



# **UZMA BERHAD**

(Company No: 200701011861 (769866-V))

**Quarterly Report on Consolidated Financial Results  
For the Second Quarter Ended 31 December 2022**



**UZMA BERHAD**

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER AND PERIOD ENDED 31 DECEMBER 2022**

	<b>Current 3 Months Quarter Ended 31.12.22 RM'000</b>	<b>Corresponding 3 Months Quarter Ended 31.12.21 RM'000</b>	<b>Cumulative 6 Months Year To Date 31.12.22 RM'000</b>	<b>Corresponding 6 Months Year To Date 31.12.21 RM'000</b>
Revenue	<b>139,247</b>	75,676	<b>261,051</b>	177,070
Cost of sales	<b>(89,280)</b>	(37,650)	<b>(157,638)</b>	(97,377)
Gross profit	<b>49,967</b>	38,026	<b>103,413</b>	79,693
Other income	<b>3,000</b>	2,550	<b>7,767</b>	3,220
Administrative expenses	<b>(23,266)</b>	(22,225)	<b>(45,153)</b>	(41,194)
Other expenses	<b>(3,135)</b>	(1,515)	<b>(9,895)</b>	(4,494)
Depreciation	<b>(11,963)</b>	(12,001)	<b>(23,613)</b>	(24,316)
Operating profit	<b>14,603</b>	4,835	<b>32,519</b>	12,909
Finance costs	<b>(4,804)</b>	(4,780)	<b>(9,794)</b>	(11,445)
Share of profit of investments accounted for using the equity method	<b>1,276</b>	185	<b>522</b>	(187)
Profit before taxation	<b>11,074</b>	240	<b>23,246</b>	1,277
Income tax expense	<b>(624)</b>	(167)	<b>(2,886)</b>	(618)
Profit after taxation	<b>10,450</b>	73	<b>20,360</b>	659
Profit after taxation attributable to :-				
Owners of the Company	<b>10,300</b>	51	<b>19,128</b>	398
Non-Controlling Interest	<b>150</b>	22	<b>1,232</b>	261
	<b>10,450</b>	73	<b>20,360</b>	659
Earning per share				
- Basic/Diluted (sen)	<b>2.93</b>	0.01	<b>5.43</b>	0.11

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 2022 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 2022**

	<b>3 Months Quarter Ended 31.12.22 RM'000</b>	3 Months Quarter Ended 31.12.21 RM'000	<b>6 Months Year To Date 31.12.22 RM'000</b>	6 Months Year To Date 31.12.21 RM'000
Profit after taxation	<b>10,450</b>	73	<b>20,360</b>	659
Other comprehensive income, net of tax				
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	<b>(3,086)</b>	(912)	<b>4,675</b>	229
Total comprehensive income for the financial period	<u><b>7,364</b></u>	<u>(839)</u>	<u><b>25,035</b></u>	<u>888</u>
Total comprehensive income attributable to:-				
Owners of the Company	<b>7,160</b>	(474)	<b>23,334</b>	653
Non-Controlling Interest	<b>204</b>	(365)	<b>1,701</b>	235
	<u><b>7,364</b></u>	<u>(839)</u>	<u><b>25,035</b></u>	<u>888</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 2022 and the accompanying explanatory notes attached to this report.

**UZMA BERHAD***(Company No : 200701011861 (769866-V))***CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022**

	As at 31.12.2022 RM'000	As at 30.06.2022 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	470,372	496,764
Right of use assets	22,870	23,842
Intangible assets	202,727	204,899
Investments in associates	9,777	11,489
Deferred tax assets	2,247	2,365
Trade and other receivables	5,957	5,957
Other investments	4,080	4,080
	<u>718,030</u>	<u>749,396</u>
<b>Current assets</b>		
Inventories	37,780	46,208
Trade and other receivables	274,670	170,074
Contract assets	27,608	166,090
Other investments	104	241
Current tax assets	18,073	17,379
Deposits, cash and bank balances	121,737	110,615
	<u>479,972</u>	<u>510,607</u>
<b>TOTAL ASSETS</b>	<u>1,198,002</u>	<u>1,260,003</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent</b>		
Share capital	307,535	307,535
Foreign currency translation reserve	39,784	35,578
Capital reserve	375	375
Merger deficit	(29,700)	(29,700)
Fair value reserve	(6,000)	(6,000)
Retained earnings	163,150	146,402
	<u>475,144</u>	<u>454,190</u>
Perpetual sukuk	40,852	40,852
Non-controlling interests	31,283	29,582
<b>Total equity</b>	<u>547,279</u>	<u>524,624</u>
<b>Non-current liabilities</b>		
Loan and borrowings	221,471	234,116
Lease liabilities	11,458	12,954
Deferred tax liabilities	23,044	23,645
Trade and other payables	4,149	4,149
Post employment benefit liabilities	2,898	2,744
Deferred income	15,306	14,862
	<u>278,326</u>	<u>292,470</u>
<b>Current liabilities</b>		
Loans and borrowings	209,399	216,726
Lease liabilities	3,647	3,647
Trade and other payables	158,417	221,602
Contract liabilities	357	357
Current tax liabilities	577	577
	<u>372,397</u>	<u>442,909</u>
<b>Total liabilities</b>	<u>650,723</u>	<u>735,379</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,198,002</u>	<u>1,260,003</u>
<b>Net asset per share attributable to owners of the parent (RM)</b>	<u>1.47</u>	<u>1.41</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 2022 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 2022**

	-----Non- Distributable----->					Distributable				
	Share Capital RM'000	Foreign Exchange Translation Reserves RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Attributable To The Owners Of The Company RM'000	Perpetual Sukuk RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Balance at 01.07.2021, restated</b>	290,069	30,847	375	(29,700)	(6,000)	143,320	428,911	40,852	30,948	500,711
Total comprehensive loss 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 instruments at fair value through other comprehensive income	-	-	-	-	-	(205)	(205)	-	-	(205)
Foreign currency translation reserve	-	4,731	-	-	-	-	4,731	-	64	4,795
Total comprehensive loss	-	4,731	-	-	-	4,964	9,695	-	1,617	11,312
<b>Transaction with owners</b>										
Changes in ownership interest of subsidiaries	-	-	-	-	-	320	320	-	(634)	(314)
Non-controlling interest arising from acquisition of new subsidiaries	-	-	-	-	-	-	-	-	4	4
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(2,353)	(2,353)
Issuance of ordinary shares pursuant to private placement	17,628	-	-	-	-	-	17,628	-	-	17,628
Transaction costs of share issue	(162)	-	-	-	-	-	(162)	-	-	(162)
Distribution to perpetual sukuk holders	-	-	-	-	-	(2,202)	(2,202)	-	-	(2,202)
Total transaction with owners	17,466	-	-	-	-	(1,882)	15,584	-	(2,983)	12,601
<b>Balance at 30.06.2022</b>	<b>307,535</b>	<b>35,578</b>	<b>375</b>	<b>(29,700)</b>	<b>(6,000)</b>	<b>146,402</b>	<b>454,190</b>	<b>40,852</b>	<b>29,582</b>	<b>524,624</b>

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 2022 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 2022**

	-----Non- Distributable----->					Distributable				
	Share Capital RM'000	Foreign Exchange Translation Reserves RM'000	Capital Reserve RM'000	Merger Deficit RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Attributable To The Owners Of The Company RM'000	Perpetual Sukuk RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Balance at 01.07.2021</b>	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	-	-	-	-	-	19,128	19,128	-	1,232	20,360
Foreign currency translation reserve	-	4,206	-	-	-	-	4,206	-	469	4,675
Total comprehensive income	-	4,206	-	-	-	19,128	23,334	-	1,701	25,035
<b>Transaction with owners</b>										
Issuance of ordinary shares	-	-	-	-	-	-	-	-	-	-
Distribution to perpetual sukuk holders	-	-	-	-	-	(2,380)	(2,380)	-	-	(2,380)
Total transaction with owners	-	-	-	-	-	(2,380)	(2,380)	-	-	(2,380)
<b>Balance at 31.12.2022</b>	307,535	39,784	375	(29,700)	(6,000)	163,150	475,144	40,852	31,283	547,279

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 2022 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 2022**

	<b>Current Year To Date 31.12.22 RM'000</b>	<b>Corresponding Year To Date 31.12.21 RM'000</b>
<b>Profit before taxation</b>	<b>23,246</b>	1,277
<b>Adjustments for non-cash items :</b>		
Amortisation of intangible assets	2,125	2,283
Depreciation of property, plant and equipment	22,642	23,344
Depreciation of right of use assets	972	972
Dividend income	-	(1,700)
Interest income	(257)	(338)
Interest expense	9,794	11,445
Net unrealised loss on foreign exchange	4,056	1,599
Share of result from equity accounted method	(522)	187
Unrealised foreign exchange gain	-	(274)
<b>Operating profit before working capital changes</b>	<b>62,056</b>	38,795
<b>Changes in working capital</b>	<b>(6,530)</b>	(6,437)
	<b>55,526</b>	32,358
Tax paid	(1,048)	(3,302)
Tax refunded	11,572	-
<b>Net cash from operating activities</b>	<b>66,050</b>	29,056
<b>Investing activities</b>		
Interest received	257	338
Proceeds from disposal of plant and equipment	-	1,710
Proceeds from disposal of equity shares in subsidiary	-	1,000
Purchase of property, plant and equipment	(4,500)	(5,220)
Dividend received from an associate	-	560
Placement of deposits pledged with licensed banks	3,983	1,520
<b>Net cash for investing activities</b>	<b>(260)</b>	(92)
<b>Financing activities</b>		
Proceeds from government grant	-	9,502
Proceed from issuance of private placement	-	17,466
Dividend paid to non-controlling interest	-	(1,253)
Interest paid	(9,794)	(11,445)
Repayment of borrowing	(44,072)	(43,925)
<b>Net cash for financing activities</b>	<b>(53,866)</b>	(29,655)
<b>Net change in cash and cash equivalents</b>	<b>11,924</b>	(691)
<b>Effect of exchange rate changes</b>	<b>4,148</b>	(1,212)
<b>Cash and cash equivalents at beginning of the period</b>	<b>21,133</b>	50,731
<b>Cash and cash equivalents at end of the period</b>	<b>37,205</b>	48,828
<b>Cash and cash equivalents at end of the period comprised:</b>		
Fixed deposit with licences banks	50,917	73,507
Cash and bank balances	70,820	59,998
Cash and cash equivalent as reported in the Statement of Financial Position	121,737	133,505
Less: Fixed deposits pledged with licensed banks	(42,751)	(41,773)
Less: Bank overdrafts	(41,781)	(42,904)
	<b>37,205</b>	48,828

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 2022 and the accompanying explanatory notes attached to this report.

**NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 31 DECEMBER 2022**

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**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 2023. 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 2023.

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 2023.

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):-

<u>Amendments/Improvements to MFRSs</u>	
MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above standards 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)

		<b>Effective for financial periods beginning on or after</b>
<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 2022/ 1 January 2023 <sup>#</sup>
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023 <sup>#</sup>
MFRS 7	Financial Instruments: Disclosures	1 January 2023 <sup>#</sup>
MFRS 9	Financial Instruments	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 2022 <sup>^</sup>
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 <sup>#</sup>
MFRS 107	Statements of Cash Flows	1 January 2023 <sup>#</sup>
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 <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> Annual Improvements to MFRS Standards 2018-2020

<sup>#</sup> Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

## **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 2023.

## **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 cyclical 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 year ended 31 December 2022, 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 year ended 31 December 2022.

## **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 2022.

## **7. DIVIDENDS**

No dividend has been paid and or recommended during the financial year ended 31 December 2022.

## **8. SEGMENTAL INFORMATION**

The Group has four 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 O&G Services       | - The services under Upstream Oil & Gas ("O&G") 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)  | Trading                     | - Trading segment include manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.   |
| (iii) | New Energy                  | - The services under New 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.  |
| (iv)  | Digitalisation & Technology | - The services under Digitalisation & Technology segment include technology and modernisation through software development and digital solutions; supply technology/digitalisation equipment and consumables; aviation and aerospace services.  |

## 8. SEGMENTAL INFORMATION (CONT'D)

### (A) REPORTABLE BUSINESS SEGMENTS

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

	Current 3 Months Quarter Ended 31.12.22		Corresponding 3 Months Quarter Ended 31.12.21		Difference	
	RM'000	%	RM'000	%	RM'000	%
<b>REVENUE</b>						
Upstream O&G Services	101,736	65.5	69,549	84.9	32,187	46.3
Trading	52,269	33.6	11,744	14.3	40,525	>100.0
New Energy	1,498	1.0	460	0.6	1,038	>100.0
Digitalisation & Technology	-	0.0	161	0.2	(161)	(100.0)
Holding company and dormant companies	89	0.06	-	-	-	-
	<u>155,592</u>	<u>100</u>	<u>81,914</u>	<u>100</u>		
Consolidation adjustments and eliminations	<u>(16,345)</u>		<u>(6,238)</u>		<u>(10,107)</u>	<u>162.0</u>
	<u>139,247</u>		<u>75,676</u>		<u>63,571</u>	<u>84.0</u>
<b>OPERATING PROFITS</b>						
Upstream O&G Services	22,805		11,625		11,180	96.2
Trading	836		989		(153)	(15.5)
New Energy	(1,893)		(578)		(1,315)	>100.0
Digitalisation & Technology	(20)		(54)		34	>(100.0)
Holding company and dormant companies	(3,893)		(3,104)		(789)	>100.0
Consolidation adjustments and eliminations	<u>(3,233)</u>		<u>(4,043)</u>		<u>810</u>	<u>(20.0)</u>
	<u>14,603</u>		<u>4,835</u>		<u>9,768</u>	<u>&gt;100.0</u>

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

**(A) REPORTABLE BUSINESS SEGMENTS**

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

	Current 6 Months Year To Date 31.12.22		Corresponding 6 Months Year To Date 31.12.21		Difference	
	RM'000	%	RM'000	%	RM'000	%
<b>REVENUE</b>						
Upstream O&G Services	200,670	69.9	174,444	86.7	26,226	15.0
Trading	81,200	28.3	24,266	12.1	56,934	234.6
New Energy	5,073	1.8	1,498	0.7	3,575	>100.0
Digitalisation & Technology	46	0.0	988	0.5	(942)	(95.3)
Holding company and dormant companies	91	0.03	-	-		
	<u>287,080</u>	<u>100.0</u>	<u>201,196</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	<u>(26,030)</u>		<u>(24,126)</u>		<u>(1,904)</u>	<u>&gt;100.0</u>
	<u>261,051</u>		<u>177,070</u>		<u>83,981</u>	<u>47.4</u>
<b>OPERATING PROFITS</b>						
Upstream O&G Services	49,918		28,467		21,451	75.4
Trading	1,754		2,059		(305)	(14.8)
New Energy	(316)		(467)		151	>100.0
Digitalisation & Technology	2		(275)		277	>(100.0)
Holding company and dormant companies	(9,842)		(4,900)		(4,942)	>(100.0)
	<u>(8,997)</u>					
Consolidation adjustments and eliminations	<u>-</u>		<u>(11,975)</u>		<u>11,975</u>	<u>(100.0)</u>
	<u>32,519</u>		<u>12,909</u>		<u>19,610</u>	<u>151.9</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

	Current Quarter Ended 31.12.22		Preceding Quarter Ended 30.09.22		Difference	
	RM'000	%	RM'000	%	RM'000	%
<b>REVENUE</b>						
Upstream O&G Services	101,736	65.5	98,934	75.2	2,802	2.8
Trading	52,269	33.6	28,931	22.0	23,338	>100.0
New Energy	1,498	1.0	3,575	2.7	(2,077)	(58.1)
Digitalisation & Technology	-	0.0	48	0.0	(48)	>(100.0)
Holding company and dormant companies	89	0.06	-	-		#DIV/0!
	<u>155,592</u>	<u>100</u>	<u>131,488</u>	<u>100</u>		
Consolidation adjustments and eliminations	(16,345)		(9,684)		(6,661)	68.8
	<u>139,247</u>		<u>121,804</u>		<u>17,443</u>	<u>14.3</u>
<b>OPERATING PROFITS</b>						
Upstream O&G Services	22,805		27,113		(4,308)	(15.9)
Trading	836		918		(82)	(8.9)
New Energy	(1,893)		1,577		(3,470)	(220.0)
Digitalisation & Technology	(20)		24		(44)	(183.0)
Holding company and dormant companies	(3,893)		(5,952)		2,059	(34.6)
Consolidation adjustments and eliminations	(3,233)		(5,764)		2,531	(43.9)
	<u>14,603</u>		<u>17,916</u>		<u>(3,313)</u>	<u>(18.5)</u>

## 8. SEGMENTAL INFORMATION (CONT'D)

### (B) GEOGRAPHICAL SEGMENTS

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

	Current 3 Months Quarter Ended 31.12.22		Corresponding 3 Months Quarter Ended 31.12.21		Difference	
	RM'000	%	RM'000	%	RM'000	%
<b>REVENUE</b>						
Malaysia	128,859	82.8	64,886	79.2	63,973	98.6
Outside Malaysia	26,733	17.2	17,028	20.8	9,705	57.0
	155,592	100.0	81,914	100.0		
Consolidation adjustments and eliminations	(16,345)		(6,238)		(10,107)	162.0
	139,247		75,676		63,571	84.0
<b>OPERATING PROFITS</b>						
Malaysia	14,547		7,544		7,003	92.8
Outside Malaysia	3,289		1,334		1,955	146.6
Consolidation adjustments and eliminations	(3,233)		(4,043)		810	(20.0)
	14,603		4,835		9,768	>100.0

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

	Current 6 Months Year To Date 31.12.22		Corresponding 6 Months Year To Date 31.12.21		Difference	
	RM'000	%	RM'000	%	RM'000	%
<b>REVENUE</b>						
Malaysia	237,619	82.8	166,823	82.9	70,796	42.4
Outside Malaysia	49,461	17.2	34,373	17.1	15,088	43.9
	287,080	100.0	201,196	100.0		
Consolidation adjustments and eliminations	(26,030)		(24,126)		(1,904)	7.9
	261,051		177,070		83,981	47.4
<b>OPERATING PROFITS</b>						
Malaysia	36,963		22,771		14,192	62.3
Outside Malaysia	4,553		2,113		2,440	115.5
Consolidation adjustments and eliminations	(8,997)		(11,975)		2,978	(24.9)
	32,519		12,909		19,610	151.9

## 8. SEGMENTAL INFORMATION (CONT'D)

### (B) GEOGRAPHICAL SEGMENTS (CONT'D)

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

	Current Quarter Ended 31.12.22		Preceding Quarter Ended 30.09.22		Difference	
	RM'000	%	RM'000	%	RM'000	%
<b>REVENUE</b>						
Malaysia	128,859	82.8	108,760	82.7	20,099	18.5
Outside Malaysia	26,733	17.2	22,728	17.3	4,005	17.6
	<u>155,592</u>	<u>100.0</u>	<u>131,488</u>	<u>100.0</u>		
Consolidation adjustments and eliminations	(16,345)		(9,684)		(6,661)	68.8
	<u>139,247</u>		<u>121,804</u>		<u>17,443</u>	<u>14.3</u>
<b>OPERATING PROFITS</b>						
Malaysia	14,547		22,415		(7,868)	(35.1)
Outside Malaysia	3,289		1,265		2,024	160.0
Consolidation adjustments and eliminations	(3,233)		(5,764)		2,531	(43.9)
	<u>14,603</u>		<u>17,916</u>		<u>(3,313)</u>	<u>(18.5)</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 of 31 December 2022 is as follows:

	RM'000
Capital expenditure in respect of property, plant and equipment - Approved and contracted for	<u>1,402</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 other than disclosed in Note 22 of this report.

## 12. CHANGES IN THE COMPOSITION OF THE GROUP

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

### 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 RM130 million as of 31 December 2022.

### 14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which were entered into on agreed terms and prices for the financial year ended 31 December 2022 are set out below. The relationships of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2022.

	Company RM'000
Related party transaction with subsidiaries:	
- Management fee income	8,606
- Interest income	1,257
- Rental expense	(742)
	<hr/>

### 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	Level 1	Level 2	Level 3	Fair value
	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets					
- Other investments	4,080	-	-	4,080	4,080
					<hr/>



**PART B: EXPLANATORY NOTES PURSUANT TO THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**16. REVIEW OF PERFORMANCE**

**(A) COMPARISON WITH PRECEDING YEAR CORRESPONDING QUARTER**

	<b>Current 3 Months Quarter Ended/ Year Ended 31.12.2022 RM'000</b>	<b>Corresponding 3 Months Quarter Ended/ Year Ended 31.12.2021 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	139,247	75,676	63,571	84.0
Gross profit	49,967	38,026	11,941	31.4
PAT attributable to the Owners of the Company	10,300	51	10,249	>100

The Group's revenue increased by RM63.5 million or 84% for the current quarter under review 31.12.2022 as compared to corresponding quarter 31.12.2021 mainly due to higher revenue generated from O&G Segment in well services and Trading segment arising from commodities trade.

The Group's gross profit increase by RM11.9 million or 31% in current quarter ended 31.12.2022 as compared to corresponding quarter 31.12.2021 mainly due to contribution from Upstream O&G Services segment from well services activities resumed to normal as compared to previous year's quarter which restricted to movement control order due to Covid-19 pandemic.

For the current quarter under review 31.12.2022, the Group recorded PAT attributable to Owners increased by RM10.2 million for the current quarter under review 31.12.2022 as compared to corresponding quarter 31.12.2021 mainly due to higher gross profits contribution from O&G segment in well services.

**(B) COMPARISON WITH PRECEDING YEAR CORRESPONDING YEAR TO DATE**

	<b>Current 6 Months Year To Date 31.12.2022 RM'000</b>	<b>Corresponding 6 Months Year To Date 31.12.2021 RM'000</b>	<b>Difference</b>	
			<b>RM'000</b>	<b>%</b>
Revenue	261,051	177,070	83,981	47.4
Gross profit	103,413	79,693	23,720	29.8
PAT attributable to the Owners of the Company	19,128	398	18,730	>100

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

### (B) COMPARISON WITH PRECEEDING YEAR CORRESPONDING YEAR TO DATE (CONT'D)

The Group's revenue increased by RM83.9 million or 47.4% for the financial period ended 31.12.2022 compared to 31.12.2021 mainly due to new income contribution in commodities trading from Trading segment. In addition, the Upstream O&G Services also improved significantly as restriction on movement control order from pandemic were lifted in the beginning of year 2022.

The Group's gross profit margin increased by RM23.7 million or 30% mainly attributable to contribution from Upstream O&G Services segment from well services activities resumed to normal as compared to previous year's corresponding YTD 31.12.2021 which affected by lesser activities and higher compliance costs during the pandemic period.

For the current year to date under review 31.12.2022, the Group recorded PAT attributable to Owners increased by RM18.7 million for the current quarter YTD 31.12.2022 as compared to corresponding quarter YTD 31.12.2021 mainly due to higher gross profits contribution from O&G segment in well services.

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

	<b>Current Quarter Ended 31.12.2022 RM'000</b>	<b>Preceding Quarter Ended 30.09.2022 RM'000</b>	<b>Difference RM'000</b>	<b>%</b>
Revenue	139,247	121,804	17,443	14.3
Gross profit	49,967	53,446	(3,479)	(6.5)
PAT after taxation attributable to the Owners of the Company	10,300	8,828	1,472	16.7

The Group's revenue increased by RM17.4 million or 14.3% for the current quarter under review 31.12.2022 compared to preceding quarter 30.09.2022 mainly due to increase in trade volume in commodities in Trading segment in current quarter under review.

The gross profit margin decreased by RM3.5 million or 6.5% for the current quarter ended 31.12.2022 as compared to preceding quarter ended 30.09.2022 mainly due to lower O&G activities in current quarter.

For the current quarter under review 31.12.2022, the Group recorded an increase in PAT attributable to Owners of RM1.5 million or 17% for the current quarter ended 31.12.2022 as compared to preceding quarter ended 31.12.2022 mainly due to higher unrealised foreign exchange loss of RM3.3 million recognised in preceding quarter ended 30.09.2022. In addition, share of profits of investments increase by RM2.0 million cumulatively in current quarter against the preceding quarter ended 30.09.2022 which reported a loss of RM0.7 million.

## 18. COMMENTARY ON PROSPECTS

### Upstream O&G Services Segment

Oil prices may continue to trade in the region of USD80 to USD100 per barrel fueled by reopening of China's economy and increased flights worldwide. The expected lower supply from Russia due to Western embargoes on Russian energy arising from the Russia-Ukraine war, and the structural underinvestment in new oil supply over the past few years could tighten the supply in short term period.

The PETRONAS Activity Outlook 2023 – 2025 remains positive for upstream activities such as well services given the oil price recovery and the relaxation of pandemic SOP is a major boost to local companies as Petronas look to increase output to capitalise on current oil prices. Few major contracts awarded by PETRONAS to Uzma Group includes provision of Leasing, Operation and Maintenance of D18 Water Injection Facility for PETRONAS Carigali Sdn Bhd (PCSB) for a period of five (5) years, an extension of a further two (2) years for the contract for the Provision of Coiled Tubing and Services for PCSB – East Region with an estimated value of RM230 million and provision of Self-Cleaning Through Tubing Perforation, shown a positive outlook from Petronas activity in 2023. In addition, our oilfield chemical solutions is expected to benefit from higher crude production with the recent award from Sarawak Shell Berhad for the provision of Kinetic Hydrate Inhibitor, Corrosion Inhibitor and Associated Services for Timi. Business activities are seen to recover as countries reopen their economies, contributing to a surge in demand.

### New Energy Segment

We accelerated our efforts to pursue opportunities to diversify and balance our business portfolio beyond the O&G sector, venturing into new key growth areas such as New Energy and, Digitalisation & Technology.

Our renewable energy business is steadily growing. On 8 August 2022, the Energy Commission extended the Power Purchase Agreement (“PPA”) tenure from 21 years to 25 years for our 50 megawatt (“MW”) Large Scale Solar 4 (“LSS4”). Our 50MW LSS4 project has progressed positively with the development order obtains from Majlis Perbandaran Sungai Petani (MPSPK) on 28 May 2022. In Oct 2022, we have submitted application to the authorities for permits such as Earth works permit and Road & Drainage plan and target to site commencement by December 2022. In addition, we also secured several Net Energy Metering (“NEM”) contracts; both as EPCC and PPA holder.

In December 2021, the Ministry of Energy and Natural Resources of Malaysia (KeTSA) set a target to reach 31% of renewable energy share in the national installed capacity mix by 2025. This target supports Malaysia's global climate commitment to reduce its economy-wide carbon intensity (against GDP) of 45% in 2030, compared to 2005 level. The Malaysia Renewable Energy Roadmap (MyRER) is commissioned to support further decarbonisation of the electricity sector in Malaysia through the 2035 milestone. Under MyRER, new capacity target was launched and we expect this will augur well with our strategy to aggressively grow in New Energy business. On 31 October 2022, the Ministry of Energy and Natural Resources announced the implementation of Corporate Green Power Programme administered by Suruhanjaya Tenaga. The programme is among the government's initiative to achieve the targeted decarbonisation of electricity sector in Malaysia.

The Board remain cautiously confident to stay resilient facing challenges during these uncertain times, 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>Current Quarter Ended 3 months 31.12.2022 RM'000</b>	<b>Corresponding Quarter Ended 3 months 31.12.2021 RM'000</b>	<b>Current Year To Date 6 months 31.12.2022 RM'000</b>	<b>Corresponding Year To Date 6 months 31.12.2021 RM'000</b>
Current tax	(985)	(444)	(3,396)	(1,166)
Deferred tax	362	277	510	548
	<u>(623)</u>	<u>(167)</u>	<u>(2,886)</u>	<u>(618)</u>
Effective tax rate excluding share of profit of joint ventures and associate (%)	(6.4)	303.6	(12.7)	(42.2)

The effective tax rate for the current period ended 31 December 2022 is lower than the statutory tax rate of 24%, mainly due to the Group's reversal of overprovision of taxes in previous financial year based on higher estimated revenue.

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

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 year under review.

	<b>Current Quarter Ended 3 Months 31.12.2022 RM'000</b>	<b>Current Period To Date 6 Months 31.12.2022 RM'000</b>
<u>Profit for the quarter/year is arrived at after crediting/(charging):</u>		
- Amortisation of intangible assets	(1,000)	(2,125)
- Net Realised foreign exchange gain/(loss)	695	1,421
- Interest income	126	257
- Interest expenses	(4,804)	(9,794)

## 22. STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at the date of this report.

## 23. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at 31 December 2022					
	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	-	29,719	-	112,575	-	142,294
Lease Liabilities	-	520	-	11,606	-	12,126
Medium term notes	-	50,000	-	100,000	-	150,000
Invoice financing	-	48,861	-	-	-	48,861
Revolving credits	-	33,155	-	-	-	33,155
Overdrafts	-	41,780	-	-	-	41,780
<u>Foreign Currency</u>						
Term loan (USD)	1,984	8,731	1,984	8,731	3,968	17,462
Lease liabilities (THB)	2,198	280	129	17	2,327	297
Total		<u>213,046</u>		<u>232,929</u>		<u>445,975</u>

	As at 30 June 2022					
	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	-	33,158	-	99,734	-	132,892
Lease Liabilities	-	3,325	-	12,442	-	15,767
Medium term notes	-	50,000	-	123,652	-	173,652
Invoice financing	-	44,629	-	-	-	44,629
Revolving credits	-	35,675	-	-	-	35,675
Overdrafts	-	42,748	-	-	-	42,748
<u>Foreign Currency</u>						
Term loan (USD)	2,386	10,516	2,435	10,730	4,821	21,246
Lease liabilities (THB)	2,576	322	4,101	512	6,677	834
Total		<u>220,373</u>		<u>247,070</u>		<u>467,443</u>

## 24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter and year ended 31 December 2022.

## 25. MATERIAL LITIGATION

### High Court Suit between Uzma Engineering Sdn Bhd (UESB) and Khan Co. Ltd (Khan) and Kong Offshore Malaysia Sdn. Bhd. (Kong)

In addition to previously disclosed in our quarterly announcement, the current updates are as follows:

On 20 January 2023, the High Court proceeded with Khan's and Kong's applications for stay of proceedings ("Stay Applications") and had fixed 24 February 2023 for continued hearing of the Stay Applications and UESB's injunction application.

### Arbitration between Shapadu Energy Services Sdn Bhd (SES) and Uzma Engineering Sdn Bhd (UESB)

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 SES. UESB and SES were involved in a project known as the KNPG-B Topside Phase II, Kinabalu Non-Associated Gas (NAG) Development Project ("Project"). In or around April 2018, SES was engaged by UESB to conduct inspection at the offshore site of the Project for some 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.

The amount claimed under the Notice of Arbitration by SES are as below: -

- (a) the sum of RM788,745.00 for the Additional Rectification Works;
- (b) the sum of RM9,305,320.77 for outstanding payment under the Subcontract;
- (c) interest including pre-award pursuant to Section 11 of the Civil Law Act 1956;
- (d) interest at the rate of 5% from the date of award to the date of full realization;
- (e) costs on indemnity basis; and/ or
- (f) such other relief as the Learned Arbitrator(s) may consider appropriate and just in the circumstances.

The Company has engaged solicitors to represent UESB in the arbitration proceedings. Based on the view from the solicitors, UESB has a chance in defending the claims and potential counterclaims against the other party in the arbitration proceedings.

There is no operational impact on the Uzma Group. The expected losses arising from the Arbitration proceedings are the expenses in engaging advocates and solicitors to address the Arbitration proceedings and the cost of the arbitrators and Arbitration proceedings.

The Company will make further announcements of any material development on this matter from time to time.

**26. EARNINGS PER SHARE (“EPS”)**

	<b>Current Quarter Ended 3 Months 31.12.2022</b>	<b>Corresponding Quarter Ended 3 Months 31.12.2021</b>	<b>Current Year To Date 6 Months 31.12.2022</b>	<b>Corresponding Year To Date 6 Months 31.12.2021</b>
(a) Basic EPS				
Net profit attributable to owners of the Company (RM'000)	10,300	51	19,128	398
Weighted average number of ordinary shares in issue ('000)	352,031	352,031	352,031	352,031
Basic EPS (sen)	2.93	0.01	5.43	0.11

(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 2022.

(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 2022.

BY ORDER OF THE BOARD

Dato' Kamarul Redzuan Bin Muhamed  
Group Chief Executive Officer