MAZLI ZAKUAN BIN MOHD NOOR

COMPANY SECRETARIES

- KHOO MING SIANG
SSM PC No. 202208000150 (MAICSA 7034037)
- CHIN WAI LENG
SSM PC No. 201908000658 (LS0009738)

REGISTERED OFFICE

UNIT 521, 5TH FLOOR, LOBBY 6, BLOCK A
DAMANSARA INTAN
NO. 1, JALAN SS20/27
47400 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

PRINCIPAL PLACE OF BUSINESS

UZMA TOWER
NO.2, JALAN PJU 8/8A
DAMANSARA PERDANA
47820 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

AUDITORS

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
CHARTERED ACCOUNTANTS
NO. 555, JALAN SAMUDRA UTARA 1
TAMAN SAMUDRA
68100 BATU CAVES
SELANGOR DARUL EHSAN
MALAYSIA

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2023.

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.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	38,081	1,002
Attributable to:		
Owners of the Company	36,679	1,002
Non-controlling interests	1,402	-
	38,081	1,002

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 2023.

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.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Abdullah Bin Karim	
Datuk Seri Zurainah Binti Musa	
Yahya Bin Razali	
Ikhlas Bin Abdul Rahman	
Dato’ Kamarul Redzuan Bin Muhamed*	
Dato’ Che Nazahatuhisamudin Bin Che Haron*	
Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad	
Datuk Farisha Binti Pawan Teh	(Appointed on 1 September 2022)
Mazli Zakuan Bin Mohd Noor	(Resigned on 14 December 2022)
Dato’ Dr. (H) Ab Wahab Bin Haji Ibrahim	

* Directors of the Company and certain subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) 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	
Tuan H. Freddy S. Soemitro	
Dato’ Sayed Alfeizal Sayed Ahmad	
Ismuni Bin Yohari	
Wan Azhar Bin Mohamed Yusof	
Fazlina Binti Othman	
Mohd Ashura Bin Mohd Ali	
Tassanee Visitpong	(Resigned on 18 November 2022)
Sri Rahayu	(Resigned on 13 June 2022)

DIRECTORS' REPORT (CONT'D)

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:

Interests in the Company	Number of ordinary shares			As at 30.6.2023
	As at 01.07.2022	Bought	Sold	
Direct interests				
Dato’ Che Nazahatuhisamudin Bin Che Haron	4,343,780	-	(355,000)	3,988,780
Datuk Farisha Binti Pawan Teh	-	365,000	-	365,000
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' 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	636	636
- Salaries, bonus and other benefits	2,494	1,356
- Defined contribution plans	355	163
	3,485	2,155
Directors of the subsidiaries		
- Fees	79	-
- Salaries, bonus and other benefits	3,000	1,138
- Defined contribution plans	342	192
	3,421	1,330

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.



DIRECTORS' REPORT (CONT'D)

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.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit losses and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for expected credit losses.
- b) 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:

- a) which would render the amount written off as bad debts or the amount of allowance for expected credit losses in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- c) 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.

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

- a) 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
- b) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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.

The directors state that:

- a) The results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- b) 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 operations of the Group and of the Company for the financial year in which this report is made.

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

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

DIRECTORS' REPORT (CONT'D)

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 29 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 25 September 2023.

DATO' KAMARUL REDZUAN BIN MUHAMED
Director

DATO' CHE NAZAHATU HISAMUDIN BIN CHE HARON
Director

Kuala Lumpur, Malaysia



STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, **DATO’ KAMARUL REDZUAN BIN MUHAMED** and **DATO’ CHE NAZAHATUHSAMUDIN 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 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 2023 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 dated 25 September 2023.

.....
DATO’ KAMARUL REDZUAN BIN MUHAMED
Director

.....
DATO’ CHE NAZAHATUHSAMUDIN BIN CHE HARON
Director

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1)(b) OF THE COMPANIES ACT 2016

I, **LEE CHEN YOW**, being the officer primarily responsible for the financial management of **UZMA BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, 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.

Subscribed and solemnly declared by)
the above named at **Kuala Lumpur**)
in the state of **Federal Territory**)
on 25 September 2023)

Before me,

LEE CHEN YOW
MIA NO: CA 34301

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 2023 of the Group and of the Company, and the statements of profit or loss and other 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on accompanying pages.

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 2023, 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.

We have determined the matters described below to be key audit matters to be communicated in our report.

Goodwill (Note 4(a) and Note 7 to the financial statements)

As at 30 June 2023, the net carrying value of goodwill of the Group amounted to RM186,084,000 as discussed in 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:
- obtained an understanding of the relevant internal controls over estimating the recoverable amount of the CGUs or groups of CGUs;
 - compared 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;
 - tested the mathematical accuracy of the impairment assessment;
 - performed a sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount of the respective CGU;
 - assessed the reasonableness of the Group’s assumptions in relation to key inputs such as discount rates, forecast growth rates and profit margins;
 - challenged the key assumptions used by the managements for growth rate, discount rate and
 - evaluated the adequacy of the Group’s disclosures of each key assumption on which form part of its cash flow projections.

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF UZMA BERHAD (CONT’D)

Key Audit Matters (Cont’d)

Trade receivables and contract assets (Note 4(b), Note 12 and Note 15 to the financial statements)

As at 30 June 2023, the net carrying value of trade receivables and contract assets of the Group amounted to RM205,680,000 and RM101,390,000 respectively as disclosed in Note 12 and Note 15 in the financial statements.

The expected credit losses 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 :

- understood the design and implementation of controls associated with monitoring of outstanding trade receivables and contract assets and impairment calculation;
- developed 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;
- assessed the reasonableness and calculation of expected credit loss as at the end of the reporting
- obtained confirmation of balances from selected samples of the receivables; and
- performed subsequent receipt procedure with regards to balances as at 30 June 2023 up until the financial statement date.

Revenue recognition (Note 3.15 and Note 28 to the financial statements)

During the financial year ended 30 June 2023, the Group revenue amounted to RM473,775,000 as disclosed in Note 28 in the financial statements.

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

Revenue is measured at the fair value of consideration received or receivable and the Group recognised revenue based on the various revenue streams.

Our response:

Our audit procedures focus on evaluating the cash flow projections and the Group’s projection procedures which included, among others:

- walked through the process and test the Groups’ internal controls on the revenue recognition;
- reviewed the sales transactions to ensure that the revenue recognised are in line with the relevant accounting standards, MFRS 15, Revenue from Contract with Customers;
- performed cut-off tests and ensured revenue recognized for the financial year are recognised in the correct period;
- all performance obligations within contracts with customers are identified correctly;
- reviewed the performance obligation under the term of the contract and determined the recognition of revenue whether its overtime or point in time;
- the transaction price (including any variable consideration) is properly estimated;
- the allocation of the transaction price to the relevant performance obligations is properly performed; and
- the timing of revenue recognition is appropriate based on when performance occurs and control of the related goods or services are transferred to the customer.

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF UZMA BERHAD (CONT’D)

Information Other than the Financial Statements and Auditors’ Report 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 the 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.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s or the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity 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.

Auditors’ Responsibilities for the Audit of the Financial Statements (Cont’d)

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 content of this report.

The financial statements of the Group and of the Company for the year ended 30 June 2022 were audited by another auditors whom have expressed an unmodified opinion on these financial statements on 31 October 2022.

.....
AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF 1522
CHARTERED ACCOUNTANTS

.....
AHMAD SYHAZAN BIN YAACOB
NO. 03696/10/2024 J
CHARTERED ACCOUNTANT

Dated: 25 September 2023

Selangor, Malaysia

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	540,940	496,764	440	853
Right-of-use assets	6	25,455	23,842	80	148
Intangible assets	7	206,098	204,899	-	-
Investment in subsidiaries	8	-	-	407,441	398,349
Investment in associates	9	12,827	11,489	3,390	3,390
Investment in joint ventures	10	-	-	-	-
Deferred tax assets	11	2,401	2,365	-	-
Trade and other receivables	12	5,982	5,957	522	522
Other investments	13	105	4,080	-	-
		793,808	749,396	411,873	403,262
Current assets					
Inventories	14	47,608	46,208	-	-
Trade and other receivables	12	241,150	170,074	76,655	73,646
Contract assets	15	101,390	166,090	-	-
Other investments	13	257	241	146	141
Current tax assets		7,049	17,379	195	-
Deposits, cash and bank balances	16	95,836	110,615	13,260	12,800
		493,290	510,607	90,256	86,587
TOTAL ASSETS		1,287,098	1,260,003	502,129	489,849

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



STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONT'D)

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	307,535	307,535	307,535	307,535
Foreign currency translation reserve	18	39,840	35,578	-	-
Capital reserve	19	277	375	-	-
Merger deficit	20	(29,700)	(29,700)	-	-
Fair value reserve	21	(6,000)	(6,000)	-	-
Retained earnings		180,007	146,402	24,834	26,946
		491,959	454,190	332,369	334,481
Perpetual sukuk	22	40,852	40,852	40,852	40,852
Non-controlling interests		30,374	29,582	-	-
TOTAL EQUITY		563,185	524,624	373,221	375,333
Non-current liabilities					
Loans and borrowings	23	138,894	234,116	45,961	59,173
Lease liabilities	24	12,580	12,954	20	90
Deferred tax liabilities	11	24,454	23,645	30	172
Trade and other payables	25	23,540	4,149	-	-
Post employment benefit liabilities	26	2,619	2,744	-	-
Deferred income	27	13,614	14,862	-	-
		215,701	292,470	46,011	59,435
Current liabilities					
Loans and borrowings	23	223,666	216,726	43,460	35,157
Lease liabilities	24	5,978	3,647	76	85
Trade and other payables	25	227,575	221,602	39,361	19,495
Contract liabilities	15	50,832	357	-	-
Current tax liabilities		161	577	-	344
		508,212	442,909	82,897	55,081
TOTAL LIABILITIES		723,913	735,379	128,908	114,516
TOTAL EQUITY AND LIABILITIES		1,287,098	1,260,003	502,129	489,849

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	28	473,775	377,935	22,617	22,139
Cost of sales		(307,004)	(250,340)	-	-
Gross profit		166,771	127,595	22,617	22,139
Other income		431	14,571	147	2,939
Administrative expenses		(80,119)	(68,579)	(15,901)	(17,086)
Net impairment losses of financial assets		(3,975)	(1,359)	-	(1,343)
Other operating expenses		(23,315)	(36,391)	(1,909)	(795)
Profit from operations		59,793	35,837	4,954	5,854
Finance costs		(18,192)	(20,137)	(4,225)	(4,512)
Share of results of associates, net of tax		2,353	1,309	-	-
Share of results of a joint venture, net of tax		-	(1)	-	-
Profit before taxation	29	43,954	17,008	729	1,342
Tax expense	30	(5,873)	(10,428)	273	(351)
Profit for the financial year		38,081	6,580	1,002	991

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED (CONT'D)

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other comprehensive income, net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Actuarial gain from employee benefits	44	142	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences in translation of foreign operations	4,164	4,795	-	-
Fair value loss of equity instrument at fair value through other comprehensive income	-	(205)	-	-
Other comprehensive income for the financial year	4,208	4,732	-	-
Total comprehensive income for the financial year	42,289	11,312	1,002	991
Profit attributable to:				
Owners of the Company	36,679	5,045	1,002	991
Non-controlling interests	1,402	1,535	-	-
	38,081	6,580	1,002	991
Total comprehensive income attributable to:				
Owners of the Company	40,883	9,695	1,002	991
Non-controlling interests	1,402	1,617	-	-
	42,289	11,312	1,002	991
Earnings per share (sen):				
- Basic and diluted	31	9.55	0.83	

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED AS AT 30 JUNE 2023

Group	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	Subtotal RM'000	Perpetual Sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2022		307,535	35,578	375	(29,700)	(6,000)	146,402	454,190	40,852	29,582	524,624
Total comprehensive income for the financial year											
Profit for the financial year		-	-	-	-	-	36,679	36,679	-	1,402	38,081
Actuarial gain from employee benefits	26	-	-	-	-	-	40	40	-	4	44
Foreign currency translation reserve		-	4,262	(98)	-	-	-	4,164	-	-	4,164
Total comprehensive income		-	4,262	(98)	-	-	36,719	40,883	-	1,406	42,289
Transactions with owners											
Dividend paid by the subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(614)	(614)
Distribution to perpetual sukuk holders		-	-	-	-	-	(3,114)	(3,114)	-	-	(3,114)
Total transactions with owners		-	-	-	-	-	(3,114)	(3,114)	-	(614)	(3,728)
At 30 June 2023		307,535	39,840	277	(29,700)	(6,000)	180,007	491,959	40,852	30,374	563,185

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

Group	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	Subtotal RM'000	Perpetual Sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 July 2021		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		-	-	-	-	-	124	124	-	18	142
Fair value loss of equity instrument at 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

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

Group	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	Subtotal RM'000	Perpetual Sukuk RM'000	Non-controlling interests RM'000	Total equity RM'000
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

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



STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

Company	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
At 1 July 2022	307,535	26,946	334,481	40,852	375,333
Total comprehensive income for the financial year					
Profit for the financial year	-	1,002	1,002	-	1,002
Total comprehensive income	-	1,002	1,002	-	1,002
Transactions with owners					
Distribution to perpetual sukuk holders	-	(3,114)	(3,114)	-	(3,114)
Total transactions with owners	-	(3,114)	(3,114)	-	(3,114)
At 30 June 2021	307,535	24,834	332,369	40,852	373,221
At 1 July 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
Transaction costs of share issue	17	(162)	-	-	(162)
Distribution to perpetual sukuk holders		-	(2,202)	-	(2,202)
Total transactions with owners		17,466	(2,202)	-	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 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities					
Profit before tax		43,954	17,008	729	1,342
<i>Adjustments for:</i>					
Amortisation of intangible assets	7	4,098	3,944	-	-
Amortisation of government grant	27	(3,306)	(1,133)	-	-
Bad debts written off		-	2	-	-
Depreciation of property, plant and equipment	5	43,935	44,008	425	429
Depreciation of right-of-use assets	6	5,211	5,003	68	69
Deposits written off		-	109	-	-
Dividend income		-	-	(7,636)	(5,100)
Other investment written off		3,975	-	-	-
Loss on disposal of a subsidiary	8(c)	-	44	-	-
Loss/(Gain) on disposal of property, plant and equipment		5	(5,399)	-	-
Loss on lease modification		49	-	-	-
GST refundable written off		-	79	-	79
Expected credit losses/(reversal of expected credit losses) on:					
- trade receivables	12	1,513	807	-	-
- other receivables	12	(3,340)	552	-	-
- amount owing by subsidiaries	12	-	-	-	1,343
Impairment on:					
- property, plant and equipment	5	-	523	-	-
- investment in subsidiaries	8	-	-	1,415	-
Interest expense		18,192	20,137	4,225	4,512
Balances carried forward		114,286	85,684	(774)	2,674

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Balances brought forward		114,286	85,684	(774)	2,674
Inventories written off	14	341	1	-	-
Inventories written down	14	24	2,179	-	-
Inventories written back	14	(128)	(138)	-	-
Interest income		(6,965)	(1,527)	(140)	(2,752)
Loss on derecognition of a subsidiary	8(e)	-	258	-	216
Loss/(Gain) on reduction in stake in an associate		-	641	-	(187)
Net unrealised loss/(gain) on foreign exchange		381	(37)	-	-
Reversal of impairment loss on property, plant and equipment	5	-	(1,136)	-	-
Share of results of associates	9	(2,353)	(1,309)	-	-
Share of results of a joint venture	10	-	1	-	-
Property, plant and equipment written off	5	-	1	-	-
Provision for post employment benefits	26	228	575	-	-
Unwinding of discount on contingent consideration		-	130	-	-
Operating profit/(loss) before working capital changes		105,814	85,323	(914)	(49)
Contract assets		63,639	(22,005)	-	-
Contract liabilities		77,968	(28)	-	-
Inventories		(1,637)	(12,328)	-	-
Receivables		(96,770)	(35,058)	1,990	(397)
Payables		27,005	42,348	19,458	1,854
Net cash generated from operations		176,019	58,252	20,534	1,408
Financing cost paid		(456)	(846)	(4,225)	(4,512)
Tax refund/(paid)		4,849	(6,223)	-	-
Net cash generated from/(used in) operating activities		180,412	51,183	16,309	(3,104)

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from investing activities					
(Advances to)/Repayment from subsidiaries		-	-	(10,507)	11,014
Changes in pledged deposits	16	(23,593)	(4,937)	(96)	(58)
Dividend received		1,015	340	2,636	1,260
Interest received		6,965	1,527	140	2,752
Withdrawal of fixed deposits more than 3 months	16	3,238	1,496	-	-
Proceeds from disposal of property, plant and equipment		24	5,654	-	-
Disposal of a subsidiary, net of cash disposed	8(c)	-	(22)	-	-
Net increase of other investments		(16)	-	(5)	(2)
Addition of intangible assets		(410)	(442)	-	-
Purchase of property, plant and equipment	(a)	(80,979)	(22,228)	(12)	(5)
Net cash used in from investing activities		(93,756)	(18,612)	(7,844)	14,961
Cash flows from financing activities	(b)				
Financing cost paid		(17,736)	(19,291)	-	-
Advances from an associate		-	680	-	-
Proceeds from government grant	27	2,058	10,000	-	-
Proceeds from issuance of shares	17	-	17,466	-	17,466
Distribution to perpetual sukuk holders		(3,114)	(2,202)	(3,114)	(2,202)
Net payments of lease liabilities		(4,810)	(6,927)	(79)	(54)
Net drawdown (repayment) of revolving credit		4,215	(16,191)	7,861	(13,088)
Net drawdown of invoice financing		1,950	35,642	-	-
Repayment of term loans		(45,320)	(31,912)	(13,212)	(12,760)
Repayment of medium term notes		(49,509)	(49,585)	-	-
Advances from a director		-	32	-	28
Advances from shareholders of subsidiaries		-	932	-	-
Repayment to subsidiaries		-	-	-	(634)
Dividends paid to non-controlling interests by subsidiaries		(1,402)	(2,353)	-	-
Net cash used in financing activities		(113,668)	(63,709)	(8,544)	(11,244)
Net (decrease)/increase in cash and cash equivalents		(27,012)	(31,138)	(79)	613
Cash and cash equivalents at the beginning of the financial year		21,133	50,731	(11,797)	(12,410)
Effect of exchange rate changes on cash and cash equivalents		(8,504)	1,540	-	-
Cash and cash equivalents at the end of the financial year	16	(14,383)	21,133	(11,876)	(11,797)

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

(a) Purchase of property, plant and equipment:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash payments on purchase of property, plant and equipment	80,979	22,228	12	5

(b) Reconciliations of liabilities arising from financing activities:

	Non-cash			
	As at 01.07.2022 RM'000	Cash flows RM'000	Addition of new leases RM'000	As at 30.06.2023 RM'000
Group				
Term loans	154,139	(45,320)	-	108,819
Lease liabilities	16,601	(4,810)	6,767	18,558
Revolving credit	35,674	4,215	-	39,889
Invoice financing	44,629	1,950	-	46,579
Medium term notes	173,652	(49,509)	-	124,143
Amount owing to a director	85	-	-	85
Amount owing to an associate	1,717	-	-	1,717
Amount owing to shareholders of subsidiaries	1,224	-	-	1,224
	427,721	(93,474)	6,767	341,014

	Non-cash		
	As at 01.07.2022 RM'000	Cash flows RM'000	As at 30.06.2023 RM'000
Company			
Term loans	72,307	(13,212)	59,095
Lease liabilities	175	(79)	96
Revolving credit	8,705	7,861	16,566
Amount owing to a director	81	(81)	-
Amounts owing to subsidiaries	14,191	19,959	34,150
	95,459	14,448	109,907

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

(b) Reconciliations of liabilities arising from financing activities: (Cont'd)

	Non-cash			
	As at 01.07.2021 RM'000	Cash flows RM'000	Acquisition of new leases RM'000	As at 30.06.2022 RM'000
Group				
Term loans	186,367	(31,912)	-	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
Amount owing to shareholders of subsidiaries	292	932	-	1,224
	484,632	(67,329)	10,734	427,721

	Non-cash			
	As at 01.07.2021 RM'000	Cash flows RM'000	Others RM'000	As at 30.06.2022 RM'000
Company				
Term loans	86,067	(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

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONT'D)

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

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Included in net cash from operating activities:					
Payment relating to short-term leases	29	24,004	20,628	1,309	1,621
Payment relating to leases of low-value assets	29	-	63	-	-
Interest paid in relation to lease liabilities	29	2,413	610	8	17
Included in net cash from operating activities:					
Payment of lease liabilities		4,810	6,927	79	54
Total cash outflows of leases		31,227	28,228	1,396	1,692

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2023

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 Unit 521, 5th Floor, Lobby 6, Block A, Damansara Intan, No. 1 Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 25 September 2023.

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

During the financial year, the Group and the Company have adopted the following amended MFRSs that are mandatory for annual financial period beginning on or after 1 January 2022:

Description		Effective for annual period beginning on or after
Amendments to MFRS 1, MFRS 9, MFRS 16, MFRS 141	Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of fulfilling a Contract	1 January 2022

The initial application of the abovementioned new and amendments to published standards and IC interpretation, where applicable, are not expected to have any material financial impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.3 Standards issued but not yet effective

The following amendments that have been issued by the Malaysian Accounting Standards Board will become effective in future financial reporting periods and have not been adopted by the Group or the Company in these financial statements:

Description		Effective for annual period beginning on or after
Amendments to MFRS 101	Presentation of Financial Statements - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 9 and MFRS 17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 (Comparative Information)	1 January 2023
Amendments to MFRS 112	Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10	Consolidated Financial Statements - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 10 and MFRS 128	Investment in Associates and Joint - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company are expected to apply the above-mentioned amendments beginning from the respective dates the amendments become effective. The initial application of the abovementioned amendments are not expected to have any material impacts to the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(a) Subsidiaries and business combination (Cont'd)

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

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

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

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

(b) Non-controlling interests

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

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

(c) Associates

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(d) Joint arrangements

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

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a 'Joint operation' when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of the assets (including its share of any assets held jointly), the liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).
- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

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

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

(e) Transactions eliminated on consolidation

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

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

3.2 Separate financial statements

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

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

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

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

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

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

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign Currency Transactions And Operations (Cont'd)

- (a) Translation Of Foreign Currency Transactions (Cont'd)

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*.

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 categories 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (Cont'd)

- (a) Subsequent Measurement (Cont'd)

(i) Financial Assets (Cont'd)

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.

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 liabilities are derecognised and through the amortisation process.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (Cont'd)

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

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

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

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

(d) Derecognition

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial Instruments (Cont'd)

(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.

(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:

	Rate
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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, Plant And Equipment (Cont'd)

(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 right-of-use assets and lease liabilities 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 assets

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(b).

Lease liabilities

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 liabilities 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (Cont'd)

(b) Lessee Accounting (Cont'd)

Lease Liabilities (Cont'd)

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 liabilities are 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 liabilities are 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.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Goodwill And Other Intangible Assets (Cont'd)

(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 three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment of assets

(a) Expected credit losses 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 expected credit losses 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment Of Assets (Cont'd)

(a) Expected Credit Losses Of Financial Assets And Contract Assets (Cont'd)

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. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Impairment of assets (Cont'd)

(b) Impairment of non-financial assets (Cont'd)

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(b).

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

3.12 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Sukuk Musharakah ("Perpetual Sukuk")

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

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

3.13 Employee benefits

(a) Short-term employee benefits

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

(b) Defined contribution plan

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Employee benefits (Cont'd)

(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 actuary using the projected unit credit method. In the intervening years, the calculation may be updated by the actuary 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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue And Other Income (Cont'd)

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

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

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) Sale 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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3.18 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

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

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 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 a subsidiary, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Income tax (Cont'd)

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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:

- (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) 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 and other intangible asset

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 other intangible assets 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 (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

(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 and the Company's historical observed default rates. The Group and the Company 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.

(e) Impairment of property, plant and equipment

Impairment test has been carried out based on variety of estimations, including value-in-use of the CGU of which the specific property, plant and equipment is allocated or fair value less costs of disposal. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows and also to determine the appropriate discount rate to calculate the present value of those cash flows.

The future cash flows are subject to change as new information become available and the changes may eventually affect the statement of profit or loss through impairment charges or reversal of impairment.

In establishing the recoverable amount that is based on fair value less costs of disposal, the Group engaged independent external valuers to assess the fair value of the property, plant and equipment, adjusted for the condition of the specific assets. Further details are disclosed in Note 5.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	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
2023 COST											
At 1 July 2022	14,552	24,000	645	657,113	963	12,873	8,741	20,239	2,740	20,393	762,259
Additions	-	-	-	18,974	-	62	-	326	-	61,617	80,979
Disposals	-	-	-	-	(304)	-	-	-	-	-	(304)
Written off	-	-	-	-	-	-	-	(187)	-	-	(187)
Reclassifications	-	-	-	6,428	-	48	-	368	-	(6,844)	-
Exchange differences	-	-	52	10,151	-	87	411	120	-	-	10,821
At 30 June 2023	14,552	24,000	697	692,666	659	13,070	9,152	20,866	2,740	75,166	853,568

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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
2023 Accumulated depreciation												
At 1 July 2022		1,147	3,657	390	207,041	793	11,152	8,099	17,030	479	-	249,788
Depreciation charge for the financial year	29	225	480	37	41,372	79	360	141	1,104	137	-	43,935
Written off		-	-	-	-	-	-	-	(187)	-	-	(187)
Disposals		-	-	-	-	(275)	-	-	-	-	-	(275)
Exchange differences		-	-	32	2,351	-	83	404	106	-	-	2,976
At 30 June 2023		1,372	4,137	459	250,764	597	11,595	8,644	18,053	616	-	296,237



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	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
2023											
Accumulated impairment loss											
At 1 July 2022	772	-	-	14,935	-	-	-	-	-	-	15,707
Exchange differences	-	-	-	684	-	-	-	-	-	-	684
At 30 June 2023	772	-	-	15,619	-	-	-	-	-	-	16,391
Carrying amount											
At 30 June 2023	12,408	19,863	238	426,283	62	1,475	508	2,813	2,124	75,166	540,940

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	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 2023	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 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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												
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												
Disposal of a subsidiary		-	-	-	-	-	-	144	-	-	-	144
Exchange differences		-	-	(13)	(1,876)	-	16	(221)	(32)	-	-	(2,126)
At 30 June 2023		1,147	3,657	390	207,041	793	11,152	8,099	17,030	479	-	249,788

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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												
Accumulated impairment loss												
At 1 July 2021		772	-	-	20,531	-	-	-	-	-	-	21,303
Disposals		-	-	-	(4,657)	-	-	-	-	-	-	(4,657)
Impairment loss charged during the year	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 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Note	Office equipment RM'000	Equipment RM'000	Total RM'000
Cost				
At 1 July 2021		2,119	21	2,140
Additions		5	-	5
At 30 June 2022		2,124	21	2,145
Additions		12	-	12
Additions		2,136	21	2,157
Accumulated depreciation				
At 1 July 2021		855	8	863
Depreciation charge for the financial year	29	425	4	429
At 30 June 2022		1,280	12	1,292
Depreciation charge for the financial year	29	421	4	425
At 30 June 2023		1,701	16	1,717
Carrying amount				
At 30 June 2022		844	9	853
At 30 June 2023		435	5	440

(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	
	2023 RM'000	2022 RM'000
Freehold properties	11,406	11,632
Leasehold properties	19,863	20,343
Operating equipment	242,517	260,596
	273,786	292,571

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

	Group	
	2023 RM'000	2022 RM'000
Salaries and related costs		
- directors (Note 29 (a))	594	495
- staff (Note 29 (b))	767	647
	1,361	1,142

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

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 2022		13,186	10,262	2,866	342	5,862	3,517	36,035
Additions	29	-	-	-	-	1,979	4,788	6,767
Modification		-	-	-	-	(49)	-	(49)
Derecognition*		-	-	-	-	(133)	(963)	(1,096)
Exchange differences		-	-	-	-	107	120	227
At 30 June 2023		13,186	10,262	2,866	342	7,766	7,462	41,884
Accumulated depreciation								
At 1 July 2022		782	3,994	2,147	193	2,601	2,476	12,193
Depreciation for the financial year	29	420	450	507	68	1,502	2,264	5,211
Derecognition*		-	-	-	-	(133)	(963)	(1,096)
Exchange differences		-	-	-	-	33	88	121
At 30 June 2023		1,202	4,444	2,654	261	4,003	3,865	16,429
Carrying amount								
At 30 June 2023		11,984	5,818	212	81	3,763	3,597	25,455



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

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	29	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

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
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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS (CONT'D)

Company	Note	Office equipment RM'000
Cost		
At 1 July 2021/30 June 2022/30 June 2023		342
Accumulated depreciation		
At 1 July 2021		129
Depreciation for the financial year	29	69
At 30 June 2022		194
Depreciation for the financial year	29	68
At 30 June 2023		262
Carrying amount		
At 30 June 2022		148
At 30 June 2023		80

- (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 23 years (2022: 2 to 24 years).
- (b) The Group and the Company also lease motor vehicles, operating equipment and office equipment with lease terms of 2 to 8 years (2022: 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 23 to 52 years (2022: 24 to 53 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	
	2023 RM'000	2022 RM'000
Leasehold land	5,172	5,291



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INTANGIBLE ASSETS

Group	Note	Goodwill RM'000	Other intangible assets RM'000	Software development costs RM'000	Total RM'000
Cost					
At 1 July 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
Additions		-	-	410	410
Exchange differences		4,186	1,537	-	5,723
At 30 June 2023		186,084	50,902	852	237,838
Accumulated amortisation					
At 1 July 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
Amortisation charge for the financial year	29	-	4,098	-	4,098
Exchange differences		-	836	-	836
At 30 June 2023		-	27,630	-	27,630
Accumulated amortisation					
At 1 July 2021/30 June 2022/ 30 June 2023		-	4,110	-	4,110
Carrying amount					
At 30 June 2022		181,898	22,559	442	204,899
At 30 June 2023		186,084	19,162	852	206,098

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill

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

	Group	
	2023 RM'000	2022 RM'000
Services - CGU 1	175,811	171,625
Trading - CGU 2	10,273	10,273
	186,084	181,898

CGU 1

Based on the sensitivity analysis performed, the directors believe that there is no reasonably possible change in key assumptions that would cause the carrying values of the CGU to exceed its recoverable amounts. The estimated recoverable amount of the CGU 1 exceeds the carrying amount of the CGU 1. As a result of the analysis, the directors did not identify an impairment for this CGU.

CGU 2

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

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

	Group	
	2023 RM'000	2022 RM'000
CGU 1		
Average profit margin	37%	40%
Average revenue growth rate	15%	11%
Pre-tax discount rate	8.7%	13.4%
CGU 2		
Average profit margin	23%	25%
Average revenue growth rate	17%	10%
Pre-tax discount rate	8.7%	14.8%

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill (Cont'd)

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 RM4,098,000 (2022: RM3,944,000) 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.

Included in development costs of the Group is an amount of RM410,334 (2022: RM442,405) 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:

	2023 RM'000	2022 RM'000
Salaries and related costs		
- staff (Note 29)	410	440

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES

	Group	
	2023 RM'000	2022 RM'000
Unquoted shares, at cost		
At 1 July	232,334	230,592
Additions	-	1,958
Less: Derecognition of a subsidiary	-	(216)
Less: Impairment losses	(1,415)	-
At 30 June	230,919	232,334
Loans that are part of net investment	176,522	166,015
	407,441	398,349

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.

Name of company	Principal place of business/ country of incorporation	Proportion equity interest		Principal activities
		2023 %	2022 %	
Direct subsidiaries				
Uzma Engineering Sdn. Bhd.	Malaysia	100	100	Provision of geoscience and project and operational services and other specialised within the oil and gas industry
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 (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Principal place of business/ country of incorporation	Proportion equity interest		Principal activities
		2023 %	2022 %	
Premier Enterprise Corporation (M) Sdn. Bhd.	Malaysia	95	100	Trading of hardware and equipment for oil refinery
Uzma (Labuan) Ltd.>	Malaysia	-	100	Dormant
Uzma Teluk Kalong Sdn. Bhd.	Malaysia	100	100	Dormant
Uzma Laboratory Sdn. Bhd.	Malaysia	100	100	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	60	Provision of renewable energy services
Uzma Well Services Sdn. Bhd.	Malaysia	100	100	Investment holding
Uzma Production Enhancement Sdn. Bhd.	Malaysia	100	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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Principal place of business/ country of incorporation	Proportion equity interest		Principal activities
		2023 %	2022 %	
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	100	Provision of renewable energy services
Uzma Solar Sdn. Bhd.	Malaysia	100	100	Provision of renewable energy services
Enviroenergy Bakti Sdn. Bhd.	Malaysia	100	-	Solar system construction
Subsidiary of Uzma Engineering Sdn. Bhd.				
PT Uzma	Indonesia	95	95	Investment holding
Uzma Tracer Sdn. Bhd.	Malaysia	70	70	Dormant
SVJ Holding Limited @	BritishVirgin Island	100	100	Investment holding
Uzma Well Services (Thailand) Co., Ltd.*~	Thailand	49	49	Dormant
Uzma Archaeological Research Sdn. Bhd.	Malaysia	100	100	Dormant
Uzma LNG Sdn. Bhd.	Malaysia	70	70	LNG Trading
Subsidiary of PT Uzma				
PT Uzma Development Services*	Indonesia	90	90	Provision of supporting services in oil and gas mining



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Principal place of business/ country of incorporation	Proportion equity interest		Principal activities
		2023 %	2022 %	
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
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
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	Provisions of general merchants and traders, general agents, wholesaler, distributors, imports, expoerts, commissioning agents and dealers in all types and kinds of goods, commodities and merchandise
Subsidiary of Uzma Energy Venture (Sarawak) Sdn. Bhd.				
Uzma Energy Venture SK433 Sdn. Bhd.	Malaysia	100	100	Provision of geoscience and reservoir engineering, drilling, project and operation services and other specialised services within the oil and gas industry
Subsidiary of Uzma Production Enhancement Sdn. Bhd.				
Uzma Artificial Lift Sdn. Bhd.	Malaysia	75	75	Provision of artificial lift and pumping solutions service

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company	Principal place of business/ country of incorporation	Proportion equity interest		Principal activities
		2023 %	2022 %	
Subsidiary of Uzma Artificial Lift Sdn. Bhd.				
Uzma Production Enhancement (Thailand) Co., Ltd.*~	Thailand	49	49	Provision of artificial lift and pumping solutions service
Subsidiary of Uzma Production Enhancement (Thailand) Co., Ltd.				
Uzma Artificial Lift (Thailand) Co., Ltd. *~	Thailand	51	51	Provision of artificial lift and pumping solutions service

* Audited by other auditors other than Al Jafree Salihin Kuzaimi 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.

^ The financial statements have been reviewed for consolidation purposes.

@ 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.

(a) Incorporation/Acquisition of subsidiaries

2023

On 4 July 2022, the Company's wholly-owned subsidiary, Uzma Environergy Sdn Bhd had incorporated wholly-owned subsidiary, namely Enviroenergy 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Incorporation/Acquisition of subsidiaries (Cont'd)

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 1,000,000 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.

(b) Subscription for additional interests in subsidiaries

2023

Uzma LNG Sdn. Bhd.

On 1 November 2022, the Group's wholly owned subsidiary, Uzma Engineering Sdn Bhd ("UESB"), has further subscribed for an additional 69,300 ordinary shares for a total consideration of RM69,300 in Uzma LNG Sdn Bhd ("ULNG") as ULNG has increased its paid-up share capital from 100 to 100,000 ordinary shares. Following the subscription UESB retained 70% interest in ULNG.

Uzma Kuala Muda Sdn. Bhd.

On 31 January 2023, the Group's wholly owned subsidiary, Uzma Environergy Sdn Bhd ("Enviro") has further subscribed for an additional 900,000 ordinary shares for a total consideration of RM900,000 in Uzma Kuala Muda Sdn Bhd ("UKM") as UKM has increased its paid-up share capital from 100,000 to 1,000,000 ordinary shares. Following the subscription Enviro retained 100% interest in UKM.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Subscription for additional interests in subsidiaries (Cont'd)

2022

Uzma Laboratory Sdn. Bhd.

On 24 March 2022, the Company had acquired additional 6 ordinary shares in Uzma Laboratory Sdn. Bhd. ("ULSB"), representing an 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	945

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Disposal of subsidiaries

2023

There are no disposal of subsidiaries by the Group during the year.

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 assets at disposal date	273
Non-controlling interests	(109)
Net liabilities disposed	164
Loss 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)

(d) Dilution of equity interest in a subsidiary

2023

On 19 October 2022, the Company's wholly-owned subsidiary, Premier Enterprise Corporation (M) Sdn Bhd ("PEC") allotted additional 25,000 ordinary shares for a total consideration of RM25,000 to non controlling interest. PEC has increased its paid-up share capital from 500,000 to 525,000 ordinary shares. Following the allotment PEC, now became a 95% owned subsidiary.

(e) Striking-off of a subsidiary

On 13 March 2023, the Company's wholly-owned subsidiary, Uzma Labuan. Ltd. ("ULL") had been struck-off from the Suruhanjaya Syarikat Malaysia ("SSM").

NOTES TO THE FINANCIAL STATEMENTS

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Non-controlling interests in subsidiaries

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

	2023	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
NCI percentage of ownership interest and voting interest		30%	10%	14%		
Carrying amount of NCI		15,903	926	20,704	(7,159)	30,374
Profit/(Loss) allocated to NCI		737	(14)	1,692	(1,013)	1,402
Total comprehensive income/(loss) allocated to NCI		737	(17)	1,692	(1,006)	1,406



8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Non-controlling interests in subsidiaries (Cont'd)

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	19,012	(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 (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(g) 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
2023			
Summarised statements of financial position			
Non-current assets	4,567	13,975	106,905
Current assets	54,486	10,207	157,972
Non-current liabilities	(1,248)	(24,524)	(45,026)
Current liabilities	(9,599)	(3,499)	(92,462)
Net assets/(liabilities)	48,206	(3,841)	127,389
Summarised statements of comprehensive income			
Revenue	45,610	7,712	112,494
Profit/(Loss) for the financial year	2,455	(137)	10,361
Total comprehensive income/(loss)	2,455	(173)	10,361
Summarised cash flows information			
Cash flows (used in)/from operating activities	359	650	34,284
Cash flows used in investing activities	816	(5)	(9,327)
Cash flows generated from / (used in) financing activities	(2,832)	(688)	(23,711)
Net decrease in cash and cash equivalents	(1,657)	(43)	1,246
Dividends paid to non-controlling interests	600	-	506



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(g) Summarised financial information of material non-controlling interests (Cont'd)

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
Summarised cash flows information			
Cash flows (used in)/from operating activities	(2,124)	(51)	10,813
Cash flows used in investing activities	2,712	-	(8,385)
Cash flows generated from /(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 (CONT'D)

9. INVESTMENT IN ASSOCIATES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost				
At 1 July	8,516	9,281	3,390	4,392
Disposal of an associate	-	(765)	-	(765)
At 30 June	8,516	8,516	3,390	3,627
Share of post-acquisition results				
At 1 July	2,973	2,832	-	-
Share of profits	2,353	1,309	-	-
Dividend received	(1,015)	(340)	-	-
Disposal	-	(828)	-	-
At 30 June	4,311	2,973	-	-
Less: Impairment loss	-	-	-	(237)
	12,827	11,489	3,390	3,390

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		Principal activities
		2023 %	2022 %	
Rockwash Geodata Ltd.®	United Kingdom	24	24	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 auditors other than AI Jafree Salihin Kuzaimi PLT.

^ The financial statements have been reviewed for consolidation purposes.

@ Disclosed using management financial statements reviewed by AI Jafree Salihin Kuzaimi PLT. No statutory requirement for the financial statements to be audited at financial year end.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN ASSOCIATES (CONT'D)

- (a) Incorporation/Acquisition of subsidiaries

2023

There are no acquisitions or disposal of associates during the year.

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..

- (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 2023				
Assets and liabilities:				
Non-current assets	6,000	466	1,328	7,794
Current assets	10,138	16,488	33,190	59,816
Current liabilities	(1,519)	(20,153)	(29,798)	(51,470)
Net assets/(liabilities)	14,619	(3,199)	4,720	16,140
Results:				
Revenue	13,070	-	16,386	29,456
Profit for the financial year	1,090	-	4,723	5,813
Total comprehensive income	1,090	-	4,723	5,813
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	-	5,364	8,935
Cost of investment	4,366	(1,536)	6,108	8,938
Share of post-acquisition profits	259	-	2,094	2,353
Share of unrecognised losses	-	1,536	-	1,536
Carrying amount in the statements of financial position	4,625	-	8,202	12,827

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN ASSOCIATES (CONT'D)

- (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: (Cont'd)

	Rockwash Geodata Ltd RM'000	Aerosun Uzma Malaysia Sdn. Bhd. RM'000	Suria Infiniti Sdn. Bhd. RM'000	Total RM'000
Group 2023				
Group's share of results				
Group's share of profit, representing Group's share of total comprehensive income	259	-	2,094	2,353
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	15,776
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
2022				
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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. INVESTMENT IN ASSOCIATES (CONT'D)

- (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: (CONT'D)

	Rockwash Geodata Ltd RM'000	Aerosun Uzma Malaysia Sdn. Bhd. RM'000	Suria Infiniti Sdn. Bhd. RM'000	Total RM'000
Group				
Group's share of results				
Group's share of profit, representing Group's share of total comprehensive income/(loss)	2,114	-	(805)	1,309

- (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 (2022: RM1,536,000).

10. INVESTMENT IN JOINT VENTURES

	Group	
	2023 RM'000	2022 RM'000
Unquoted share, at cost	31	31
Share of post-acquisition reserves	(31)	(31)
	-	-

Details of joint ventures are as follows:

Name of company	Principal place of business/ country of incorporation	Proportion equity interest		Principal activities
		2023 %	2022 %	
Khausar Energy Sdn. Bhd. [^]	Malaysia	50	50	Dormant
Rizqma Energy Sdn. Bhd. [^]	Brunei	-	40	Provision of well artificial lift and solution

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENT IN JOINT VENTURES (CONT'D)

The Group had not recognised its share of losses of Khausar Energy Sdn. Bhd. because the Group's cumulative share of losses had exceeded its interest in the joint venture and the Group had no obligation in respect of the losses. The Group's cumulative accumulated losses not recognised were RM368,687 (2022: RM352,564).

- (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
Assets and liabilities:	
Non-current assets	1
Current assets	20
Current liabilities	(221)
Net liabilities	(200)
Results:	
Revenue	-
Loss for the financial year, representing total comprehensive loss	(151)
Reconciliation of net assets/ (liabilities) to carrying amount:	
Cost of investment	31
Share of post-acquisition profits/(loss)	(31)
Carrying amount in the statements of financial position	-
Group's share of results	
Group's share of loss, representing Group's share of total comprehensive loss	(1)

Disposal of Rizqma Energy Sdn Bhd

On 13 September 2022, the Company's wholly-owned subsidiary, Uzma Engineering Sdn Bhd ("UESB") had disposed its entire 60% equity investment in joint venture, namely Rizqma Energy Sdn Bhd for a total consideration of BND1.00.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEFERRED TAX (LIABILITIES)/ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax (liabilities)/assets				
At 1 July	(21,280)	(12,243)	(172)	(61)
Disposal of a subsidiary (Note 8(c))	-	(57)	-	-
Recognised in profit or loss (Note 30)	(836)	(8,648)	142	(111)
Exchange differences	63	(332)	-	-
At 30 June	(22,053)	(21,280)	(30)	(172)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets	2,401	2,365	-	-
Deferred tax liabilities	(24,454)	(23,645)	(30)	(172)
	(22,053)	(21,280)	(30)	(172)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax assets				
Differences between the carrying amounts of property, plant and equipment and their tax bases	(384)	-	-	-
Unutilised tax losses	-	2,108	-	-
Provisions	2,326	257	-	-
Others	459	-	-	-
	2,401	2,365	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deferred tax liabilities				
Differences between the carrying amounts of property, plant and equipment and their tax bases	(75,143)	(18,231)	(54)	(172)
Deferred tax relating to intangible assets	(216)	(216)	-	-
Unutilised tax losses	7,839	-	-	-
Unabsorbed capital allowance	42,259	-	-	-
Deferred tax liabilities arising from acquisition of subsidiaries	(5,198)	(5,198)	-	-
Provision	5,002	-	-	-
Others	1,003	-	24	-
	(24,454)	(23,645)	(30)	(172)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unabsorbed capital allowances	50	38	-	-
Unutilised tax losses	29,736	28,365	-	-
	29,786	28,403	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. DEFERRED TAX (LIABILITIES)/ASSETS (CONT'D)

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).

	Group	
	2023 RM'000	2022 RM'000
2028	4,812	4,812
2029	14,844	14,844
2030	3,300	3,300
2031	1,513	1,513
2032	5,267	3,896

12. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT					
Other receivables					
- Amounts owing by subsidiaries	(c)	-	-	522	522
- Third parties		5,982	5,869	-	-
- Deposits		-	155	-	-
		5,982	6,024	522	522
Less: Expected credit losses for non-current other receivables					
- Third parties		-	(67)	-	-
		5,982	5,957	522	522

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CURRENT					
Trade receivables					
- Third parties		204,541	115,550	-	-
- Related parties		1,139	1,362	-	-
		205,680	116,912	-	-
Less: Expected credit losses for trade receivables					
- Third parties	(a)	(20,311)	(18,798)	-	-
Total trade receivables, net		185,369	98,114	-	-
Other receivables					
- Third parties	(g)	34,305	38,642	5,524	4,704
- Amounts owing by subsidiaries	(c)	-	-	73,297	70,873
- Amount owing by a related party	(d)	711	583	-	-
- Amount owing by an associate	(e)	-	5	5	5
- Amounts owing by shareholders of subsidiaries	(f)	30	15	-	-
- Amount owing by a joint venture	(e)	490	535	-	-
		35,536	39,780	78,826	75,582
Less: Expected credit losses for other receivables					
- Third parties	(b)	(804)	(4,144)	(1,805)	(1,805)
- subsidiaries	(b)	-	-	(1,343)	(1,343)
		(804)	(4,144)	(3,148)	(3,148)
Total other receivables, net		34,732	35,636	75,678	72,434
Deposits		6,622	6,554	566	465
Advances to sub-contractors		8,207	19,257	-	-
GST refundable		540	540	-	-
Prepayments	(h)	5,680	9,973	411	747
		55,781	71,960	76,655	73,646
Total trade and other receivables (current)		241,150	170,074	76,655	73,646
Total trade and other receivables (non-current and current)					
		247,132	176,031	77,177	74,168

(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 (2022: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE AND OTHER RECEIVABLES

(a) Credit term of trade receivables (Cont'd)

Receivables that are impaired

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

	Group	
	2023 RM'000	2022 RM'000
Trade receivables		
At 1 July	18,798	17,989
Charge for the financial year (Note 29)		
- individually assessed	1,395	773
- collectively assessed	180	34
Reversal of expected credit losses (Note 29)	(62)	-
Exchange differences	-	2
	20,311	18,798

(b) Other receivables

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables				
At 1 July	4,144	4,104	3,148	1,805
Charge for the financial year (Note 29)				
- individually assessed	-	552	-	1,343
Written off	-	(507)	-	-
Reversal of expected credit losses (Note 29)	(3,340)	-	-	-
Exchange differences	-	(5)	-	-
At 30 June	804	4,144	3,148	3,148

- (c) Amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable upon demand in cash except for amounts of RM41,479,000 (2022: RM54,416,000) which bear interest at rate of 5.5% (2022: 5.5%) per annum. Included in non-current other receivables are amounts owing by subsidiaries of RM522,000 (2022: RM522,000) which are not expected to be settled within the next twelve months.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE AND OTHER RECEIVABLES (CONT'D)

- (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 (2022: 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.
- (h) Included in prepayments of the Group is a down payment of RM3,800,000 (2022: RM4,184,000) for the purchase of equipment.
- (i) The information about the credit exposures are disclosed in Note 33(a).

13. OTHER INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT				
Financial assets at designated fair value through other comprehensive income ("DFVOCI")				
At fair value:				
- Unquoted equity securities				
At 1 July	4,080	4,285	-	-
Fair value loss	-	(205)	-	-
Written off	(3,975)	-	-	-
At 30 June	105	4,080	-	-

CURRENT

Financial assets at fair value through profit or loss ("FVPL")

At fair value:

- Quoted equity securities	257	241	146	141
Total other investments (non-current and current)	362	4,321	146	141

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. INVENTORIES

	Group	
	2023 RM'000	2022 RM'000
At cost		
Raw materials	2,576	3,330
Work-in-progress	-	861
Finished goods	23,039	19,979
Consumable goods	21,993	22,038
	47,608	46,208

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year is RM95,197,000 (2022: RM262,716,000). In addition, the expenses recognised in the profit or loss include the following:

	Group	
	2023 RM'000	2022 RM'000
Inventories written off	341	1
Inventories written down	24	2,179
Inventories written back	(128)	(138)
	237	2,042

15. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2023 RM'000	2022 RM'000
Contract assets relating to service contracts	101,390	166,090
Inventories written down	(50,832)	(357)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

Significant changes in contract balances

	2023		2022	
	Contract assets increase/(decrease) RM'000	Contract liabilities (increase)/decrease RM'000	Contract assets increase/(decrease) RM'000	Contract liabilities (increase)/decrease RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	-	1,015	-	76
Increase due to consideration received from customers, but revenue not recognised	-	(51,490)	-	(48)
Increase due to revenue recognised for unbilled goods or services transferred to customers	295,461	-	165,902	-
Transfers from contract assets recognised at the beginning of the period to receivables	(360,162)	-	(144,096)	-
Translation difference	-	-	199	-

16. DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	44,487	55,996	1,884	1,521
Cash deposits placed with licensed banks	51,349	54,619	11,376	11,279
Cash and cash equivalents as presented in the statements of financial position	95,836	110,615	13,260	12,800
Less: Fixed deposits with tenure more than 3 months	(15,740)	(18,978)	-	-
Less: Pledged deposits	(51,349)	(27,756)	(11,376)	(11,279)
Less: Bank overdrafts (Note 23)	(43,130)	(42,748)	(13,760)	(13,318)
Cash and cash equivalents as presented in the statements of cash flows	(14,383)	21,133	(11,876)	(11,797)

- (a) Cash deposits placed with licensed banks of the Group and of the Company bear interest at rates ranging from 1.20% to 3.10% (2022: 0.80% to 3.10%) per annum.
- (b) Fixed deposits with tenure more than 3 months bear interest at rates ranging from 1.80% to 1.85% (2022: 1.80% to 1.85%) per annum and mature within one year.
- (c) Cash deposits placed with licensed banks amounting of RM51,349,000 (2022: RM27,756,000) and RM11,376,000 (2022: RM11,279,000) of the Group and of the Company respectively are pledged as security for banking facilities granted to subsidiaries as disclosed in Note 23.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	2023 Units	2022 Units	2023 RM'000	2022 RM'000
Issued and fully paid up (no par value):				
At 1 July	352,031	320,029	307,535	290,069
Issuance of shares pursuant to private placement	-	32,002	-	17,466
At 30 June	352,031	352,031	307,535	307,535

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 previous 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 RM958,400.
- (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 RM669,884.

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.

19. CAPITAL RESERVE

	Group	
	2023 RM'000	2022 RM'000
Statutory reserve	25	25
Other capital reserve	252	350
	277	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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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	
	2023 RM'000	2022 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 2023, a periodic distribution for Perpetual Sukuk payable was RM3,113,882 (2022: RM2,202,325).

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
 - (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).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. PERPETUAL SUKUK (CONT'D)

The salient features of the perpetual sukuk were as follows: (Cont'd)

- (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.

- (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; first legal charge and assignment by the Contract Party over the Revenue Account;
- (b) first legal assignment of the rights, title, benefits and interests of the Company and/or any
- (c) 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 such other security as may be required by the Lead Arranger or Lead Manager(s), and/or as may be
- (d) advised by the Solicitor and acceptable to the Shariah Adviser.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. LOANS AND BORROWINGS

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT					
Term loans	(a)	64,751	110,464	45,961	59,173
Medium term notes	(e)	74,143	123,652	-	-
		138,894	234,116	45,961	59,173
CURRENT					
Term loans	(a)	44,068	43,675	13,134	13,134
Revolving credit	(b)	39,889	35,674	16,566	8,705
Invoice financing	(c)	46,579	44,629	-	-
Bank overdrafts (Note 16)	(d)	43,130	42,748	13,760	13,318
Medium term notes	(e)	50,000	50,000	-	-
		223,666	216,726	43,460	35,157
		362,560	450,842	89,421	94,330
Total loans and borrowings					
Term loans	(a)	108,819	154,139	59,095	72,307
Revolving credit	(b)	39,889	35,674	16,566	8,705
Invoice financing	(c)	46,579	44,629	-	-
Bank overdrafts (Note 16)	(d)	43,130	42,748	13,760	13,318
Medium term notes	(e)	124,143	173,652	-	-
		362,560	450,842	89,421	94,330

(a) Term loans

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Term loan 1	10,740	12,384	-	-
Term loan 2	9,802	21,247	-	-
Term loan 3	639	660	-	-
Term loan 4	4,135	7,951	-	-
Term loan 5	22,728	27,810	22,728	27,810
Term loan 6	36,367	44,497	36,367	44,497
Term loan 7	-	2,374	-	-
Term loan 8	8,548	20,775	-	-
Term loan 9	10,979	11,653	-	-
Term loan 10	962	1,594	-	-
Term loan 11	-	3,194	-	-
Term loan 12	228	-	-	-
Term loan 13	3,691	-	-	-
	108,819	154,139	59,095	72,307

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. LOANS AND BORROWINGS (CONT'D)

(a) Term Loans (Cont'd)

The term loans are repayable as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current liabilities				
- due more than 1 year but not later than 5 years	60,558	92,212	45,961	52,536
- due after 5 years	4,193	18,252	-	6,637
	64,751	110,464	45,961	59,173
Current liabilities				
- due within 1 year	44,068	43,675	13,134	13,134
	108,819	154,139	59,095	72,307

The term loans bear interest at rates ranging from 4.01% to 5.49% (2022: 3.77% to 7.85%) per annum and are supported as follows:

- (i) Legal charge over the freehold properties of a subsidiary (Note 5);
- (ii) Fixed deposits of a subsidiary and of the Company (Note 16);
- (iii) Corporate guarantees from the Company;
- (iv) Legal charge over the operating equipment of a subsidiary (Note 5);
- (v) Legal charge over the leasehold properties of a subsidiary (Note 5);
- (vi) Pledge over the shares of a subsidiary;
- (vii) Joint and several guarantee by a director of the Company and of a subsidiary;
- (viii) Fresh assignment of future income as per Schedule A, C, F of water injection facility contract;
- (ix) Assignment of insurance proceeds of a subsidiary;
- (x) Assignment and a fixed charge over receivables of a subsidiary;
- (xi) Assignment and a fixed charge over the designated Escrow account of a subsidiary; and
- (xii) Assignment over Collection Account and Finance Service Reserve Account of a subsidiary.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. LOANS AND BORROWINGS (CONT'D)

(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 4.35% to 5.83% (2022: 3.88% to 6.85%) 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 3.90% to 7.54% (2022: 3.65% to 6.92%) 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 6.70% to 7.20% (2022: 4.40% to 6.74%) 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 5.60% (2022: 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 (CONT'D)

24. LEASE LIABILITIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT				
Lease liabilities	12,580	12,954	20	90
CURRENT				
Lease liabilities	5,978	3,647	76	85
	18,558	16,601	96	175

The incremental borrowing rates applied to the lease liabilities ranging from 2.50% to 7.32% (2022: 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	
	2023 RM'000	2022 RM'000
Future minimum lease payments	25,149	23,275
Less: Future finance charges	(6,591)	(6,674)
Total present value of minimum lease payments	18,558	16,601
Payable within one year		
Future minimum lease payments	7,103	4,302
Less: Future finance charges	(1,125)	(655)
Present value of minimum lease payments	5,978	3,647
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	7,626	7,558
Less: Future finance charges	(1,792)	(2,019)
Present value of minimum lease payments	5,834	5,539
Payable more than 5 years		
Future minimum lease payments	10,420	11,415
Less: Future finance charges	(3,674)	(4,000)
Present value of minimum lease payments	6,746	7,415
Total present value of minimum lease payments	18,558	16,601

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. LEASE LIABILITIES (CONT'D)

Future minimum lease payments under leases together with the present value of net minimum lease payments are as follows: (Cont'd)

	Company	
	2023 RM'000	2022 RM'000
Future minimum lease payments	100	187
Less: Future finance charges	(4)	(12)
Total present value of minimum lease payments	96	175
Payable within one year		
Future minimum lease payments	80	93
Less: Future finance charges	(4)	(8)
Present value of minimum lease payments	76	85
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	20	94
Less: Future finance charges	-	(4)
Present value of minimum lease payments	20	90
Total present value of minimum lease payments	96	175

25. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
NON-CURRENT					
Trade payables					
- Third party		23,540	4,149	-	-
CURRENT					
Trade payables					
Third parties		112,588	127,483	-	-
Related parties		8,253	2,253	-	-
Accruals		6,206	42,190	-	-
(a)		127,047	171,926	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. TRADE AND OTHER PAYABLES (CONT'D)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables					
Other payables		76,468	25,619	2,144	2,056
Contingent consideration		2,525	2,525	-	-
Accruals		11,936	18,506	3,067	3,167
Amounts owing to subsidiaries	(b)	-	-	34,150	14,191
Amount owing to an associate	(c)	-	1,717	-	-
Amount owing to a director	(d)	81	85	-	81
Amounts owing to shareholders of subsidiaries	(e)	9,518	1,224	-	-
		100,528	49,676	39,361	19,495
Total trade and other payables (current)					
		227,575	221,602	39,361	19,495
Total trade and other payables (non-current and current)					
		251,115	225,751	39,361	19,495

- (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 (2022: 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 (CONT'D)

26. POST EMPLOYMENT BENEFIT LIABILITIES

	Group	
	2023 RM'000	2022 RM'000
At 1 July	2,744	2,898
Recognised in profit or loss (Note 29)	228	575
Paid during the financial year	(530)	(471)
Actuarial gain recognised in other comprehensive income	44	(142)
Translation differences	133	(116)
At 30 June	2,619	2,744

- (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 actuary using the projected unit credit method.
- (c) Principal actuarial assumptions used at the reporting date are as follows:

	Group	
	2023 RM'000	2022 RM'000
Discount rate	6.71%	7.83%
Normal retirement age	56 years	56 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:

Group	Reasonably possible change in assumption	Effect on defined benefit obligation	
		Increase RM'000	Decrease RM'000
2023			
Discount rate	1.0%	(24)	10
Future salary growth	1.0%	10	(47)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. POST EMPLOYMENT BENEFIT LIABILITIES (CONT'D)

(c) Principal actuarial assumptions used at the reporting date are as follows: (Cont'd)

Sensitivity Analysis (Cont'd)

Group	Reasonably possible change in assumption	Effect on defined benefit obligation	
		Increase RM'000	Decrease RM'000
2022			
Discount rate	1.0%	(25)	29
Future salary growth	1.0%	29	(25)

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in significant actuarial assumptions occurring at the end of reporting period.

27. DEFERRED INCOME

	Group	
	2023 RM'000	2022 RM'000
NON-CURRENT		
Government grants:		
At 1 July	14,862	5,995
Received during the financial year	2,058	10,000
Amortisation (Note 29)	(3,306)	(1,133)
At 30 June	13,614	14,862

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contract with customers				
At a point in time				
Sales of goods	181,037	60,339	-	-
Dividend income	-	-	7,636	5,100
	181,037	60,339	7,636	5,100
Overtime				
Services rendered	218,793	162,172	-	-
Management fee	-	-	14,981	17,039
	218,793	162,172	14,981	17,039
Revenue from other source				
Rental income	73,945	155,424	-	-
	473,775	377,935	22,617	22,139

29. PROFIT BEFORE TAXATION

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration:				
- statutory audit				
- current year	604	496	170	152
- non-statutory audit				
- current year	12	12	12	12
Amortisation of government grant	(3,306)	(1,133)	-	-
Amortisation of intangible assets	4,098	3,944	-	-
Bad debts written off	-	2	-	-
Deposits written off	-	109	-	-
Depreciation of property, plant and equipment	43,935	44,008	425	429
Depreciation of right-of-use assets	5,211	5,003	69	68

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remuneration (Note (a))	6,906	5,148	3,485	2,417
Employee benefits expenses (Note (b))	55,871	68,993	8,106	7,926
Loss/(Gain) on disposal of property, plant and equipment	5	(5,399)	-	-
Loss on lease modification	49	-	-	-
Loss on derecognition of lease	(1)	-	-	-
GST refundable written off	-	79	-	79
Expected credit losses/(reversal of expected credit losses) on:				
- trade receivables	1,513	807	-	-
- other receivables	(3,340)	552	-	-
- amount owing by subsidiaries	-	-	-	1,343
Impairment on:				
- property, plant and equipment	-	523	-	-
- investment in subsidiaries	-	-	1,415	-
Reversal of impairment losses on property, plant and equipment	-	(1,136)	-	-
Interest expense:				
- bank overdrafts	2,681	2,287	734	620
- invoice financing	750	845	-	-
- lease liabilities	2,413	610	8	17
- medium term notes	7,563	8,110	-	-
- revolving credit	1,103	1,651	395	882
- term loans	3,121	5,788	3,088	2,993
- others	561	707	-	-
- unwinding of discount on payables	-	139	-	-
Dividend income	-	-	(7,636)	(5,100)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. PROFIT BEFORE TAXATION (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income:				
- deposits	(6,965)	(1,527)	-	-
- inter-company loans	-	-	-	(2,515)
- others	-	-	(140)	(237)
Inventories written off	341	1	-	-
Inventories written down	24	2,179	-	-
Inventories written back	(128)	(138)	-	-
Loss on derecognition of a subsidiary	-	258	-	216
Loss on disposal of a subsidiary	-	44	-	-
Loss/(Gain) on reduction in stake in an associate	-	641	-	(187)
Net loss on foreign exchange:				
- realised	-	369	-	3
- unrealised	381	(37)	-	-
Other investment written off	3,975	-	-	-
Property, plant and equipment written off	-	1	-	-
Provision for post employment benefits	228	575	-	-
Expenses relating to short-term leases:				
- office equipment	153	148	64	77
- premises	691	605	-	-
- office	42	35	1,183	1,485
- warehouses	3,911	2,546	-	-
- forklift, cranes and others	18,930	17,036	-	-
- car park	76	67	62	59
- motor vehicles	201	191	-	-
Expenses relating to low-value assets:				
- office equipment	-	63	-	-
Share of results in associates, net of tax	(2,353)	(1,309)	-	-
Share of results in a joint venture, net of tax	-	1	-	-
Unwinding of discount on contingent consideration	-	130	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. PROFIT BEFORE TAXATION (CONT'D)

- (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive directors:				
- fees	-	36	-	-
- salaries, bonus and other benefits	2,460	1,738	1,322	655
- defined contribution plans	355	200	163	76
	2,815	1,974	1,485	731
Non-executive directors:				
- fees	636	531	636	531
- salaries, bonus and other benefits	34	32	34	32
	670	563	670	563
Directors of the Company				
Executive directors:				
- fees	79	156	-	90
- salaries, bonus and other benefits	3,000	2,214	1,138	936
- defined contribution plans	342	241	192	97
	3,421	2,611	1,330	1,123
Total directors' remuneration	6,906	5,148	3,485	2,417

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Recognised in profit or loss	6,906	5,148	3,485	2,417
Capitalised as property, plant and equipment (Note 5)	594	495	-	-
	7,500	5,643	3,485	2,417

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. PROFIT BEFORE TAXATION (CONT'D)

- (b) Employee benefits expenses are:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages, bonuses, allowances and other benefits	51,446	63,390	7,332	7,086
Defined contribution plans	4,425	5,603	774	840
	55,871	68,993	8,106	7,926

The analysis of the employee benefits expenses is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Recognised in profit or loss	55,871	68,993	8,106	7,926
Capitalised as property, plant and equipment (Note 5)	767	647	-	-
Capitalised as intangible assets (Note 7)	410	440	-	-
	57,048	70,080	8,106	7,926

30. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Statements of comprehensive income				
Current income tax:				
- current income tax charge	5,543	3,220	41	857
- Over provision of prior years	(506)	(1,440)	(172)	(617)
	5,037	1,780	(131)	240
Deferred tax (Note 11):				
- Origination/(Reversal) of temporary differences	9,393	9,912	(96)	(2)
- (Over)/under provision of deferred tax of prior years	(8,557)	(1,264)	(46)	113
	836	8,648	(142)	111
	5,873	10,428	(273)	351

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 24%) of the estimated assessable profit for the financial year.

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	43,954	17,008	729	1,342
Tax at Malaysian statutory income tax rate of 24%	10,549	4,082	175	322
Tax effects arising from:				
- non-deductible expenses	8,109	12,205	1,603	1,758
- non-taxable income	(2,717)	(3,854)	(1,833)	(1,225)
Effect of different tax rates in foreign jurisdictions	(673)	(333)	-	-
Deferred tax assets not recognised during the financial year	(332)	425	-	-
Utilisation of deferred tax assets not recognised in the previous financial years	-	607	-	-
(Over)/under provision of of prior years:				
- income tax	(506)	(1,440)	(172)	(617)
- deferred tax	(8,557)	(1,264)	(46)	113
	5,873	10,428	(273)	351

31. EARNINGS PER SHARE

Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit attributable to owners of the Company	36,747	5,045
Distribution to holders of perpetual sukuk	(3,114)	(2,202)
	33,633	2,843

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. EARNINGS PER SHARE (CONT'D)

Basic Earnings Per Ordinary Share (Cont'd)

	Group	
	2023 RM'000	2022 RM'000
Weighted average number of ordinary shares for basic earnings per share	352,031	341,641
Basic earnings per ordinary share (sen)	9.55	0.83

Diluted earnings per ordinary share

The diluted earnings per ordinary share of the Group for the financial year ended 30 June 2023 and financial year ended 30 June 2022 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

32. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Amortised cost ("AC")
- (ii) Fair value through profit or loss ("FVPL")
- (iii) Designated fair value through other comprehensive income ("DFVOCI")

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2023				
Financial assets				
Group				
Trade and other receivables, excluding of GST refundable, advances to sub-contractors and prepayments	232,705	232,705	-	-
Other investments	362	-	257	105
Deposits, cash and bank balances	95,836	95,836	-	-
	328,903	328,541	257	105

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories Of Financial Instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2023				
Financial assets				
Group				
Trade and other receivables, excluding GST refundable, advances to sub-contractors and prepayments	76,766	76,766	-	-
Other investments	146	-	146	-
Deposits, cash and bank balances	13,260	13,260	-	-
	90,172	90,026	146	-
Financial liabilities				
Group				
Loans and borrowings	362,560	362,560	-	-
Trade and other payables	251,115	251,115	-	-
	613,675	613,675	-	-
Company				
Loans and borrowings	89,421	89,421	-	-
Trade and other payables	39,361	39,361	-	-
	128,782	128,782	-	-
2022				
Financial assets				
Group				
Trade and other receivables, excluding 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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories Of Financial Instruments (Cont'd)

	Carrying amount RM'000	AC RM'000	FVPL RM'000	DFVOCI RM'000
2022				
Financial assets				
Company				
Trade and other receivables, excluding GST refundable, advances to sub-contractors and prepayments	73,421	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	-	-

(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 (2022: no transfer in either directions).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair Value Of Financial Instruments (Cont'd)

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				Total RM'000
		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										
2023										
Financial assets										
Other investments	362	257	-	105	362	-	-	-	-	-
2022										
Financial assets										
Other investments	4,321	241	-	4,080	4,321	-	-	-	-	-
Company										
2023										
Financial assets										
Other investments	146	146	-	-	146	-	-	-	-	-
Amounts owing by subsidiaries	522	-	-	-	-	-	-	522	522	522
2022										
Financial assets										
Other investments	141	141	-	-	141	-	-	-	-	-
Amounts owing by subsidiaries	522	-	-	-	-	-	-	522	522	522

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Fair Value Of Financial Instruments (Cont'd)

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% (2022: 56%) of the Group trade receivables was due from four (2022: four) major customers.

The Group applies the simplified approach to providing for expected credit 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 expected credit losses, trade receivables have been grouped based on the days past due.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit Risk Concentration Profile (Cont'd)

	Expected credit loss rate %	Gross carrying amount at default RM'000	Expected credit losses RM'000
Group			
2023			
Contract assets	0%	101,390	-
Trade receivables			
Current	0%	141,295	57
1 to 30 days past due	0%	4,958	2
31 to 60 days past due	0%	2,479	1
61 to 90 days past due	0%	27,267	11
More than 91 days past due	0%	9,453	12
		185,452	83
Expected credit losses - individually		20,228	20,228
		205,680	20,311
		307,070	20,311
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
Expected credit losses - individually		18,715	18,715
		116,912	18,798
		283,002	18,798

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 (CONT'D)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (Cont'd)

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; and
- 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, expected credit 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 expected credit losses 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 expected credit losses as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its trade and other payables, loans and borrowings.

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

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 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2023					
Group					
Financial liabilities					
Trade and other payables	251,115	277,575	23,540	-	251,115
Term loans	108,819	57,461	82,987	7,931	148,379
Lease liabilities	18,558	7,103	7,626	10,420	25,149
Revolving credit	39,889	39,889	-	-	39,889
Invoice financing	46,579	46,579	-	-	46,579
Bank overdrafts	43,130	43,130	-	-	43,130
Medium term notes	124,143	50,000	75,000	-	125,000
	632,233	521,737	189,153	18,351	679,241
Company					
Financial liabilities					
Trade and other payables	39,361	39,361	-	-	39,361
Term loans	59,095	15,656	51,236	-	66,892
Lease liabilities	96	80	20	-	100
Revolving credit	16,566	16,656	-	-	16,656
Bank overdrafts	13,760	13,760	-	-	13,760
Financial guarantee contracts	-	449,947	-	-	449,947
	128,878	535,460	51,256	-	586,716

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (Cont'd)

Maturity analysis (Cont'd)

	Contractual undiscounted cash flows				
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 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
Lease liabilities	16,601	3,647	5,539	6,746	15,932
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
	693,194	454,627	243,433	32,462	730,522
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
Lease liabilities	175	85	90	-	175
Revolving credit	8,705	8,705	-	-	8,705
Bank overdrafts	13,318	13,318	-	-	13,318
Financial guarantee contracts	-	450,842	-	-	450,842
	114,000	508,101	57,642	6,609	572,352

(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").

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign Currency Risk (Cont'd)

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
2023	
Trade and other receivables	3,058
Cash and cash equivalents	228
Loans and borrowings	(10,597)
Trade and other payables	(683)
	(7,994)
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)

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 for the financial year	
		2023 RM'000	2022 RM'000
USD/RM	- strengthen by 10% (2022: 10%)	(608)	(2,246)
	- weaken by 10% (2022: 10%)	608	2,246

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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.

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 (2022: RM3,426,000) and RM717,000 (2022: RM717,000) 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 Effect on profit for the financial year	
		2023 RM'000	2022 RM'000
Property, plant and equipment - approved and contracted for		854	3,772

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

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.)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Dividend income received/ receivable	-	-	(7,636)	(5,100)
Management fees received/ receivable	-	-	(14,981)	(17,039)
Interest income received/ receivable	-	-	-	(2,515)
Rental expenses paid/ payable	-	-	1,183	1,485
Entities in which directors have substantial interests				
Service fee received/ receivable	(3,687)	(4,910)	-	-
Purchases paid/payable	18,960	19,280	-	-
Associate				
Dividend received/ receivable	(1,236)	(340)	-	-
Purchases paid/payable	-	27,493	-	-
Corporate shareholder of subsidiaries				
Disposal of property, plant and equipment received/receivable	-	(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).

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. RELATED PARTIES

(c) Compensation Of Key Management Personnel (Cont'd)

The remuneration of the key management personnel is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors of the Company				
Executive Directors:				
- fees	-	36	-	-
- salaries, bonus and other benefits	2,460	1,738	1,322	655
- defined contribution plans	355	200	163	76
	2,815	1,974	1,485	731
Non-executive Directors:				
- fees	636	531	636	551
- salaries, bonus and other benefits	34	32	34	32
	670	563	670	563
Directors of the subsidiaries				
Executive Directors:				
- fees	79	156	-	90
- salaries, bonus and other benefits	3,000	2,214	1,138	936
- defined contribution plans	342	241	192	97
	3,421	2,611	1,330	1,123
Total directors' remuneration	6,906	5,148	3,485	2,417
Other key management personnel				
Short-term employee benefits	2,995	3,657	1,931	1,784
Defined contribution plans	331	362	194	194
	3,326	4,019	2,125	1,978
	10,232	9,167	5,610	4,395

The estimated monetary value of directors' and key management personnel's benefits-in-kind are Nil (2022: RM325,000) and Nil (2022: RM325,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 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 the 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 the Group 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 measured 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 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 Chief Executive Officer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION

	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
2023						
Revenue						
Revenue from external customers		339,972	133,086	717	-	473,775
Inter-segment revenue	(a)	51,176	-	25,725	(76,901)	-
		391,148	133,086	26,442	(76,901)	473,775
Results						
<i>Included in the measure of segment profit/(loss) are:</i>						
Interest income	(a)	1,531	338	8,096	(8,293)	1,672
Finance costs	(a)	(16,650)	(29)	(9,806)	8,293	(18,192)
Depreciation and amortisation		(46,637)	(1,306)	(1,234)	(4,067)	(53,244)
Amortisation of government grant		3,306	-	-	-	3,306
Other non-cash (expense)/income	(b)	2,223	(750)	3,975	(2,449)	2,999
<i>Not included in the measure of segment profit/(loss) but provided to Group's CEO are:</i>						
Share of results of associates, net of tax		-	-	-	2,353	2,353
Share of results of a joint venture, net of tax		-	-	-	-	-
Segment profit/(loss) after tax	(c)	48,974	2,317	(1,995)	(11,215)	38,081
Assets						
Investment in associates		-	-	8,280	4,547	12,827
Additions to non-current assets	(d)	61,255	1,619	24,872	-	87,746
Segment assets	(e)	561,981	97,763	900,941	(252,681)	1,308,004
Liabilities						
Segment liabilities	(f)	608,096	45,072	430,731	(339,080)	744,819



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

	Note	O&G Upstream Services RM'000	Trading/ Other Services O&G RM'000	Others RM'000	Adjustments and eliminations RM'000	Consolidated RM'000
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						
<i>Included in the measure of segment profit/(loss) are:</i>						
Interest income	(a)	4,280	301	10,124	13,178	27,883
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
<i>Not included in the measure of segment profit/(loss) but provided to Group's CEO are:</i>						
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	(d)	-	-	-	11,489	11,489
Additions to non-current assets		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 (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

- (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:

	2023 RM'000	2022 RM'000
Bad debts written off	-	2
Deposits written off	-	109
Loss/(Gain) on disposal of a subsidiary	-	44
Loss/(Gain) on disposal of property, plant and equipment	5	(5,399)
Loss on derecognition of a subsidiary	-	258
Loss on reduction in stake in an associate	-	641
Other investment written off	3,975	-
Expected credit losses/(reversal of expected credit losses) on:		
- trade receivables	1,513	807
- other receivables	(3,340)	552
Impairment on property, plant and equipment	-	523
Inventories written off	341	1
Inventories written down	24	2,179
Inventories written back	(128)	(138)
GST written off	-	79
Net unrealised loss/(gain) on foreign exchange	381	(37)
Property, plant and equipment written off	-	1
Provision for post employment benefits	228	575
Reversal of impairment for property, plant and equipment	-	(1,136)
Unwinding of discount on contingent consideration	-	130
	2,999	(809)

- (c) Inter-segment transactions eliminated on consolidation.
- (d) Additions to non-current assets (excluding financial instruments, intangible assets and deferred tax assets) consist of:

	2023 RM'000	2022 RM'000
Property, plant and equipment	80,979	22,228
Right-of-use assets	6,767	10,734
	87,746	32,962



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

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

	2023 RM'000	2022 RM'000
Investment in associates	12,827	11,489
Inter-segment assets	(265,508)	(865,083)
	(252,681)	(853,594)

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

	2023 RM'000	2022 RM'000
Deferred tax liabilities	5,668	6,980
Inter-segment liabilities	(344,748)	(465,710)
	339,080	(458,730)

- (g) Geographical information

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

	Revenue	
	2023 RM'000	2022 RM'000
Malaysia	416,154	301,885
Outside Malaysia	57,621	76,050
	473,775	377,935

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	
	2023 RM'000	2022 RM'000
Malaysia	737,322	629,287
Outside Malaysia	47,998	107,707
	785,320	736,994

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

- (h) Major customers

Revenue from one (2022: one) customers in services segment represents approximately RM116,875,000 (2022: RM90,254,000) or 25% (2022: 24%) of the Group's revenue.

37. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal structure so as to support its business and maximise shareholders' value. To achieve this objective, the Group and the Company may make adjustment to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group and the Company manage its capital based on debt-to-equity ratio. The debt-to- equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to- equity ratio of the Group and the Company at the end of the reporting period was as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Loans and borrowings	362,560	450,842	89,421	94,330
Lease liabilities	18,558	16,601	96	175
Less: Deposits, cash and bank balances	(95,836)	(110,615)	(13,260)	(12,800)
Net debt	285,282	356,828	76,257	81,705
Total equity	563,185	524,624	374,635	375,333
Gearing ratio	51%	68%	20%	22%

The Group is not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(a) High Court Suit: Uzma Engineering Sdn. Bhd. vs Khan Co. Ltd (Khan) and Kong Offshore Malaysia Sdn. Bhd. (Kong)

On 16 March 2021, Uzma Engineering Sdn. Bhd. ("UESB") a wholly owned subsidiary of Uzma Berhad has 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 USD1,090,218.01 in the Notice of Arbitration.

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 hearing of the Stay Applications and UESB's injunction application that was fixed on 24 February 2023 was adjourned and proceeded on 8 May 2023. On 22 May 2023, the High Court had decided in favour of Khan and Kong, i.e. allowed their stay applications. Following this decision, on 23 May 2023, UESB has filed an application pursuant to Section 24A(2) of the Courts of Judicature Act 1964 for the whole cause or matter to be tried before an arbitrator.

UESB had on 7 June 2023 filed 3 Notices of Appeal in the Court of Appeal ("Appeals") against the decision of the High Court in allowing Khan and Kong's applications for stay of proceedings pending arbitration and the dismissal of UESB's injunction application.

On 21 June 2023, UESB filed an application for stay of execution pending disposal of the Appeals ("UESB's Stay Application"). On 22 June 2023, UESB filed an application for Erinford Injunction ("UESB's Erinford Injunction Application"). The High Court had on 11 July 2023 dismissed UESB's Stay Application and UESB's Erinford Injunction Application.

Following the dismissal, UESB had on 21 July 2023 filed in the Court of Appeal 3 Notices of Motion for Erinford Injunction and/ or a stay of on the orders made by the High Court on 22 May 2023. The Court of Appeal has fixed 12 September 2023 for the hearing of the Notice of Motion against Khan. The hearing of the Notice of Motion against Kong is fixed for 24 October 2023.

On 4 August 2023, the High Court had allowed Khan's application for assessment of damages (which was filed on 13 June 2023).

(b) Arbitration: Kong Offshore Malaysia Sdn. Bhd. vs Uzma Engineering Sdn. Bhd.

On 6 July 2023, UESB received a Notice of Arbitration dated 6 July 2023 from Messrs Dorairaj, Low & Teh, acting on behalf of Kong claiming for the amount of RM14,853,498.75 and RM22,800,000 under a Letter of Award dated 24 August 2016 and 28 April 2017 respectively. The claims by Kong is related to the subject matter in the legal proceedings before the High Court and the Court of Appeal between parties. The Notice of Arbitration was filed with Singapore International Arbitration Centre. UESB served its Notice of Response on Kong on 18 July 2023 and 4 August 2023 respectively.

(c) Arbitration: Shapadu Energy Services Sdn. Bhd. vs Uzma Engineering Sdn. Bhd.

On 15 February 2023, UESB has received a Notice of Arbitration dated 13 February 2023 ("Notice of Arbitration") from Messrs Shahabudin & Rozima, acting on behalf of Shahpadu Energy Services Sdn. Bhd. ("SES"). UESB and SES were involved in a project known as the KNPG-B Topside Phase II, Kinabalu Non-Associated Gas ("NAG") Development Project (the "Project"). In April 2018, SES was engaged by UESB to conduct inspection at the offshore site of the Project for several rectification works. SES was engaged to complete works that was identified ("Additional Rectification Works"). On 21 April 2020, UESB appointed SES as its subcontractor for the Project and an agreement was entered between the parties ("Subcontract"), and disputes have arisen therein.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(c) Arbitration: Shapadu Energy Services Sdn. Bhd. vs Uzma Engineering Sdn. Bhd. (CONT'D)

The amount claimed under the Notice of Arbitration by SES are as below:

- (i) the sum of RM788,745.00 for the Additional Rectification Works;
- (ii) the sum of RM9,305,320.77 for outstanding payment under the Subcontract;
- (iii) interest including pre-award pursuant to Section 11 of the Civil Law Act 1956;
- (iv) interest at the rate of 5% from the date of award to the date of full realization;
- (v) costs on indemnity basis; and/ or
- (vi) such other relief as the Learned Arbitrator(s) may consider appropriate and just in the circumstances.

In response, UESB had issued a Response to Notice Arbitration and counterclaimed for SES, *inter alia* , the following:

- (i) The sum of RM15,392,564.81 being the outstanding sum payable by SES to UESB for back charges;
- (ii) Damages being the ratification cost in relation to the non-conforming or incomplete or defective work executed or purported completed by SES with respect to the Subcontract which to be assessed by the arbitrator;
- (iii) General damages for breach of contract;
- (iv) Special damages for breach of contract;
- (v) Cost of arbitration;
- (vi) Interest from the date of the award until the date of full and final settlement; and
- (vii) Interest on any sum in UESB's favours from such date as the arbitrator deems fit and proper and continuing up to date of the award.

39. COMPARATIVE FIGURES

The comparative figures are audited by another firm of Chartered Accountants other than Al Jafree Salihin Kuzaimi PLT.



SECTION 7
ADDITIONAL
INFORMATION

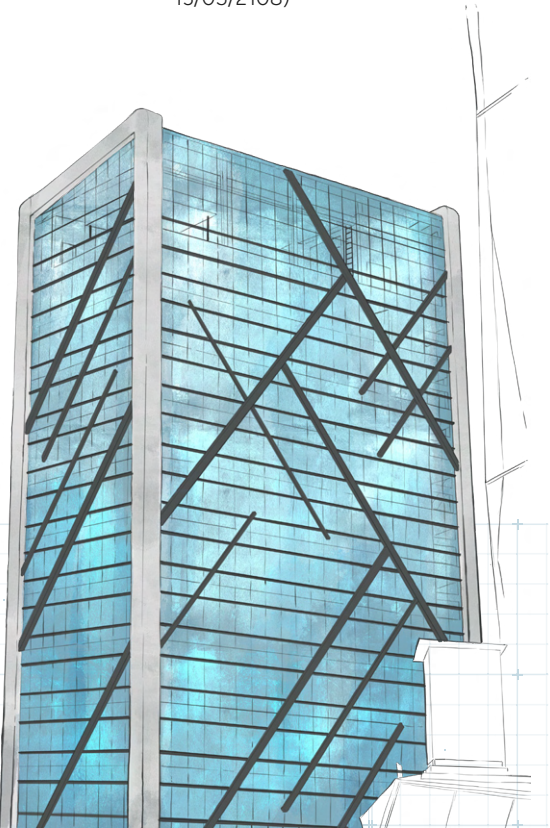
List of Properties
Analysis of Shareholdings as at 2nd October 2023



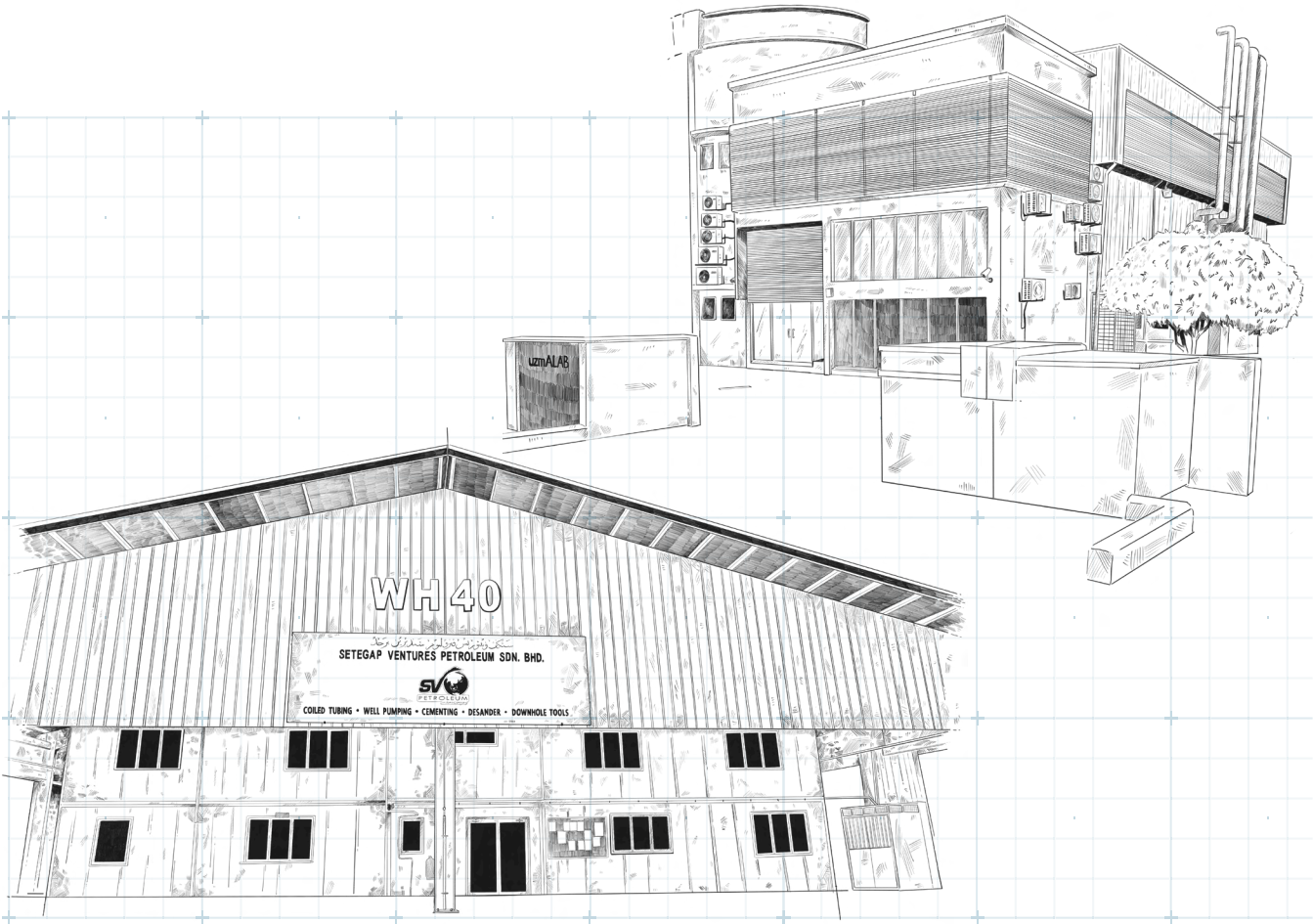
LIST OF PROPERTIES

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 30.06.2023 (RM'000)	Original Cost (RM'000)
H.S. (D) 102228 P.T. No. 16042 Damansara, Selangor Darul Ehsan	Semi-detached industrial premises / Geological laboratory	Uzma Engineering Sdn. Bhd.	13/10/2008	26 years	9,601.49 sq.ft	Freehold	3,074	3,626
No. 29, Jalan Kartunis U1/47, Temasya Industrial Park, Section U1, Shah Alam, Selangor Darul Ehsan, Malaysia								
H.S. (D) 110395/110396 P.T. No. 549 & 550 Seksyen 92, Bandar Kuala Lumpur	Two-adjacent multi-storey building / Office	Setegap Ventures Petroleum Sdn. Bhd	14/01/2018	18 years	751.12 sq.m	Freehold	8,332	9,310
No. 68 & 70, Fraser Business Park, Jalan Metro Pudu 2, Off Jalan Yew, 55100 Kuala Lumpur, Malaysia								
H.S. (D) 256295, P.T. No. 47371 in the Mukim of Sungai Buloh, District of Petaling, State of Selangor	12-storey commercial building / Office	Uzma Engineering Sdn. Bhd.	22/11/2013	10 years	38,901 sq.ft	Leasehold (expiring on 13/05/2108)	19,863	24,000
H-B1-01, H-02-01, H-03-01, H-03A-01, H-05-01, H-06-01, H-07-01, H-08-01, H-09-01, H-10-01, H-11-01, H-12-01								
All situated at Blok Empire Pejabat, Empire Damansara, No. 2, Jalan PJU 8/8A, Damansara Perdana, PJU 8, 47820 Petaling Jaya, Selangor Darul Ehsan, Malaysia								



Title/Location	Description/ Existing Use	Registered Owner	Date of Acquisition	Remaining Lease	Land Area	Tenure	Net Book Value as at 30.06.2023 (RM'000)	Original Cost (RM'000)
Lot No. 12909 (Formerly PT. 1237 and 1727)	Commercial land	Uzma Engineering Sdn. Bhd.	01/10/2019	-	6,114 sq.m	Freehold	560	1,722
Title No. GM2838 (Formerly HSM 670 and GM 671)					6,318 sq.m		440	
Padang Enggang, Kota Bharu, Kelantan Darul Naim, Malaysia								
Teluk Kalung Industrial Land, Teluk Kalung, Kemaman, Terengganu Darul Iman, Malaysia	Industrial land	Uzma Engineering Sdn. Bhd.	30/06/2016	43 years	20,000 sq.m	Leasehold	5,172	5,973



ANALYSIS OF SHAREHOLDINGS

AS AT 2 OCTOBER 2023

Total Number of Issued Shares	:	387,230,500
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per share
Number of Shareholders	:	5,684

DISTRIBUTION SCHEDULE OF SHARE

AS AT 2 OCTOBER 2023

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares Held	Percentage of Shareholders (%)
Less than 100	45	0.79	627	0.00
100 to 1,000	1,126	19.81	544,015	0.14
1,001 to 10,000	2,834	49.86	15,104,660	3.90
10,001 to 100,000	1,394	24.53	44,415,350	11.47
100,001 to 19,361,525 (*)	282	4.96	216,639,174	55.95
19,361,525 and above (**)	3	0.05	110,526,674	28.54
TOTAL	5,684	100.00	387,230,500	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 2 OCTOBER 2023

No.	Names of Directors	Designation	No. of Shares			
			Direct		Indirect	
			No. of Shares Held	Percentage of Issued Capital (%)	No. of Shares Held	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 ^	28.54
3	Dato' Che Nazahatuhisamudin Bin Che Haron	Executive Director	3,988,780	1.03	-	-
4	Yahya Bin Razali	Independent Non-Executive Director	-	-	-	-
5	Datuk Seri Zurainah Binti Musa	Independent Non-Executive Director	-	-	-	-
6	Ikhlas Bin Abdul Rahman	Independent Non-Executive Director	-	-	-	-
7	Y.M. Tengku Ezuan Ismara Bin Tengku Nun Ahmad	Independent Non-Executive Director	-	-	-	-
8	Datuk Farisha Binti Pawan Teh	Independent Non-Executive Director	365,000	0.09	-	-
9	Mazli Zakuan Bin Mohd Noor	Independent Non-Executive Director	-	-	-	-

Notes:

(^) The total indirect shares of 110,526,674 are held as follows :-

- 75,074 ordinary shares are registered in the name Tenggiri Tuah Sdn. Bhd.;
- 10,000 ordinary shares are registered in the name CGS-CIMB Nominees (Tempatan) Sdn. Bhd. – pledged securities account for Tenggiri Tuah Sdn. Bhd.; and
- 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 2 OCTOBER 2023

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	28.54	-	-
2	Dato' Kamarul Redzuan Bin Muhamed	-	-	110,526,674^	28.54
3	Datin Rozita Binti Mat Shah @ Hassan	-	-	110,526,674^	28.54

Notes:

- (^) The total indirect shares of 110,526,674 are held as follows :-
- (i) 75,074 ordinary shares are registered in the name of Tenggiri Tuah Sdn. Bhd.;
 - (ii) 10,000 ordinary shares are registered in the name of 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 2 OCTOBER 2023

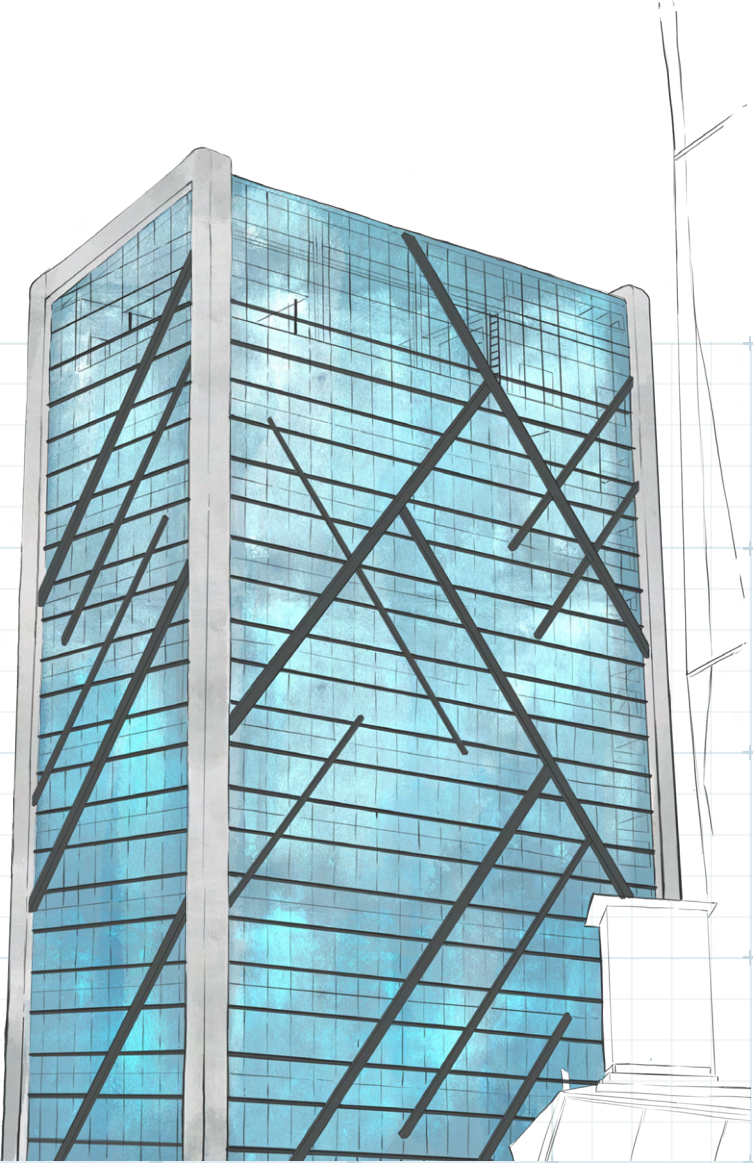
Name of Shareholders		No. of Shares Held	%
1	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tenggiri Tuah Sdn. Bhd.	110,441,600	28.52
2	Citigroup Nominees (Asing) Sdn Bhd Exempt An for Citibank New York (Norges Bank 22)	10,000,000	2.58
3	Yeoh Yew Choo	8,430,300	2.18
4	Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM KAF) (446190)	7,914,700	2.04
5	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International PLC (Firm A/C)	7,765,100	2.01
6	Citigroup Nominees (Asing) Sdn Bhd UBS AG	6,366,091	1.64
7	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Dana Makmur	5,800,000	1.50
8	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (8092812)	5,300,000	1.37
9	Universal Trustee (Malaysia) Berhad KAF Tactical Fund	4,800,000	1.24
10	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	4,771,400	1.23

No.	Name of Shareholders	No. of Shares Held	%
11	Cartaban Nominees (Tempatan) Sdn Bhd RHB Trustees Berhad for KAF Vision Fund	4,400,000	1.14
12	Cartaban Nominees (Asing) Sdn Bhd The Bank of New York Mellon for Acadian Emerging Markets Micro-Cap Equity Master Fund	4,267,900	1.10
13	Universal Trustee (Malaysia) Berhad KAF Core Income Fund	4,228,000	1.09
14	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	4,222,500	1.09
15	PM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (B)	4,000,000	1.03
16	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Che Nazahatuhisamudin Bin Che Haron	3,988,780	1.03
17	Cartaban Nominees (Asing) Sdn Bhd The Bank of New York Mellon for Ensign Peak Advisors Inc.	3,667,300	0.95
18	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Ethereal-Alpha EQ Fund (445329)	3,395,000	0.88
19	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chin Hooi	2,820,000	0.73
20	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Fortress Global Growth Fund	2,718,400	0.70
21	Maybank Nominees (Tempatan) Sdn Bhd Etiqua Life Insurance Berhad (Balance)	2,598,500	0.67
22	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Al-Faid (4389)	2,526,200	0.65
23	Cartaban Nominees (Asing) Sdn Bhd Exempt An for Barclays Capital Securities Ltd (SBL/PB)	2,504,800	0.65
24	Tengku Ab Malek Bin Tengku Mohamed	2,484,800	0.64
25	KAF Trustee Berhad KIFB for Felda A/C A2	2,400,000	0.62
26	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	2,305,700	0.60
27	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	2,299,700	0.59
28	Mohd Zulhaizan Bin Mohd Noor	2,130,400	0.55
29	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Dana Maa'rof	2,050,000	0.53
30	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Areca Dividend Income Fund (412723)	2,000,000	0.52

SECTION 8

ANNUAL GENERAL MEETING

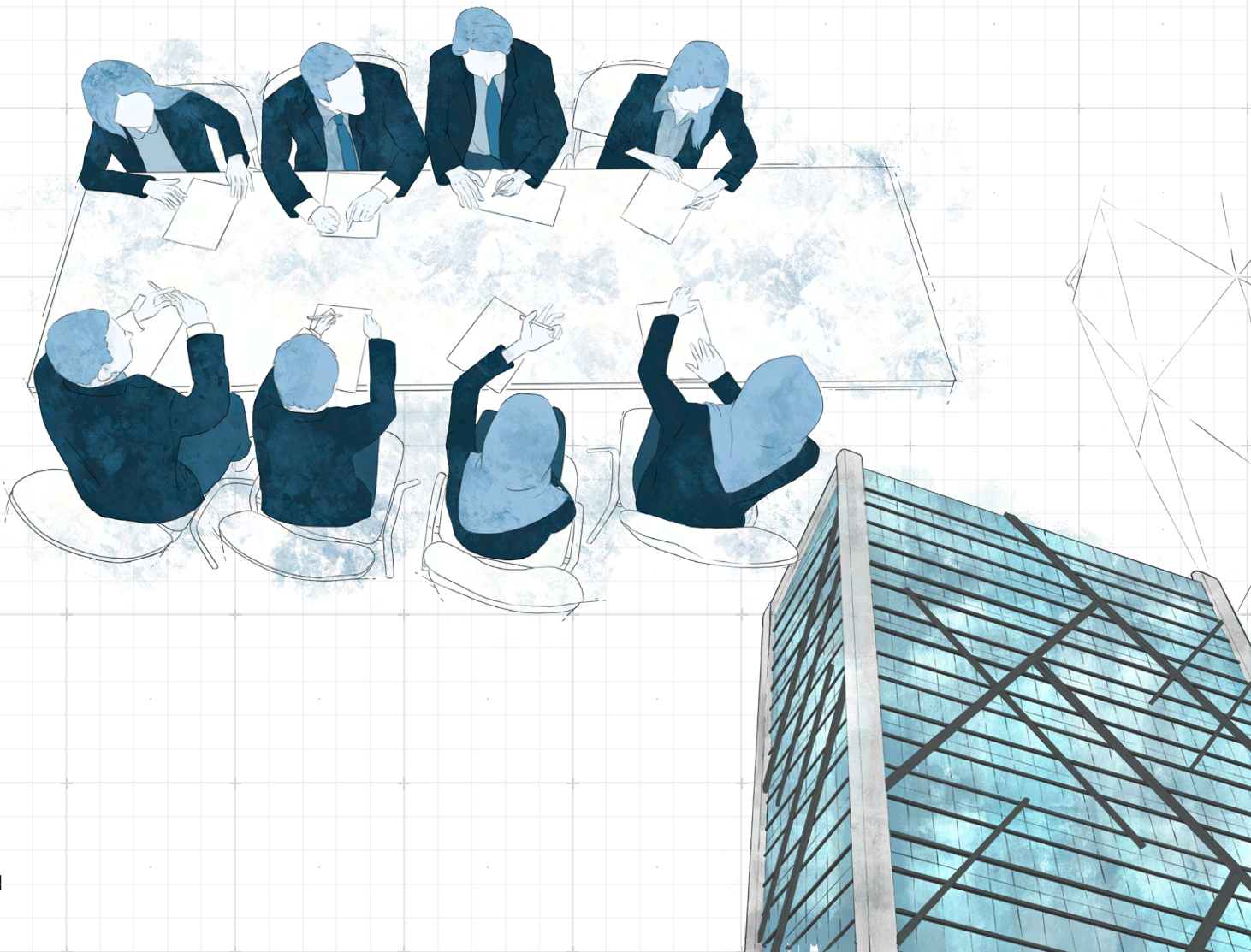
Notice of 16th Annual General Meeting
Administrative Guide for the 16th Annual General Meeting
Proxy Form



NOTICE OF

16TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixteenth Annual General Meeting ("16th 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	:	Thursday, 30 November 2023
Time	:	10.00 a.m.
Meeting Platform	:	ConveneAGM at https://conveneagm.my/uzmaagm2023
Mode of Communication	:	<div><div>i. Submit questions to the Board prior to the 16th AGM by emailing them to communications@uzmagroup.com or via typed texts at ConveneAGM at https://conveneagm.my/uzmaagm2023, not later than 10.00 a.m. on 28 November 2023 (Tuesday).</div><div>ii. Pose questions to the Board via real-time submission of typed texts at ConveneAGM at https://conveneagm.my/uzmaagm2023 during the live streaming of the 16th AGM.</div></div>
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 2023 together with the Directors' and Auditors' Reports thereon.	<i>(Explanatory Note 1)</i>
2.	To approve the Directors' fees and benefits payable to the Non-Executive Directors of up to an aggregate amount of RM1,179,000.00 for the period from 1 December 2023 until the next Annual General Meeting of the Company and the payment thereof.	<i>Ordinary Resolution 1</i>
3.	To re-elect the following Directors who are retiring by rotation in accordance with Clause 98 of the Constitution of the Company :- (i) Dato' Che Nazahatuhisamudin Bin Che Haron (ii) Datuk Seri Zurainah Binti Musa (iii) Encik Ikhlas Bin Abdul Rahman Encik Yahya Bin Razali, who has exceeded the nine (9) years' term limit as prescribed by the Malaysian Code of Corporate Governance, has expressed his intention not to seek for re-appointment at the 16th AGM and will retain office until the conclusion of the 16th AGM.	<div><i>Ordinary Resolution 2</i></div> <div><i>Ordinary Resolution 3</i></div> <div><i>Ordinary Resolution 4</i></div>
4.	To re-appoint Messrs Al Jafree Salihin Kuzaimi PLT as Auditors of the Company for the financial year ending 30 June 2024 and to authorise the Board of Directors to fix their remuneration.	<i>Ordinary Resolution 5</i>



As Special Business

To consider and, if thought fit, to pass the following resolutions :-

5. 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 6

“**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.”

6. Proposed Renewal of Authority for the Company to Purchase Its Own Ordinary Shares (“Proposed Renewal of Share Buy-Back Mandate”)

Ordinary Resolution 7

“**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 Seventeenth 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 Seventeenth 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.”

BY THE BOARD

KHOO MING SIANG
Membership No.: MAICSA 7034037
SSM Practicing Certificate No.: 202208000150

CHIN WAI LENG
Membership No.: LS0009738
SSM Practicing Certificate No.: 201908000658

Company Secretaries
Selangor Darul Ehsan
Date: 31 October 2023

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.

- 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 :-

- i) **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.
- ii) **By electronic means**
The Proxy Form can also be lodged electronically via the online portal at <https://conveneagm.my/uzmaagm2023> or email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 16th 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 23 November 2023. 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.



Explanatory Notes on Ordinary Business and Special Business

1. Audited Financial Statements for the Financial Year Ended 30 June 2023

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 Non-Executive Directors (“NEDs”) of up to an aggregate amount of RM1,179,000.00 for the period from 1 December 2023 until the next AGM to be held in 2024. The aggregate amount of RM1,080,000.00 consists of the Directors’ fees payable to the NEDs of the Company as members of the Board and the Board Committees, subject to the approval of the shareholders at this 16th AGM.

The proposed fees payable by the Company to each of the NEDs are detailed as follows:

Board of Directors

- Chairman RM180,000
- Member RM120,000

Board Committees

- Chairman RM30,000
- Member RM15,000

The proposed Resolution 1 is to facilitate the payment of Directors’ fees on a current financial year basis, calculated based on the current board size. In the event the Directors’ fees proposed are insufficient (due to enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

In determining the estimated total amount of benefits (excluding Directors’ fees) for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees as well as the number of Directors involved. The Board is recommending to the shareholders to approve the Directors’ benefits payable to the NEDs of up to RM99,000.00 from the date of the forthcoming AGM until the next annual general meeting of the Company. In the event the proposed amount is insufficient (due to more meetings/ enlarged board size), approval will be sought at the next annual general meeting for the shortfall.

3. Ordinary Resolutions 2, 3, and 4 – Re-election of Directors

For the purpose of determining the eligibility of the Directors to stand for re-election at the Sixteenth 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.

Based on the outcome of the annual performance evaluation, the NRC and the Board are satisfied that the Directors, namely Dato’ Che Nazahatuhisamudin Bin Che Haron, Datuk Seri Zurainah Binti Musa and Encik Ikhlas Bin Abdul Rahman (collectively, “the retiring Directors”) standing for re-election have performed their duties as per the Board of Charter. In addition, the NRC and the Board are confident that the retiring Directors 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 Sixteenth 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 and 4 are set out in the Directors’ Profile on pages 58 to 68 of the Annual Report 2023.

4. Ordinary Resolution 5 – Re-appointment of Auditors

Messrs Al Jafree Salihin Kuzaimi 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 2024. 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 6 – 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 Fifteenth AGM held on 14 December 2022, 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 16th AGM.

As at the date of this Notice, the Company had issued and allotted 35,200,000 new ordinary shares of the Company at an issue price of RM0.610 per share on 7 July 2023 under private placement exercises (“Private Placement”) made pursuant to the Proposed 10% General Mandate, which was approved by the shareholders at the 15th AGM held on 14 December 2022 and will lapse at the conclusion of the forthcoming 16th AGM.

As at 31 July 2023, the details of the total proceeds amounting to RM21,472,000 raised pursuant the Proposed 10% General Mandate are as follows :-

Purpose	Proposed Utilization (RM’000)	Actual Utilization (RM’000)	Balance Unutilised (RM’000)
Capital and development expenditure in relation to Renewable Energy (“RE”) project	20,000	20,000	-
Working capital	822	874	(52)*
Estimated expenses in relation to the Private Placement	650	598	52*
Total	21,472	21,472	-

Notes:

* The remaining unutilised portion from the expenses in relation to the private placement was utilised for general working capital instead.

The Ordinary Resolution 6 proposed under item 5 of the Agenda is a renewal of the general mandate for issuance of ordinary shares (“Shares”) by the Company under Sections 75 and 76 of the Act. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new Shares speedily in the Company 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.



5. Ordinary Resolution 6 – 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 (continued)

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

- i) 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.”

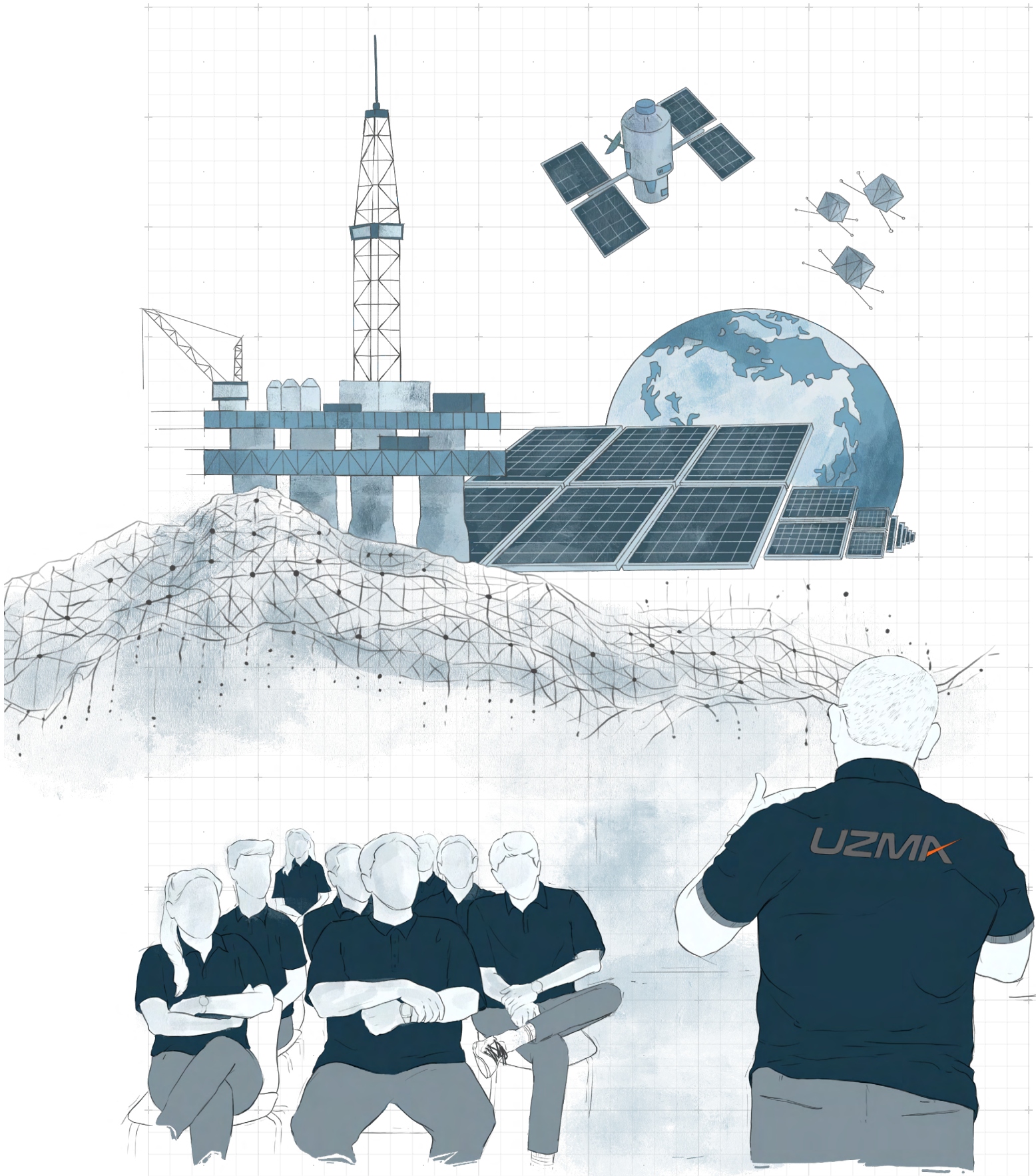
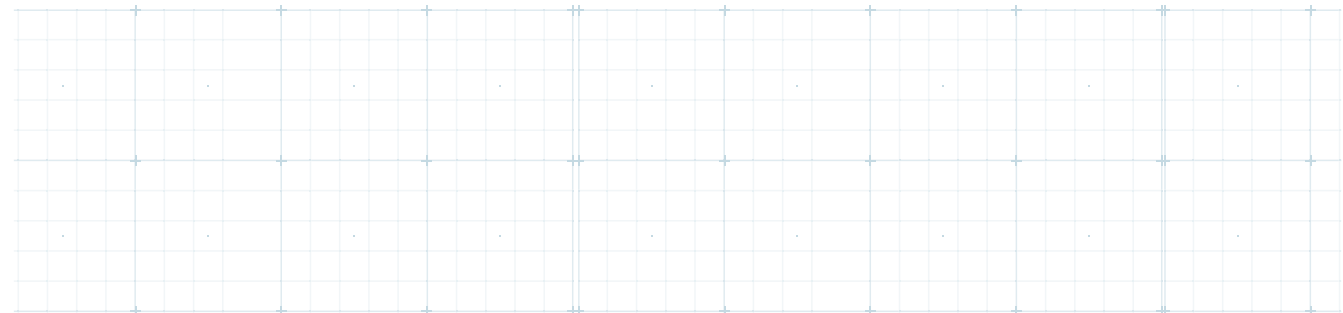
6. Ordinary Resolution 7 – Proposed Renewal of Share Buy-Back Mandate

Ordinary Resolution 7 proposed under item 6 of the Agenda, if passed, will give the Directors of the Company the authority to take all such steps, as are necessary or expedient, to implement, finalise, complete and/or to effect the purchase(s) of ordinary shares by the Company as the Directors may deem fit and expedient in the best interest of the Company. The authority will, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company following the 16th AGM is required by law to be held.

Please refer to the Statement to Shareholders dated 31 October 2023 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.



ADMINISTRATIVE GUIDE FOR

THE SIXTEENTH ANNUAL GENERAL MEETING ("16th AGM")

Meeting Date	:	Thursday, 30 November 2023
Time	:	10.00 a.m.
Meeting Platform	:	ConveneAGM at https://conveneagm.my/uzmaagm2023
Mode of Communication	:	<div><div>i.</div><div>Submit questions to the Board prior to the 16th AGM by emailing them to communications@uzmagroup.com or via typed texts at ConveneAGM at https://conveneagm.my/uzmaagm2023 not later than 10.00 a.m. on 28 November 2023 (Tuesday).</div></div> <div><div>ii.</div><div>Pose questions to the Board via real-time submission of typed texts at ConveneAGM at https://conveneagm.my/uzmaagm2023 during the live streaming of the 16th AGM.</div></div>
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 be conducting its forthcoming 16th AGM on a virtual basis through live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities (hereinafter referred to as the "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 16th AGM.

In line with 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 posing 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 <https://www.uzmagroup.com/uzma-investor-relations>

1.

Annual Report 2023
2.

Corporate Governance Report 2023
3.

Notice of the 16th AGM and Proxy form
4.

Administrative Guide for the 16th 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 2023 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 unforeseen circumstances, we will send a printed Annual Report 2023 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 a printed copy.

Entitlement to Participate and Vote

In respect of deposited securities, only members whose names appear in the Record of Depositors on 23 November 2023 (General Meeting Record of Depositors) shall be eligible to participate in 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 their 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., Tuesday, 28th November 2023 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

(ii) By electronic means

The proxy form can also be lodged electronically through ConveneAGM Meeting Platform at <https://conveneagm.my/uzmaagm2023> 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/uzmaagm2023>.
- 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/uzmaagm2023>.
- 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 to support_conveneagm@kpmg.com.my to revoke the appointment of your proxy(ies) at least forty-eight (48) hours before the 16th AGM.

Alternatively, you may register for RPEV facility or appoint another proxy. In such an event, your earlier appointment of a proxy shall be revoked. Please advise your proxy accordingly. Follow the steps listed in Procedures for RPEV FACILITIES to register and/or withdraw the 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 calls 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 smartphones, tablets, or personal computers/laptops.

Upon the conclusion of the e-voting session, the Independent Scrutineer will verify the poll results followed by a 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/uzmaagm2023> to participate and vote remotely at the 16th AGM.

All shareholders who wish to participate at the 16th AGM are required to register online at ConveneAGM Meeting Platform (<https://conveneagm.my/uzmaagm2023>).

Registration for remote access will open from Tuesday, 31 October 2023 until the day of the 16th AGM on Thursday, 30 November 2023. Shareholders are encouraged to register at least 48 hours before the commencement of the 16th 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.zeusconvene.com/wpcontent/uploads/brochures/Getting-Started-with-ConveneAGM.pdf> on how to register online:-

Pre Meeting Day Registration for Shareholders and/or Corporate Representatives	<ul style="list-style-type: none">• Go to https://conveneagm.my/uzmaagm2023.• Select “Register Now” and choose “Register as Shareholder”.• Fill out the form with the required information and click “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 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 23 November 2023, you will receive email from AGM@Convene indicating that your registration is approved or rejected. <p>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 Tuesday, 28 November 2023 at 10:00 am.</p>
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Pre Meeting Day Registration for Proxyholders	<ul style="list-style-type: none">• As a 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/uzmaagm2023.• 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. <p>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 23 November 2023, your registration will not be valid.</p>
Meeting Day Participation by Shareholders, Proxies and/or Corporate Representatives during AGM	<ul style="list-style-type: none">• Login to https://conveneagm.my/uzmaagm2023• Click to start the 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 16th 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

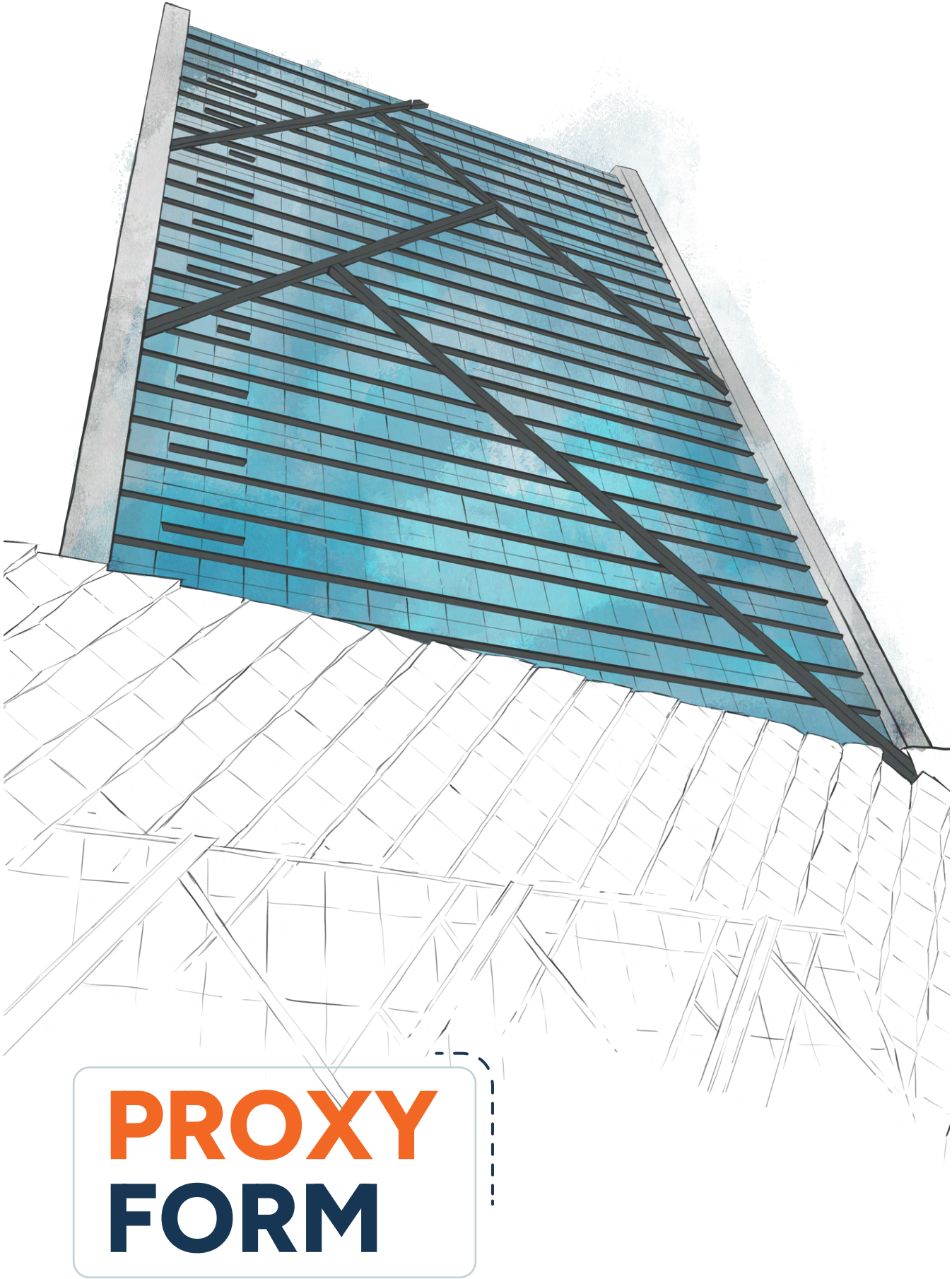
- (b) For ConveneAGM Technical Support (available 24/7):

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/uzmaagm2023

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.





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

1st fold here

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 _____
and failing him/her* _____ (name of proxy as per NRIC, in capital letters)
NRIC No./Passport No. _____ of _____
_____ (full address) and telephone/mobile no. _____ email address _____
or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Sixteenth 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/uzmaagm2023> (Domain Registration No. with MYNIC - D6A475992 on Thursday, 30 November 2023 at 10.00 a.m.
and at each and any adjournment thereof, on the following resolutions referred to in the Notice of the Sixteenth 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 RM 1,179,000.00 for the period from 1 December 2023 until the next Annual General Meeting.		
Ordinary Resolution 2	To re-elect Dato' Che Nazatuhisamudin Bin Che Haron who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company.		
Ordinary Resolution 3	To re-elect Datuk Seri Zurainah Binti Musa who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect Encik Ikhlas Bin Abdul Rahman who is retiring by rotation in accordance with Clause 98 of the Constitution of the Company.		
Ordinary Resolution 5	To re-appoint Messrs Al Jafree Salihin Kuzaimi 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 6	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 7	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 2023

Signature/Common Seal of Member/(s)

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%

Notes:

- 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.

- 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.

- 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.

- 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.

- 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.

- 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 a corporation shall be given under its common seal or signed on its behalf by an attorney or officer of the corporation so authorised.

- 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/uzmaagm2023> or email to support_conveneagm@kpmg.com.my. Please follow the procedures provided in the Administrative Guide for the 16th AGM in order to deposit the Proxy Form electronically.

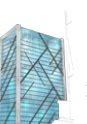
- If you have submitted your Proxy Form(s) and subsequently decide to appoint another person or wish to participate in our electronic AGM by yourself, please write in to support_conveneagm@kpmg.com.my to revoke the earlier appointed proxy forty-eight (48) hours before this meeting. Alternatively, please follow the steps provided in the Administrative Guide for the 16th 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.

- 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.

- 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 23 November 2023 and only a Depositor whose name appears on such Record of Depositors shall be entitled to participate and vote at this meeting and entitled to appoint proxy or proxies.

Personal Data Privacy :-

By submitting an instrument 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.





UZMA BERHAD
200701011861 (769866-V)

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