



# **UZMA BERHAD**

(Company No: 200701011861 (769866-V))

**Quarterly Report on Consolidated Financial Results  
For the Second Quarter Ended 31 December 2020**



**UZMA BERHAD**

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2020**

	(Unaudited) 3 Months Quarter Ended 31.12.20 RM'000	(Unaudited) 3 Months Quarter Ended 31.12.19 RM'000	(Unaudited) 6 Months Year To Date 31.12.20 RM'000	(Unaudited) 6 Months Year To Date 31.12.19 RM'000
Revenue	92,336	149,549	191,941	283,345
Cost of sales	<u>(51,447)</u>	<u>(93,894)</u>	<u>(106,828)</u>	<u>(175,937)</u>
Gross profit	40,889	55,655	85,113	107,408
Other income	<u>7,247</u>	<u>346</u>	<u>9,549</u>	<u>739</u>
	48,136	56,001	94,662	108,147
Administrative expenses	(21,048)	(24,922)	(45,244)	(46,044)
Depreciation	(9,908)	(11,658)	(22,553)	(23,060)
Operating profit	<u>17,180</u>	<u>19,421</u>	<u>26,865</u>	<u>39,043</u>
Finance costs	(6,306)	(7,536)	(12,698)	(14,892)
Share of profit of investments accounted for using the equity method	804	(21)	804	316
Profit before taxation	<u>11,678</u>	<u>11,864</u>	<u>14,971</u>	<u>24,467</u>
Income tax expense	<u>(3,912)</u>	<u>(1,186)</u>	<u>(4,784)</u>	<u>(2,314)</u>
Profit after taxation	<u>7,766</u>	<u>10,678</u>	<u>10,187</u>	<u>22,153</u>
Profit after taxation attributable to :-				
Owners of the Company	7,441	6,756	9,093	16,188
Non-Controlling Interest	<u>325</u>	<u>3,922</u>	<u>1,094</u>	<u>5,965</u>
	<u>7,766</u>	<u>10,678</u>	<u>10,187</u>	<u>22,153</u>
Adjusted PAT attributable to Owner of the Company*	<u>5,463</u>	<u>8,216</u>	<u>12,025</u>	<u>15,227</u>
Earning per share				
- Basic/Diluted (sen)	<u>2.33</u>	<u>2.11</u>	<u>2.84</u>	<u>5.06</u>

\*Please refer to Note 16 of the Report on the Adjusted PAT reconciliation.

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.



**UZMA BERHAD**  
(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2020**

	(Unaudited) 3 Months Quarter Ended 31.12.20 RM'000	(Unaudited) 3 Months Quarter Ended 31.12.19 RM'000	(Unaudited) 6 Months Year To Date 31.12.20 RM'000	(Unaudited) 6 Months Year To Date 31.12.19 RM'000
Profit after taxation	7,766	10,678	10,187	22,153
Other comprehensive income, net of tax				
Item that will not be reclassified subsequently to profit or loss:				
-Actuarial gain/(loss) from employee benefits	-	-	-	(11)
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	2,490	(3,196)	(3,141)	(758)
Total comprehensive income for the financial period	<u>10,256</u>	<u>7,482</u>	<u>7,046</u>	<u>21,384</u>
Total comprehensive income attributable to:-				
Owners of the Company	10,943	3,553	6,131	15,118
Non-Controlling Interest	<u>(687)</u>	<u>3,929</u>	<u>915</u>	<u>6,266</u>
	<u>10,256</u>	<u>7,482</u>	<u>7,046</u>	<u>21,384</u>

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

**UZMA BERHAD***(Company No : 200701011861 (769866-V))***CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AT 31 DECEMBER 2020**

	(Unaudited) As at 31.12.2020 RM'000	(Audited) As at 30.06.2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	508,284	509,679
Right of use assets	19,806	20,419
Intangible assets	210,976	213,879
Investments in associates	11,871	12,048
Deferred tax assets	6,030	6,284
Trade and other receivables	6,477	6,477
Other investments	4,285	4,285
	<u>767,729</u>	<u>773,071</u>
<b>Current assets</b>		
Inventories	38,951	41,142
Trade and other receivables	259,551	212,730
Contract assets	98,820	138,980
Other investments	1,398	1,398
Current tax assets	3,963	5,650
Deposits, cash and bank balances	158,978	144,444
	<u>561,661</u>	<u>544,344</u>
<b>TOTAL ASSETS</b>	<u><u>1,329,390</u></u>	<u><u>1,317,415</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	290,069	290,069
Foreign currency translation reserve	39,001	50,642
Capital reserve	426	426
Merger deficit	(29,700)	(29,700)
Fair value reserve	(6,000)	(6,000)
Retained earnings	160,730	151,637
	<u>454,526</u>	<u>457,074</u>
Non-controlling interests	33,038	33,014
<b>Total equity</b>	<u>487,564</u>	<u>490,088</u>
<b>Non-current liabilities</b>		
Loan and borrowings	364,082	380,183
Lease liabilities	9,027	9,915
Deferred tax liabilities	17,336	17,985
Trade and other payables	3,776	3,776
Post employment benefit liabilities	2,932	2,932
Deferred income	6,476	7,467
	<u>403,629</u>	<u>422,258</u>
<b>Current liabilities</b>		
Loans and borrowings	188,864	195,205
Lease liabilities	6,870	6,870
Trade and other payables	240,923	202,247
Current tax liabilities	1,540	747
	<u>438,197</u>	<u>405,069</u>
<b>Total liabilities</b>	<u>841,826</u>	<u>827,327</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,329,390</u></u>	<u><u>1,317,415</u></u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

**UZMA BERHAD**

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2020**

	←-----Non- Distributable-----→						Distributable			
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserves RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Profits RM'000	Attributable To The Owners Of The Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 01.07.2019	290,069	-	42,124	(29,700)	426	(6,000)	205,439	502,358	52,950	555,308
Loss after taxation for the financial year	-	-	-	-	-	-	(22,881)	(22,881)	7,272	(15,609)
Other comprehensive income for the financial year, net of tax										
- Actuarial gain from employee benefits	-	-	-	-	-	-	(159)	(159)	4	(155)
- Foreign currency translation differences	-	-	8,518	-	-	-	-	8,518	278	8,796
Total comprehensive income for the financial year	-	-	8,518	-	-	-	(23,040)	(14,522)	7,554	(6,968)
Contribution by and distribution to owners of the Company										
Changes in ownership interests in subsidiary	-	-	-	-	-	-	(30,762)	(30,762)	(22,038)	(52,800)
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(5,452)	(5,452)
Total transaction with owners	-	-	-	-	-	-	(30,762)	(30,762)	(27,490)	(58,252)
Transfer of share premium to share capital	-	-	-	-	-	-	-	-	-	-
Balance at 30.06.2020	290,069	-	50,642	(29,700)	426	(6,000)	151,637	457,074	33,014	490,088

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

**UZMA BERHAD**

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2020**

	←-----Non- Distributable-----→					Distributable				
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To The Owners Of The Company RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 01.07.2020	290,069	-	50,642	(29,700)	426	(6,000)	151,637	457,074	33,014	490,088
Profit after taxation for the financial period	-	-	(8,500)	-	-	-	9,093	593	1,094	1,687
Other comprehensive income for the financial period, net of tax										
- Actuarial gain from employee benefits	-	-	-	-	-	-	-	-	-	-
- Foreign currency translation differences	-	-	(3,141)	-	-	-	-	(3,141)	915	(2,226)
- Income tax relating to components of other comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	(11,641)	-	-	-	9,093	(2,548)	2,009	(539)
Contribution by and distribution to owners of the Company										
- Dividend										
- by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(1,985)	(1,985)
Balance at 31.12.2020	290,069	-	39,001	(29,700)	426	(6,000)	160,730	454,526	33,038	487,564

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

**UZMA BERHAD***(Company No : 200701011861 (769866-V))***CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2020**

	(Unaudited) Current Period Ended 31.12.20 RM'000	(Unaudited) Corresponding Period Ended 31.12.19 RM'000
<b>Profit before taxation</b>	<b>14,971</b>	24,467
<b>Adjustments for non-cash items :</b>		
Depreciation of property, plant and equipment	21,940	23,101
Depreciation of right of use assets	613	-
Interest expense	12,698	14,892
Unrealised foreign exchange loss	4,566	1,000
Amortisation of intangible assets	2,904	1,499
Gain on disposal of property, plant and equipment	(46)	-
Realised foreign exchange gain	(8,500)	-
Unrealised foreign exchange gain	(4,538)	(1,961)
Reversal of provision for post employee benefit	-	(628)
Share of profit of investments accounted for using the equity method	(804)	(316)
Dividend income	(560)	-
Interest income	(436)	(519)
Allowance for doubtful debt	307	-
<b>Operating profit before working capital changes</b>	<b>43,115</b>	61,535
<b>Changes in working capital</b>	<b>29,935</b>	20,526
	<b>73,050</b>	82,061
Tax paid	(2,699)	(1,230)
Interest paid	(9,192)	(14,892)
<b>Net cash from operating activities</b>	<b>61,159</b>	65,939
<b>Investing activities</b>		
Proceeds from disposal of plant and equipment	1,026	-
Interest received	436	519
Dividend received from an associates	980	-
Purchase of short term investment	-	(2)
Purchase of property, plant and equipment	(19,759)	(22,652)
Placement of deposits pledged with licensed banks	(3,288)	(44,927)
<b>Net cash for investing activities</b>	<b>(20,605)</b>	(67,062)
<b>Financing activities</b>		
Dividend paid to non-controlling interest	(1,985)	(3,110)
Net (repayment)/drawdown of borrowings	(26,402)	23,819
<b>Net cash (for)/from financing activities</b>	<b>(28,387)</b>	20,709
<b>Net change in cash and cash equivalents</b>	<b>12,167</b>	19,586
<b>Effect of exchange rate changes</b>	<b>(3,871)</b>	(1,195)
<b>Cash and cash equivalents at beginning of the period</b>	<b>77,540</b>	23,165
<b>Cash and cash equivalents at end of the period</b>	<b>85,836</b>	41,556
<b>Cash and cash equivalents at end of the period comprised:</b>		
Fixed deposit with licences banks	102,538	64,001
Cash and bank balances	56,440	58,369
Cash and cash equivalent as reported in the Statement of Financial Position	158,978	122,370
Less: Fixed deposits pledged with licensed banks	(35,917)	(63,887)
Less: Bank overdrafts	(37,225)	(16,927)
	<b>85,836</b>	41,556

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 and the accompanying explanatory notes attached to this report.

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED FINANCIAL RESULTS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2020**

**1. BASIS OF REPORTING PREPARATION**

The unaudited condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provision of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standard 134: *Interim Financial Reporting* (“MFRS 134”), and should be read in conjunction with the consolidated financial statements of the Group as at and for the financial year ended 30 June 2020. The explanatory notes attached to the unaudited condensed consolidated financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2020.

The significant accounting policies adopted in preparing these unaudited condensed consolidated financial statements are consistent with those applied by the Group in its audited financial statements for the financial year ended 30 June 2020.

During the current financial year, the Company and its subsidiary companies (“Group”) have adopted the following new accounting standards and interpretations (including the consequential amendments):-

New MFRSs

MFRS 16            Leases

Amendments/Improvements to MFRSs

MFRS 3            Business Combination  
MFRS 9            Financial Instruments  
MFRS11            Joint Arrangements  
MFRS 112          Income Taxes  
MFRS 119          Employee Benefits  
MFRS 123          Borrowing Costs  
MFRS 128          Investments in Associates and Joint Ventures

New IC Interpretation (“IC Int”)

IC Int 23            Uncertainty over Income Tax Treatments

The adoption of the above standards and interpretations will not have any material impact on the financial position and performance of the Group.



## 1. BASIS OF REPORTING PREPARATION (CONT'D)

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

### MFRSs and IC Interpretations (Including the Consequential Amendments)

		Effective for financial years beginning on or after
<u>New MFRSs</u>		
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 3	Business Combinations	1 January 2020/ 1 January 2022 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2023 <sup>#</sup>
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 <sup>#</sup>
MFRS 16	Leases	1 January 2020/ 1 January 2022 <sup>^</sup> / 1 January 2023 <sup>#</sup>
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 119	Employee Benefits	1 January 2023 <sup>#</sup>
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 <sup>#</sup>
MFRS 132	Financial Instruments: Presentation	1 January 2023 <sup>#</sup>
MFRS 136	Impairment of Assets	1 January 2023 <sup>#</sup>
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023 <sup>#</sup>
MFRS 138	Intangible Assets	1 January 2023 <sup>#</sup>
MFRS 140	Investment Property	1 January 2023 <sup>#</sup>
MFRS 141	Agriculture	1 January 2022 <sup>^</sup>

<sup>^</sup> The annual improvements to MFRS standards 2018-2020

<sup>#</sup> Amendments as the consequence of MFRS 17 Insurance Contracts come into effect

## **2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There was no qualification on the audited financial statements of the Group and Company for the financial year ended 30 June 2020.

## **3. SEASONAL OR CYCLICAL FACTORS**

The Group's products and services are dependent on the level of activity, and the corresponding capital spending by oil and gas companies which are consequently affected by volatile oil and natural gas prices, and cyclicity in the offshore drilling and oilfield services industries.

## **4. ITEMS OF UNUSUAL NATURE AND AMOUNT**

There were no material unusual items affecting assets, liabilities, equity, net income or cash flow for the financial period ended 31 December 2020, other than as disclosed in these unaudited condensed consolidated financial statements.

## **5. MATERIAL CHANGES IN ESTIMATES**

There were no changes in the estimates of amount relating to the prior financial years that have a material effect in the financial period ended 31 December 2020.

## **6. ISSUANCES, REPURCHASES, AND REPAYMENTS OF DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases, and repayments of debt and equity securities during the financial period ended 31 December 2020.

## **7. DIVIDENDS**

No dividend has been paid and or recommended during the financial period ended 31 December 2020.

## **8. SEGMENTAL INFORMATION**

The Group has three reportable segments, as the Group's strategic business units. For each of the strategic business units, the Group Chief Executive Officer together with Management Committee, reviews the internal management report on monthly basis. The Group's reportable segments are described as follows:

- (i) Upstream services - The services under Upstream Services segments include Well Solutions, Production Solutions, Subsurface Solutions and other upstream related services which involves the provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.
- (ii) Other services - Other services segment include manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services; software development and digital solutions; supply equipment and consumables; aviation and aerospace services.
- (iii) Renewable energy - The services under Renewable Energy segment include developing and operating innovative ways to garner energy from non-fossil fuel and renewable energy, EPC contractor for solar PV and geothermal.

**8. SEGMENTAL INFORMATION (CONT'D)**

**(A) REPORTABLE BUSINESS SEGMENTS**

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

	<b>(Unaudited) Current 3 months Quarter Ended 31.12.2020</b>		<b>(Unaudited) Corresponding 3 months Quarter Ended 31.12.2019</b>		<b>Difference</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>						
Upstream Services	77,474	82.8	130,814	78.7	(53,340)	(40.8)
Other Services	15,610	16.7	27,191	16.3	(11,581)	(42.6)
Renewable Energy	492	0.5	(6)	-	498	>(100.0)
Holding company and dormant companies	-	-	8,258	5.0	(8,258)	(100.0)
	<u>93,576</u>	<u>100.0</u>	<u>166,257</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(1,240)</u>		<u>(16,708)</u>		<u>15,468</u>	<u>(92.6)</u>
	<u>92,336</u>		<u>149,549</u>		<u>(57,213)</u>	<u>(38.3)</u>
<b>OPERATING PROFITS</b>						
Upstream Services	18,824		26,622		(7,798)	(29.3)
Other Services	1,031		2,856		(1,825)	(63.9)
Renewable Energy	(1,515)		(811)		(704)	86.8
Holding company and dormant companies	9,652		1,208		8,444	>100.0
Consolidation adjustments and eliminations	<u>(10,812)</u>		<u>(10,454)</u>		<u>(358)</u>	<u>3.4</u>
	<u>17,180</u>		<u>19,421</u>		<u>(2,241)</u>	<u>(11.5)</u>

**8. SEGMENTAL INFORMATION (CONT'D)**

**(A) REPORTABLE BUSINESS SEGMENTS**

**(II) THE RESULTS OF THE CURRENT YEAR COMPARED TO THE RESULTS OF THE CORRESPONDING YEAR**

	<b>(Unaudited) Current 6 months Year To Date 31.12.2020</b>		<b>(Unaudited) Corresponding 6 months Year To Date 31.12.2019</b>		<b>Difference</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>						
Upstream Services	156,517	79.7	251,719	78.3	(95,202)	(37.8)
Other Services	33,444	17.0	54,268	16.9	(20,824)	(38.4)
Renewable Energy	6,502	3.3	(6)	-	6,508	>(100.0)
Holding company and dormant companies	-	-	15,686	4.9	(15,686)	(100.0)
	<u>196,463</u>	<u>100.0</u>	<u>321,667</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(4,522)</u>		<u>(38,322)</u>		<u>33,800</u>	<u>(88.2)</u>
	<u>191,941</u>		<u>283,345</u>		<u>(91,404)</u>	<u>(32.3)</u>
<b>OPERATING PROFITS</b>						
Upstream Services	37,615		48,124		(10,509)	(21.8)
Other Services	2,798		5,494		(2,696)	(49.1)
Renewable Energy	(1,322)		(811)		(511)	63.0
Holding company and dormant companies	7,004		6,547		457	7.0
Consolidation adjustments and eliminations	<u>(19,230)</u>		<u>(20,311)</u>		<u>1,081</u>	<u>(5.3)</u>
	<u>26,865</u>		<u>39,043</u>		<u>(12,178)</u>	<u>(31.2)</u>

## 8. SEGMENTAL INFORMATION (CONT'D)

### (A) REPORTABLE BUSINESS SEGMENTS

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

	<b>(Unaudited) Current Quarter Ended 31.12.2020</b>		<b>(Unaudited) Preceding Quarter Ended 30.09.2020</b>		<b>Difference</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>						
Upstream Services	77,474	82.8	79,043	76.8	(1,569)	(2.0)
Other Services	15,610	16.7	17,835	17.3	(2,225)	(12.5)
Renewable Energy	492	0.5	6,010	5.9	(5,518)	(91.8)
Holding company and dormant companies	-	-	-	-	-	-
	<u>93,576</u>	<u>100.0</u>	<u>102,888</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(1,240)</u>		<u>(3,283)</u>		<u>2,043</u>	<u>(62.3)</u>
	<u>92,336</u>		<u>99,605</u>		<u>(7,269)</u>	<u>(7.3)</u>
<b>OPERATING PROFITS</b>						
Upstream Services	18,824		18,794		30	(0.2)
Other Services	1,031		1,767		(736)	(41.6)
Renewable Energy	(1,515)		192		(1,707)	>(100.0)
Holding company and dormant companies	9,652		(2,650)		12,302	>(100.0)
Consolidation adjustments and eliminations	<u>(10,812)</u>		<u>(8,418)</u>		<u>2,394</u>	<u>28.4</u>
	<u>17,180</u>		<u>9,685</u>		<u>7,495</u>	<u>77.4</u>

### (B) GEOGRAPHICAL SEGMENTS

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

	<b>(Unaudited) Current 3 months Quarter Ended 31.12.2020</b>		<b>(Unaudited) Corresponding 3 months Quarter Ended 31.12.2019</b>		<b>Difference</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>						
Malaysia	75,381	80.6	149,823	90.1	(74,442)	(49.7)
Outside Malaysia	18,195	19.4	16,434	9.9	1,761	10.7
	<u>93,576</u>	<u>100.0</u>	<u>166,257</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(1,240)</u>		<u>(16,708)</u>		<u>15,468</u>	<u>(92.6)</u>
	<u>92,336</u>		<u>149,549</u>		<u>(57,213)</u>	<u>(38.3)</u>
<b>OPERATING PROFITS</b>						
Malaysia	27,636		29,020		(1,384)	(4.8)
Outside Malaysia	356		855		(499)	(58.3)
Consolidation adjustments and eliminations	<u>(10,812)</u>		<u>(10,454)</u>		<u>(358)</u>	<u>3.4</u>
	<u>17,180</u>		<u>19,421</u>		<u>(2,241)</u>	<u>(11.5)</u>

## 8. SEGMENTAL INFORMATION (CONT'D)

### (B) GEOGRAPHICAL SEGMENTS

#### (II) THE RESULTS OF THE CURRENT YEAR COMPARED TO THE RESULTS OF THE CORRESPONDING YEAR

	<b>(Unaudited) Current 6 months Year To Date 31.12.2020</b>		<b>(Unaudited) Corresponding 6 months Year To Date 31.12.2019</b>		<b>Difference</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>						
Malaysia	156,360	79.6	286,179	89.0	(129,819)	(45.4)
Outside Malaysia	40,103	20.4	35,488	11.0	4,615	13.0
	<u>196,463</u>	<u>100.0</u>	<u>321,667</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(4,522)</u>		<u>(38,322)</u>		<u>33,800</u>	<u>(88.2)</u>
	<u>191,941</u>		<u>283,345</u>		<u>(91,404)</u>	<u>(32.3)</u>
<b>OPERATING PROFITS</b>						
Malaysia	42,172		54,143		(11,971)	(22.1)
Outside Malaysia	3,923		5,211		(1,288)	(24.7)
Consolidation adjustments and eliminations	<u>(19,230)</u>		<u>(20,311)</u>		<u>1,081</u>	<u>(5.3)</u>
	<u>26,865</u>		<u>39,043</u>		<u>(12,178)</u>	<u>(31.2)</u>

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

	<b>(Unaudited) Current Quarter Ended 31.12.2020</b>		<b>(Unaudited) Preceding Quarter Ended 30.09.2020</b>		<b>Difference</b>	
	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>	<b>RM'000</b>	<b>%</b>
<b>REVENUE</b>						
Malaysia	75,381	80.6	86,988	84.5	(11,607)	(13.3)
Outside Malaysia	18,195	19.4	15,900	15.5	2,295	14.4
	<u>93,576</u>	<u>100.0</u>	<u>102,888</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(1,240)</u>		<u>(3,283)</u>		<u>2,043</u>	<u>(62.3)</u>
	<u>92,336</u>		<u>99,605</u>		<u>(7,269)</u>	<u>(7.3)</u>
<b>OPERATING PROFITS</b>						
Malaysia	27,636		14,534		13,102	90.1
Outside Malaysia	356		3,569		(3,213)	(90.0)
Consolidation adjustments and eliminations	<u>(10,812)</u>		<u>(8,418)</u>		<u>(2,394)</u>	<u>28.4</u>
	<u>17,180</u>		<u>9,685</u>		<u>7,495</u>	<u>77.4</u>

**9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no revaluation of property, plant and equipment brought forward from the previous audited financial statements.

**10. CAPITAL COMMITMENTS**

Capital expenditure for property, plant and equipment approved and not provided for in these unaudited condensed consolidated financial statements as at 31 December 2020 is as follows:

	RM'000
Capital expenditure in respect of property, plant and equipment	
- Approved and contracted for	<u>21,391</u>

**11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD**

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

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no other changes in the composition of the Group during the financial period ended 31 December 2020.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent assets of the Group during the quarter under review.

The Company has given corporate guarantees to licensed financial institutions for banking facilities utilised by its subsidiaries amounting to approximately RM190.1 million as at 31 December 2020.

**14. SIGNIFICANT RELATED PARTY TRANSACTIONS**

Significant related party transactions which were entered into on agreed terms and prices for the financial period ended 31 December 2020 are set out below. The relationships of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2020.

	Company RM'000
Related party transaction with subsidiaries:	
- Dividend income	6,186
- Management fee income	8,352
- Interest income	8,223
- Rental expense	<u>(1,362)</u>

## 15. FAIR VALUE MEASUREMENT

The table below shows the carrying amounts and fair value of the other investments, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of other investments is determined by reference to the redemption price at the end of the reporting period.

	Carrying amount RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair value RM'000
Financial assets					
- Other investments	5,683	1,398	-	4,285	5,683

## 16. REVIEW OF PERFORMANCE

	(Unaudited) Current 3 months Quarter Ended 31.12.2020 RM'000	(Unaudited) Corresponding 3 months Quarter Ended 31.12.2019 RM'000	Difference RM'000 %	
Revenue	92,336	149,549	(57,213)	(38.3)
Gross profit	40,889	55,655	(14,766)	(26.5)
PAT attributable to the Owner of the Company	7,441	6,756	685	10.1
Adjust for:				
- Net unrealised loss/(gain) on foreign exchange	(3,430)	1,460		
- Amortisation of intangible assets	1,452	-		
Adjusted PAT attributable to Owner	5,463	8,216	(2,753)	(33.5)

The Group's revenue significantly decreased by RM57.2 million or 38.3% for the current quarter under review 31.12.2020 compared to corresponding quarter 31.12.2019. This is due to the lower and delayed activities as a result of COVID-19 pandemic which has led to unprecedented impacts on the industry.

The gross profit margin improved from 37% to 44%, with higher margin projects in the current quarter ended 31.12.2020 compared to corresponding quarter ended 31.12.2019, as well as lower operating costs incurred for the current quarter under review 31.12.2020 as a result of continuous cost optimisation initiatives started in quarter ended 30.06.2020.

For the current quarter under review 31.12.2020, the Group recorded PAT attributable to Owner of RM7.4 million and Adjusted PAT attributable to Owner of RM5.5 million, after adjusting for non-cash transactions mainly comprising from net unrealised gain on foreign exchange amounted to RM3.4 million and amortisation of intangible assets of RM1.5 million.



**16. REVIEW OF PERFORMANCE (CONT'D)**

	<b>(Unaudited) Current 6 months Year To Date 31.12.2020 RM'000</b>	<b>(Unaudited) Corresponding 6 months Year To Date 31.12.2019 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	191,941	283,345	(91,404)	(32.3)
Gross profit	85,113	107,408	(22,295)	(20.8)
PAT attributable to the Owner of the Company	9,093	16,188	(7,095)	(43.8)
Adjust for:				
- Net unrealised loss/(gain) on foreign exchange	28	(961)		
- Amortisation of intangible assets	2,904	-		
Adjusted PAT attributable to Owner	<u>12,025</u>	<u>15,227</u>	(3,202)	(21.0)

The Group's revenue significantly decreased by RM91.4 million or 32.3% for the financial period ended 31.12.2020 compared to 31.12.2019. This is due to the lower and delayed activities as a result of COVID-19 pandemic which has led to unprecedented impacts on the industry.

The gross profit margin improved from 38% to 44%, with higher margin projects for the financial period ended 31.12.2020 compared to 31.12.2019, as well as lower operating costs incurred as a result of continuous cost optimisation initiatives started in quarter ended 30.06.2020.

For the financial period ended 31.12.2020, the Group recorded PAT attributable to Owner of RM9.1 million and Adjusted PAT attributable to Owner of RM12.0 million, after adjusting for non-cash transactions mainly comprising from amortisation of intangible assets amounted to RM2.9 million.

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

	<b>(Unaudited) Current Quarter Ended 31.12.2020 RM'000</b>	<b>(Unaudited) Preceding Quarter Ended 30.09.2020 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	92,336	99,605	(7,269)	(7.3)
Gross profit	40,889	44,224	(3,335)	(7.5)
PAT attributable to the Owner of the Company	7,441	1,652	5,789	>100.0
Adjust for:				
- Net unrealised (gain)/loss on foreign exchange	(3,430)	3,458		
- Amortisation of intangible assets	1,452	1,452		
Adjusted PAT attributable to Owner	<u>5,463</u>	<u>6,562</u>	(1,099)	(16.7)

The Group's revenue slightly decreased by RM7.3 million or 7.3% for the current quarter under review 31.12.2020 compared to preceding quarter 30.09.2020. This is due to the lower activities as a result of COVID-19 pandemic which has led to unprecedented impacts on the industry.

The gross profit margin remained stable at 44% as a result of continuous cost optimisation initiatives started in quarter ended 30.06.2020.

For the current quarter under review 31.12.2020, the Group recorded PAT attributable to Owner of RM7.4 million and Adjusted PAT attributable to Owner of RM5.5 million, after adjusting for non-cash transactions mainly comprising from net unrealised gain on foreign exchange amounted to RM3.4 million.

For the preceding quarter ended 30.09.2020, the Group recorded PAT attributable to Owner of RM1.7 million and Adjusted PAT attributable to Owner of RM6.6 million, after adjusting for non-cash transactions amounted to RM4.9 million comprising net unrealised loss on foreign exchange of RM3.5 million and amortisation of intangible assets of RM1.4 million.

## 18. PROSPECTS FOR NEXT FINANCIAL YEAR

The prolonged COVID-19 pandemic continues to negatively impact the global economic and O&G industry outlook. As fresh waves of COVID-19 cases continue to plague countries worldwide, this continues to drive crude oil prices on a volatile trend as demand for fuel fall, as a result of the continuation of restrictions in movements, both domestically and internationally. With the anticipation of vaccine for COVID-19 available in the near future, as well as the recent strengthening of the crude oil price, the O&G industry is poised for a recovery. However, the trajectory is expected to be gradual as oil majors increased their prudence in the level of spending and potentially focus on brownfield.

Generally, our operations are not materially impacted by the pandemic, as our industry is deemed as essential services and exempted from the Movement Control Order (“MCO”) implemented in Malaysia. However, there are some operational issues for specific contracts due to the quarantine requirements for crew change at off-shore locations, as well as inter-state travel within Malaysia. We have mitigated this issue by reviewing our overall crew scheduling and at the same time working with our clients to minimise impact to overall project delivery. The delays may partly affect our cost to some extent.

Despite the extremely challenging business landscape ahead, as a brownfield O&G player, we remain committed to deploying initiatives identified under our strategic plan, to fortify our internal capabilities as well as to strengthen our financial resilience. We will remain focused on achieving a more robust cost management structure, maintaining our sight on improving our operating cost and operational efficiency, in turn protecting our business margins, optimising returns from our existing assets and building our cash reserves to fund our future growth plans.

We will continue to build resilience in our O&G business, by consolidating capabilities within the Group with the aim to reinforce our competitive strengths, to adopt a more integrated approach in our service offerings and capitalising on opportunities available as the industry recovers. We also have expanded our chemical business to include drilling chemical and will soon expand to downstream specialty chemical as well as non-O&G sector. Concurrently, we will pursue expanding our O&G business into regional market, especially in Thailand and Indonesia. In recent months, we have started a few projects that were delayed due to COVID-19 and low oil price environment.

Further, we will accelerate our efforts to pursue opportunities to diversify and balance our business portfolio beyond the hydrocarbon O&G sector, venturing into new key growth areas such as Renewable Energy and, Digital and Technology. We will seek out non-organic growth opportunities through merger & acquisitions, and strategic partnerships with existing players in these markets. With our recent geothermal business outside Malaysia, marks the inception of our Renewable Energy segment. Further, our new license for the import of liquified natural gas into regasification terminal opens opportunity for us in greener alternative energy business.

We are assured in our ability to consistently secure new contracts. Recently, we had secured three material contracts which include 10-year portable water injection module service contract, 2-year extension of coil tubing and services contract and workorder for provision for integrated well services, as announced on 17 December 2020, 15 December 2020 and 1 December 2020, respectively. These contracts will contribute positively to the Group’s financial results. In addition, our orderbook currently stands at RM1.40 billion, inclusive of firm workorders from umbrella contracts, as well as contracts within and outside Malaysia.

As part of the capital management plan, on 30 December 2020, we have lodged with Securities Commission the information and relevant documents relating to the Perpetual Sukuk Musharakah Programme to make available and build access to capital, especially for new contracts.

We remain cautiously confident of our capability to stay resilient facing challenges during this uncertain time and we believe that our commitment on the execution of our strategic plans will continue to steer our Group towards a sustainable growth.

**19. VARIANCE OF REVENUE OR PROFIT ESTIMATE, FORECAST, PROJECTION OR INTERNAL TARGETS**

The Group has not previously disclosed or announced any revenue or profit estimate, forecast, projection or internal targets in any previous announcement or public documents.

**20. TAXATION**

	<b>(Unaudited) Current Quarter Ended 3 months 31.12.2020 RM'000</b>	<b>(Unaudited) Corresponding Quarter Ended 3 months 31.12.2019 RM'000</b>	<b>(Unaudited) Current Year To Date 6 months 31.12.2020 RM'000</b>	<b>(Unaudited) Corresponding Year To Date 6 months 31.12.2019 RM'000</b>
Current tax	(4,237)	(1,258)	(5,433)	(3,293)
Deferred tax	325	72	649	979
	(3,912)	(1,186)	(4,784)	(2,314)
Effective tax rate excluding share of profit of joint ventures and associate	33.5%	10%	31.9%	9.5%

The effective tax rate for the financial period ended 31 December 2020 is higher than the statutory tax rate of 24%, mainly due to the Group's non-deductible expenses during current quarter under review.

Domestic income tax is calculated at the Malaysian statutory corporate tax rate of 24% of the estimated assessable profit for the period, whilst taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

**21. ADDITIONAL DISCLOSURE**

	<b>(Unaudited) Current Quarter Ended 3 months 31.12.2020 RM'000</b>	<b>(Unaudited) Current Period To Date 6 months 31.12.2020 RM'000</b>
<u>Profit for the quarter/year is arrived at after crediting/(charging):</u>		
- Amortisation of intangible assets	(1,452)	(2,904)
- Realised foreign exchange gain	9,300	9,612
- Realised foreign exchange loss	(5,334)	(6,414)
- Interest income	143	436

Other than as presented in the unaudited condensed consolidated statements of comprehensive income and as disclosed the above, there is no other exceptional items for the quarter and financial period under review.

## **22. STATUS OF CORPORATE PROPOSAL**

As at 30 December 2020, the Group had lodged with the Securities Commission Malaysia (“SC”) all required information and relevant documents relating to the Perpetual Sukuk Musharakah Programme (“Perpetual Sukuk”) pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and revised on 12 November 2020.

The Perpetual Sukuk allows for the issuance of unrated perpetual Islamic notes from time to time, with flexibility for the Company, Uzma Berhad, to issue secured and/or unsecured Perpetual Sukuk subject to the aggregate outstanding nominal amount of the Perpetual Sukuk not exceeding RM300.0 million at any point in time.

Proceeds raised from the issuance of the Perpetual Sukuk shall be utilised by the Group for the following Shariah-compliant purposes:

- (i) refinancing of existing financing/ borrowings;
- (ii) capital expenditure;
- (iii) working capital;
- (iv) general corporate purposes;
- (v) defraying fees, costs and expenses in relation to the issuance of the Perpetual Sukuk and the Perpetual Sukuk Musharakah Programme; and/or
- (vi) pre-funding of the reserve account for the applicable tranche which amount in aggregate shall be equivalent to one (1) expected periodic distribution amount.

## 23. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at 31 December 2020					
	Short term		Long term		Total	
	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	45,905	-	143,430	-	189,335
Lease liabilities	-	5,072	-	10,078	-	15,150
Medium term notes	-	50,000	-	198,030	-	248,030
Invoice financing	-	1,025	-	-	-	1,025
Revolving credits	-	45,808	-	-	-	45,808
Overdrafts	-	36,955	-	-	-	36,955
<u>Foreign Currency</u>						
Term loan (USD)	2,557	10,272	5,114	20,544	7,671	30,816
Term loan (THB)	3,189	428	2,085	280	5,274	708
Lease liabilities (THB)	-	-	186	747	186	747
Overdraft (THB)	2,009	269	-	-	2,009	269
Total		<u>195,734</u>		<u>373,109</u>		<u>568,843</u>

	As at 30 June 2020					
	Short term		Long term		Total	
	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)	Foreign Currency (‘000)	RM (‘000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	19,811	-	143,418	-	163,229
Lease liabilities	-	6,264	-	9,593	-	15,857
Medium term notes	-	25,000	-	222,822	-	247,822
Invoice financing	-	5,448	-	-	-	5,448
Revolving credits	-	52,357	-	-	-	52,357
Overdrafts	-	33,900	-	-	-	33,900
<u>Foreign Currency</u>						
Term loan (USD)	13,421	57,445	3,190	13,653	16,611	71,098
Term loan (THB)	6,266	869	2,085	289	8,351	1,158
Lease liabilities (THB)	4,370	606	2,327	323	6,697	929
Overdraft (THB)	2,700	375	-	-	2,700	375
Total		<u>202,075</u>		<u>390,098</u>		<u>592,173</u>

## 24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter and financial period ended 31 December 2020.

## 25. MATERIAL LITIGATION

As announced on 30 October 2019, Uzma Engineering Sdn. Bhd. (“UESB”), a wholly owned subsidiary of the Group, had filed a Writ and Statement of Claim in Kuala Lumpur High Court to commence legal action against Khan Co. Ltd (“Khan”) and Kong Offshore Malaysia Sdn. Bhd. (“Kong”) on 29 October 2019 amounting to approximately RM63.0 million.

Kong entered appearance on 21 November 2019 and filed an application on 29 November 2019 to stay the court proceedings pursuant to Section 10 of the Arbitration Act 2005. UESB filed the Request to Serve the Notice of Writ out of jurisdiction to Khan in Korea and the request is pending processing by the Court. The Court will proceed to hear Kong’s application.

Kong was subsequently wound up on 10 December 2019. Kong’s previous solicitors are seeking consent from the liquidator to continue to act for Kong in this writ action. UESB filed an application at the Sabah High Court to obtain leave to commence or proceed with the court proceedings or arbitration against Kong. The leave application at the Sabah High Court was fixed for hearing on 8 October 2020.

The leave was later granted by the Sabah High Court on 12 January 2021 to UESB to commence or continue action or proceedings against Kong either by way of originating process or counter claim, in court and/or arbitration. On 10 February 2021, UESB withdrew the suit action with liberty to file afresh.

## 26. EARNINGS PER SHARE (“EPS”)

	<b>(Unaudited) Current Quarter ended 3 months 31.12.2020</b>	<b>(Unaudited) Corresponding Quarter ended 3 months 31.12.2019</b>	<b>(Unaudited) Current Year to date 6 months 31.12.2020</b>	<b>(Unaudited) Corresponding Year to date 6 months 31.12.2019</b>
Net profit attributable to owners of the Company (RM’000)	7,441	6,756	9,093	16,188
Weighted average number of ordinary shares in issue (’000)	320,029	320,029	320,029	320,029
Basic EPS (sen)	<u>2.33</u>	<u>2.11</u>	<u>2.84</u>	<u>5.06</u>

**26. EARNINGS PER SHARE (“EPS”) (CONT’D)**

(a) Basic EPS

The basic EPS is calculated based on the Group's Profit Attributable to Owners of the Company divided by the weighted average number of ordinary shares in issue during the financial period ended 31 December 2020.

(b) Fully diluted EPS

Fully diluted EPS were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the financial period ended 31 December 2020.

BY ORDER OF THE BOARD

Dato’ Kamarul Redzuan Bin Muhamed  
Group Chief Executive Officer

24 February 2021