



UZMA BERHAD

(Company No: 200701011861 (769866-V))

**Quarterly Report on Consolidated Financial Results
For the First Quarter Ended 30 September 2023**



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	(Unaudited) Current 3 Months Quarter Ended 30.09.2023 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended 30.09.2022 RM'000	(Unaudited) Cumulative 3 Months Year To Date 30.09.2023 RM'000	(Unaudited) Corresponding 3 Months Year To Date 30.09.2022 RM'000
Revenue	151,160	121,804	151,160	121,804
Cost of sales	<u>(86,275)</u>	<u>(68,358)</u>	<u>(86,275)</u>	<u>(68,358)</u>
Gross profit	64,885	53,446	64,885	53,446
Other income	4,690	4,767	4,690	4,767
Administrative expenses	(25,006)	(21,887)	(25,006)	(21,887)
Other expenses	(7,371)	(6,760)	(7,371)	(6,760)
Depreciation	(11,815)	(11,650)	(11,815)	(11,650)
Operating profit	<u>25,383</u>	<u>17,916</u>	<u>25,383</u>	<u>17,916</u>
Finance costs	(5,147)	(4,990)	(5,147)	(4,990)
Share of profit of investments accounted for using the equity method	<u>189</u>	<u>(754)</u>	<u>189</u>	<u>(754)</u>
Profit before taxation	<u>20,425</u>	<u>12,172</u>	<u>20,425</u>	<u>12,172</u>
Income tax expense	<u>(6,299)</u>	<u>(2,262)</u>	<u>(6,299)</u>	<u>(2,262)</u>
Profit after taxation	<u>14,126</u>	<u>9,910</u>	<u>14,126</u>	<u>9,910</u>
Profit after taxation attributable to :-				
Owners of the Company	11,939	8,828	11,939	8,828
Non-Controlling Interest	<u>2,187</u>	<u>1,082</u>	<u>2,187</u>	<u>1,082</u>
	<u>14,126</u>	<u>9,910</u>	<u>14,126</u>	<u>9,910</u>
Earning per share				
- Basic/Diluted (sen)	<u>3.08</u>	<u>2.51</u>	<u>3.08</u>	<u>2.51</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 2023 and the accompanying explanatory notes attached to this report.



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	(Unaudited) 3 Months Quarter Ended 30.09.2023 RM'000	(Unaudited) 3 Months Quarter Ended 30.09.2022 RM'000	(Unaudited) 3 Months Year To Date 30.09.2023 RM'000	(Unaudited) 3 Months Year To Date 30.09.2022 RM'000
Profit after taxation	14,126	9,910	14,126	9,910
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	(1,847)	7,761	(1,847)	7,761
Total comprehensive income for the financial period	<u>12,279</u>	<u>17,671</u>	<u>12,279</u>	<u>17,671</u>
Total comprehensive income attributable to:-				
Owners of the Company	12,300	16,174	12,300	16,174
Non-Controlling Interest	(21)	1,497	(21)	1,497
	<u>12,279</u>	<u>17,671</u>	<u>12,279</u>	<u>17,671</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 2023 and the accompanying explanatory notes attached to this report.



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	(Unaudited) As at 30.09.2023 RM'000	(Audited) As at 30.06.2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	561,689	540,940
Right of use assets	23,399	25,455
Intangible assets	205,633	206,098
Investments in associates	13,014	12,827
Deferred tax assets	2,401	2,401
Trade and other receivables	5,982	5,982
Other investments	135	105
	<u>812,253</u>	<u>793,808</u>
Current assets		
Inventories	49,828	47,608
Trade and other receivables	276,652	241,150
Contract assets	87,896	101,390
Other investments	111	257
Current tax assets	7,399	7,049
Deposits, cash and bank balances	90,806	95,836
	<u>512,692</u>	<u>493,290</u>
TOTAL ASSETS	<u>1,324,945</u>	<u>1,287,098</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	328,838	307,535
Foreign currency translation reserve	40,201	39,840
Capital reserve	277	277
Merger deficit	(29,700)	(29,700)
Fair value reserve	(6,000)	(6,000)
Retained earnings	192,221	180,007
	<u>525,837</u>	<u>491,959</u>
Perpetual sukuk	40,852	40,852
Non-controlling interests	30,078	30,374
Total equity	<u>596,767</u>	<u>563,185</u>
Non-current liabilities		
Loan and borrowings	208,188	138,894
Lease liabilities	9,409	12,580
Deferred tax liabilities	25,112	24,454
Trade and other payables	22,072	23,540
Post employment benefit liabilities	2,619	2,619
Deferred income	13,198	13,614
	<u>280,598</u>	<u>215,701</u>
Current liabilities		
Loans and borrowings	194,305	223,666
Lease liabilities	4,638	5,978
Trade and other payables	191,666	227,575
Contract liabilities	55,551	50,832
Current tax liabilities	1,420	161
	<u>447,580</u>	<u>508,212</u>
Total liabilities	<u>728,178</u>	<u>723,913</u>
TOTAL EQUITY AND LIABILITIES	<u>1,324,945</u>	<u>1,287,098</u>
Net asset per share attributable to owners of the parent (RM)	<u>1.46</u>	<u>1.38</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 2023 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 PERIOD ENDED 30 SEPTEMBER 2023**

	<-----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
Balance at 01.07.2023	307,535	39,840	277	(29,700)	(6,000)	180,007	491,959	40,852	30,374	563,185
Total comprehensive income for the financial year										
Profit for the financial year	-	-	-	-	-	11,939	11,939	-	2,187	14,126
Foreign currency translation reserve	-	361	-	-	-	-	361	-	(2,208)	(1,847)
Total comprehensive income	-	361	-	-	-	11,939	12,300	-	(21)	12,279
Transaction with owners										
Issuance of shares by the Company	21,303	-	-	-	-	-	21,303	-	-	21,303
Change in stake	-	-	-	-	-	275	275	-	(275)	-
Total transaction with owners	21,303	-	-	-	-	275	21,578	-	(275)	21,303
Balance at 30.09.2023	328,838	40,201	277	(29,700)	(6,000)	192,221	525,837	40,852	30,078	596,767

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 2023 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 PERIOD ENDED 30 SEPTEMBER 2023**

	<-----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
Balance at 01.07.2022	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	-	-	-	-	-	40	40	-	4	44
Foreign currency translation reserve	-	4,262	(98)	-	-	-	4,164	-	-	4,164
Total comprehensive loss	-	4,262	(98)	-	-	36,719	40,883	-	1,406	42,289
Transaction with owners										
Dividend paid by the subsidiaries to non-controlling interest	-	-	-	-	-	-	-	-	(614)	(614)
Distribution to perpetual sukuk holders	-	-	-	-	-	(3,114)	(3,114)	-	-	(3,114)
Total transaction with owners	-	-	-	-	-	(3,114)	(3,114)	-	(614)	(3,728)
Balance at 30.06.2023	307,535	39,840	277	(29,700)	(6,000)	180,007	491,959	40,852	30,374	563,185

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 2023 and the accompanying explanatory notes attached to this report.



UZMA BERHAD

(Company No : 200701011861 (769866-V))

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2023**

	(Unaudited) Current Year To Date 30.09.2023 RM'000	(Unaudited) Corresponding Year To Date 30.09.2022 RM'000
Profit before taxation	20,425	12,172
Adjustments for non-cash items :		
Depreciation of property, plant and equipment	11,815	10,678
Interest income	(116)	(131)
Interest expense	5,147	4,990
Net unrealised loss on foreign exchange	2,359	3,686
Others	4,287	2,851
Operating profit before working capital changes	43,917	34,246
Changes in working capital	(43,987)	(6,949)
Net cash generated from operations	(70)	27,297
Tax paid	(1,222)	(834)
Tax refunded	-	11,572
Net cash from operating activities	(1,292)	38,035
Cash flow from Investing activities		
Interest received	116	131
Purchase of property, plant and equipment	(32,101)	(4,500)
Placement of deposits pledged with licensed banks	9,405	2,642
Net cash for investing activities	(22,580)	(1,727)
Financing activities		
Interest paid	(5,147)	(4,990)
Net Drawdown/(Repayment) of borrowings	37,218	(37,650)
Net cash for financing activities	32,071	(42,640)
Net change in cash and cash equivalents	8,199	(6,332)
Cash and cash equivalents at beginning of the period	1,357	21,133
Effect of exchange rate changes	(2,607)	7,288
Cash and cash equivalents at end of the period	6,949	22,089
Cash and cash equivalents at end of the period comprised:		
Fixed deposit with licences banks	81,415	56,974
Cash and bank balances	9,391	50,898
Cash and cash equivalent as reported in the Statement of Financial Position	90,806	107,872
Less: Fixed deposits pledged with licensed banks and fixed deposits for more than 3 months	(41,944)	(44,092)
Less: Bank overdrafts	(41,913)	(41,691)
	6,949	22,089

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 2023 and the accompanying explanatory notes attached to this report.



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NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2023

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF REPORTING PREPARATION

The significant accounting policies and methods of computation adopted in these interim financial statements are consistent with those adopted in the latest audited financial statements, except for the following:

Adoption of new and revised Malaysian Financial Reporting Standards (“MFRSs”)

In the current financial period, the Group adopted the following amendments to MFRSs issued by the MASB that are effective for annual financial periods beginning on or after 1 July 2023:

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Initial Application of MFRS 9 and MFRS17 – Comparative Information
- Amendments to MFRS 101 Classification of Liabilities as Current and Non-current
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules

The adoption of these amendments to MFRSs did not have any material impact on the financial performance or position of the Group for the current financial period.

Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant Amendments to MFRSs, which were in issue but not yet effective and not early adopted by the Group are as listed below:

Effective for annual periods beginning on or after 1 January 2024

- MFRS 16 Leases – Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7 Supplier Finance Arrangement
- Amendments to MFRS 121 Lack of Exchangeability

Effective date of these Amendments to Standards has been deferred, and yet to be announced

- Amendments to MFRS 10 and MFRS 128 – Sale or Contribution of Assets between Investor and its Associate or Joint Venture

The Group will adopt the above standards and amendments when they become effective and the adoption of these amendments is not expected to have any material impact on the financial statements of the Group in the period of initial application.



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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 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 30 September 2023, 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 30 September 2023.

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

There were no issuances, repurchases and repayments of debt and equity securities during the current financial quarter and year, except as announced on 7 July 2023, the Company has completed the Private Placement of 35,200,000 new ordinary shares representing approximately 10% of the existing total number of issued shares of Uzma Berhad.

7. DIVIDENDS

No dividend has been paid and or recommended during the financial period ended 30 September 2023.

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 the 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 includes manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services. |



UZMA BERHAD

(Company No : 200701011861 (769866-V))

8. SEGMENTAL INFORMATION (CON'TD)

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 the Management Committee, reviews the internal management report on monthly basis. The Group's reportable segments are described as follows (cont'd):

- (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.

(A) REPORTABLE BUSINESS SEGMENTS

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

	(Unaudited) Current 3 Months Quarter Ended 30.09.2023		(Unaudited) Corresponding 3 Months Quarter Ended 30.09.2022		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	139,642	77.0	98,934	75.2	40,708	41.1
Trading	37,849	20.8	28,931	22.0	8,918	30.8
New Energy	123	0.1	3,575	2.7	(3,452)	(96.5)
Digitalisation & Technology	310	0.2	48	0.0	262	545.4
Holding company and dormant	3,712	2.0	-	-	3,712	-
	<u>181,636</u>	<u>100</u>	<u>131,488</u>	<u>100</u>	<u>50,148</u>	<u>521</u>
Consolidation adjustments and eliminations	(30,476)		(9,684)		(20,792)	214.7
	<u>151,160</u>		<u>121,804</u>		<u>29,356</u>	<u>24.1</u>
OPERATING PROFITS						
Upstream O&G Services	35,500		27,113		8,387	30.9
Trading	2,472		918		1,554	169.3
New Energy	(138)		1,577		(1,715)	(108.8)
Digitalisation & Technology	189		24		165	688.5
Holding company and dormant	(5,171)		(5,952)		781	(13.1)
Consolidation adjustments and eliminations	(7,469)		(5,764)		(1,705)	29.6
	<u>25,383</u>		<u>17,916</u>		<u>7,467</u>	<u>41.7</u>



UZMA BERHAD

(Company No : 200701011861 (769866-V))

8. SEGMENTAL INFORMATION (CON'TD)

(A) REPORTABLE BUSINESS SEGMENTS (CONT'D):

(II) THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	(Unaudited) Current Quarter Ended 30.09.2023		(Unaudited) Preceding Quarter Ended 30.06.2023		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Upstream O&G Services	139,642	77.0	96,773	59.5	42,869	44.3
Trading	37,849	20.8	42,235	26.0	(4,386)	(10.4)
New Energy	123	0.1	1,510	0.9	(1,387)	(91.8)
Digitalisation & Technology	310	0.2	-	0.0	310	-
Holding company and dormant	3,712	2.04	22,169	13.63	(18,457)	(83.3)
	<u>181,636</u>	<u>100</u>	<u>162,687</u>	<u>100</u>	<u>18,949</u>	<u>12</u>
Consolidation adjustments and eliminations	<u>(30,476)</u>		<u>(35,982)</u>		<u>5,506</u>	<u>(15.3)</u>
	<u>151,160</u>		<u>126,705</u>		<u>24,455</u>	<u>19.3</u>
OPERATING PROFITS						
Upstream O&G Services	35,500		27,670		7,830	28.3
Trading	2,472		1,129		1,343	118.9
New Energy	(138)		(392)		254	(64.8)
Digitalisation & Technology	189		(32)		221	(691.4)
Holding company and dormant	(5,171)		(18,461)		13,290	(72.0)
Consolidation adjustments and eliminations	<u>(7,469)</u>		<u>2,811</u>		<u>(10,280)</u>	<u>(365.7)</u>
	<u>25,383</u>		<u>12,724</u>		<u>12,659</u>	<u>99.5</u>

(B) GEOGRAPHICAL SEGMENTS

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

	(Unaudited) Current 3 Months Quarter Ended 30.09.2023		(Unaudited) Corresponding 3 Months Quarter Ended 30.09.2022		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	145,483	80.1	108,760	82.7	36,723	33.8
Outside Malaysia	36,153	19.9	22,728	17.3	13,425	59.1
	<u>181,636</u>	<u>100.0</u>	<u>131,488</u>	<u>100</u>	<u>50,148</u>	<u>92.8</u>
Consolidation adjustments and eliminations	<u>(30,476)</u>		<u>(9,684)</u>		<u>(20,792)</u>	214.7
	<u>151,160</u>		<u>121,804</u>		<u>29,356</u>	24.1
OPERATING PROFITS						
Malaysia	25,640		22,415		3,225	14.4
Outside Malaysia	7,212		1,265		5,947	470.1
Consolidation adjustments and eliminations	<u>(7,469)</u>		<u>(5,764)</u>		<u>(1,705)</u>	29.6
	<u>25,383</u>		<u>17,916</u>		<u>7,467</u>	41.7



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(Company No : 200701011861 (769866-V))

8. SEGMENTAL INFORMATION (CON'TD)

(B) GEOGRAPHICAL SEGMENTS (CONT'D)

(II) THE RESULTS OF THE CURRENT QUARTER COMPARED TO THE RESULTS OF THE PRECEDING QUARTER

	(Unaudited) Current Quarter Ended 30.09.2023		(Unaudited) Preceding Quarter Ended 30.06.2023		Difference	
	RM'000	%	RM'000	%	RM'000	%
REVENUE						
Malaysia	145,483	80.1	137,428	84.5	8,055	5.9
Outside Malaysia	<u>36,153</u>	19.9	<u>25,260</u>	15.5	<u>10,893</u>	43.1
	181,636	100.0	162,688	100.0	18,948	49.0
Consolidation adjustments and eliminations	<u>(30,476)</u>		<u>(35,982)</u>		<u>5,506</u>	(15.3)
	<u>151,160</u>		<u>126,706</u>		<u>24,454</u>	19.3
OPERATING PROFITS						
Malaysia	25,640		8,026		17,614	219.5
Outside Malaysia	7,212		1,887		5,325	282.2
Consolidation adjustments and eliminations	<u>(7,469)</u>		<u>2,811</u>		<u>(10,280)</u>	(365.7)
	<u>25,383</u>		<u>12,724</u>		<u>12,659</u>	99.5

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 30 September 2023 is as follows:

	RM'000
Capital expenditure in respect of property, plant and equipment - Approved and contracted for	<u>146,062</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

On 13 July 2023, the Company's wholly owned subsidiary, Uzma Well Services Sdn. Bhd. had incorporated a wholly owned subsidiary, namely Uzma Wireline Sdn. Bhd. ("Uzma Wireline") with an issued and paid-up capital of 100,000 ordinary shares of RM1 each. The intended principal activity of Uzma Wireline was full range of cased wholes services.



UZMA BERHAD

(Company No : 200701011861 (769866-V))

12. CHANGES IN THE COMPOSITION OF THE GROUP (CONT'D)

On 14 July 2023, the Company had incorporated a wholly owned subsidiary, namely Barat Tuah Sdn. Bhd. (“Barat Tuah”) with an issued and paid-up capital of 100,000 ordinary shares of RM1 each. The intended principal activity of Barat Tuah was oil and gas services, consultancy and trading.

On 14 July 2023, the Company had incorporated a wholly owned subsidiary, namely Selayang Tuah Sdn. Bhd. (“Selayang Tuah”) with an issued and paid-up capital of 100,000 ordinary shares of RM1 each. The intended principal activity of Selayang Tuah was oil and gas services, consultancy and trading.

On 10 August 2023, Uzma Artificial Lift Sdn. Bhd. (“UAL”) acquired 510 ordinary shares in Uzma Artificial Lift (Thailand) Co. Ltd (“UAL Thai”) representing 51% of ownership in UAL Thai. Following the acquisition, UAL now fully owns UAL Thai and UAL Thai becomes a 75% owned subsidiary of the Company.

On 1 September 2023, the Company further subscribed for the additional 99,900 ordinary shares by capitalisation of amount owing from Uzma Laboratory Sdn. Bhd. (“Uzma Lab”). Uzma Lab remains a wholly owned subsidiary of the Company.

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 utilized by its subsidiaries amounting to approximately RM451 million as of 30 September 2023.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant related party transactions which were entered into on agreed terms and prices for the financial period ended 30 September 2023 are set out below. The relationships of the related parties are disclosed in the audited financial statements for the financial year ended 30 June 2023.

	Company RM'000
Related party transaction with subsidiaries:	
-Management fee income	3,712
-Interest income	629
-Rental income	<u>(296)</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	<u>135</u>	<u>-</u>	<u>-</u>	<u>135</u>	<u>135</u>



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16. REVIEW OF PERFORMANCE

	(Unaudited) Current 3 Months Quarter Ended/ Period Ended 30.09.2023 RM'000	(Unaudited) Corresponding 3 Months Quarter Ended/ Period Ended 30.09.2022 RM'000	Difference RM'000	%
Revenue	151,160	121,804	29,356	24.1
Gross profit	64,885	53,446	11,439	21.4
Profit before taxation	20,425	12,172	8,253	67.8

The Group's revenue increased by RM29.4 million or 24.1% for the current quarter under review 30.09.2023 as compared to the corresponding quarter 30.09.2022 is mainly due to additional revenue contributions from trading in Liquefied Natural Gas (LNG) business. In addition, the revenue from Oil & Gas (O&G) segment also reported an increase in the current quarter under review mainly due to revenue from its Hydraulic Workover Units (HWU) and Coiled Tubing Units (CTU) jobs.

The Group's gross profit increased by RM11.4 million or 21.4% in the current quarter ended 30.09.2023 as compared to the corresponding quarter 30.09.2022 mainly due to higher gross profit margin contribution from O&G segment.

For the current quarter under review 30.09.2023, the Group recorded profit before taxation increased by RM8.3 million or 67.8% for the current quarter under review 30.09.2023 as compared to corresponding quarter 30.09.2022 mainly due to higher gross profit contribution from O&G segment but partly offset by higher administrative expenses for the quarter.

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

	(Unaudited) Current Quarter Ended 30.09.2023 RM'000	(Unaudited) Preceding Quarter Ended 30.06.2023 RM'000	Difference RM'000	%
Revenue	151,160	126,705	24,455	19.3
Gross profit	64,885	57,666	7,219	12.5
Profit before taxation	20,425	12,179	8,246	67.7

The Group's revenue increased by RM24.5 million or 19.3% for the current quarter under review 30.09.2023 compared to the preceding quarter 30.06.2023. The increase was mainly due to higher revenue contributions in the O&G segment from its Hydraulic Workover Units (HWU) and Coiled Tubing Units (CTU) jobs.

The Group's gross profit increased by RM7.2 million or 12.5% for the current quarter ended 30.09.2023 as compared to the preceding quarter ended 30.06.2023 mainly due to higher profit contributions from its O&G segment.

For the current quarter under review 30.09.2023, the Group recorded an increase in profit before taxation of RM8.2 million or 67.7% as compared to preceding quarter ended 30.06.2023 mainly due to increased profit contributions in O&G segment.

18. COMMENTARY ON PROSPECTS

Upstream O&G Services Segment

The Gaza conflict has escalated tensions to a level not witnessed since the Russia-Ukraine war in April 2022. The situation likely involves political, social, and humanitarian dimensions, impacting not only the immediate area but also triggering ripple effects on the international stage. Simultaneous with the Gaza conflict, ongoing trade wars exacerbate global economic challenges. The tensions generated by trade disputes can have far-reaching consequences, affecting industries, supply chains, and market dynamics. Combined with soaring interest rates and tighter bank credit, businesses worldwide face a challenging environment, especially those grappling with sluggish manufacturing and trade.

The supply cuts from OPEC+ countries will result in world oil supply falling further and erode oil inventories for the rest of this year. The projected rise in oil demand for the next year provides a glimmer of optimism amid the challenges. However, this optimism remains vulnerable to the heightened economic and geopolitical risks. The delicate balance between supply and demand in the oil market could be influenced by geopolitical developments and economic uncertainties, potentially impacting energy security and global economic stability.

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 with an estimated contract value in excess of RM 1.0 billion, shown a positive outlook from PETRONAS activity in 2023. In addition, our oilfield chemical solutions which currently servicing three out of the total four deepwater projects in Malaysia proved its ability in producing reliable chemical to be used in deepwater upstream projects.

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. Subsequently, the project has received Earthwork Plan Approval from MPSPK on 12 June 2023. The project has achieved Financial Close in July 2023. The project has achieved significant progress where solar panel installation works and construction of interconnection facilities has started. In addition, we also secured several Net Energy Metering (“NEM”) contracts; both as EPCC and PPA holder.

On 27 July 2023 Malaysia launched its National Energy Transition Roadmap (NETR) with a strong focus on transforming the economy and creating potential business opportunities in the energy sector. Phase 1 of the NETR unveiled 10 flagship catalyst initiatives that aim to attract investments and generate job opportunities while reducing CO2 emissions for over 10 million tons annually. Overall, the NETR advances a range of investment opportunities across the renewable energy sector and related industries in Malaysia. On 7th August 2023, Consortium of Angelaxy Power Sdn. Bhd. And Uzma Environergy Sdn. Bhd has received letter of notification of Application Status for Corporate Green Power Program (“CGPP”) from ST. The letter indicated the submission has met application criteria and requires the consortium to proceed with the registration under the New Enhanced Dispatch Arrangement (NEDA) Programme. Under the CGPP, the Consortium shall develop, finance, construct, operate and maintain 12.16MW in Bahau, Negeri Sembilan. Phase 2 of the NETR will be launched in the second half of 2023. While gaining track on Business as usual investment model in LSS and NEM projects, we are also aligning ourselves to support the government aspiration toward Energy Transition and 2050 Net-zero target by exploring opportunities in other programmes such as CGPP and Third Party Access. At the moment, the government has yet to publish a framework for the Third Party Access. However, market research on the subject matter is actively done to ensure readiness to undertake the programme upon rollout by the government.



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18. COMMENTARY ON PROSPECTS (CONT'D)

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

	(Unaudited) Current Quarter Ended 3 months 30.09.2023 RM'000	(Unaudited) Corresponding Quarter Ended 3 months 30.09.2022 RM'000	(Unaudited) Current Year To Date 3 months 30.09.2023 RM'000	(Unaudited) Corresponding Year To Date 3 months 30.09.2022 RM'000
Current tax	(4,264)	(2,411)	(4,264)	(2,411)
Deferred tax	(2,035)	149	(2,035)	149
	<u>(6,299)</u>	<u>(2,262)</u>	<u>(6,299)</u>	<u>(2,262)</u>
Effective tax rate excluding share of profit of joint ventures and associate (%)	(31.1)	(17.5)	(31.1)	(17.5)

The tax rate for the period ending on 30 September 2023 exceeds the statutory rate of 24% mainly due to the loss making of certain subsidiaries. However, these losses have not been recognized as deferred tax assets.

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

	(Unaudited) Current Quarter Ended 3 Months 30.09.2023 RM'000	(Unaudited) Current Period To Date 3 Months 30.09.2023 RM'000
<u>Profit for the quarter/year is arrived at after crediting/(charging):</u>		
- Interest income	116	116
- Interest expenses	(5,147)	(5,147)
- Depreciation of property plant and equipment	(11,815)	(11,815)
- Net unrealised loss on foreign exchange	(2,359)	(2,359)

21. ADDITIONAL DISCLOSURE (CONT'D)

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

22. STATUS OF CORPORATE PROPOSAL
Private Placement

On 7 July 2023, the Company has completed the Private Placement exercise. The Company issued an additional of 35,200,000 shares (“Placement Shares”) or equivalent to 10% of the total number of issued shares at MYR0.610 each at a total of RM21,472,000. Following the issuance of the placement shares, the number of ordinary shares of the Company now stood at a total of 387,230,500 shares.

23. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at 30 September 2023					
	Short term		Long term		Total	
	Foreign	RM	Foreign	RM	Foreign	RM
	Currency	RM	Currency	RM	Currency	RM
	('000)	('000)	('000)	('000)	('000)	('000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	28,861	-	136,905	-	165,766
Medium term notes	-	50,000	-	50,000	-	100,000
Invoice financing	-	45,563	-	-	-	45,563
Revolving credits	-	18,602	-	21,283	-	39,885
Overdrafts	-	41,334	-	-	-	41,334
<u>Foreign Currency</u>						
Term loan (USD)	2,260	9,945	-	-	2,260	9,945
Total		<u>194,305</u>		<u>208,188</u>		<u>402,493</u>

	As at 30 June 2023					
	Short term		Long term		Total	
	Foreign	RM	Foreign	RM	Foreign	RM
	Currency	RM	Currency	RM	Currency	RM
	('000)	('000)	('000)	('000)	('000)	('000)
<u>Secured</u>						
<u>Domestic Currency (RM)</u>						
Term loans	-	33,571	-	64,751	-	98,322
Medium term notes	-	50,000	-	74,143	-	124,143
Invoice financing	-	46,579	-	-	-	46,579
Revolving credits	-	39,889	-	-	-	39,889
Overdrafts	-	43,130	-	-	-	43,130
<u>Foreign Currency</u>						
Term loan (USD)	2,386	10,497	-	-	2,386	10,497
Total		<u>223,666</u>		<u>138,894</u>		<u>362,560</u>



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24. DERIVATIVE FINANCIAL INSTRUMENTS

The Group does not have any derivative financial instruments for the quarter and period ended 30 September 2023.

25. MATERIAL LITIGATION

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

Appeals in the Court of Appeal between Uzma Engineering Sdn Bhd (UESB) and Khan Co. Ltd (Khan) and Kong Offshore Malaysia Sdn. Bhd. (Kong)

(a) UESB's application under Section 24A of Courts of Judicature Act 1964 and Khan's application under Order 37 of the Rules of Court 2012

On 25 August 2023, UESB filed 2 Notices of Appeal against the decision of the High Court in dismissing UESB's application filed pursuant to Section 24A of the Courts of Judicature Act 1964 for the whole cause or matter to be tried before an arbitrator and the High Court decision allowing Khan's application under Order 37 of the Rules of Court 2012 for assessment of damages. The hearing dates for these 2 appeals have yet to be fixed.

(b) UESB's motions for an Erinford Injunction and Stay pending Appeal against High Court's decision dated 22 May 2023

On 12 September 2023, the Court of Appeal granted UESB an Erinford Injunction and a stay of the High Court order pending UESB's Appeal against Khan.

On 24 October 2023, the Court of Appeal granted UESB a stay of the High Court order pending UESB's Appeal against Kong.

(c) UESB's appeals against the High Court Decision dated 22 May 2023 in allowing Khan and Kong's applications for a stay of all proceedings pending arbitration and dismissal of UESB's injunction application

The Court of Appeal has fixed 29 February 2024 for hearing of UESB's 3 appeals against the decisions of the High Court on 22 May 2023 allowing Khan and Kong's applications for stay of proceedings pending arbitration and the dismissal of UESB's injunction application.

Arbitration between Khan Co. Ltd (Khan) and Uzma Engineering Sdn Bhd (UESB)

Pursuant to the Court of Appeal's decision on 12 September 2023, UESB has written to Singapore International Arbitration Centre ("SIAC") to inform that the Court of Appeal has allowed UESB's motion for an Erinford Injunction and stay of the High Court Decision dated 22 May 2023 pending the appeal on 29 February 2024 and the arbitration proceedings in SIAC is to be stayed until the disposal of UESB's appeal against the decision of the High Court in allowing Khan's application for stay of the High Court proceedings pending arbitration and the dismissal of UESB's injunction application on 29 February 2024. No further action was taken by SIAC subsequent to UESB's letter.

Arbitration between Kong Offshore Malaysia Sdn. Bhd. (Kong) and Uzma Engineering Sdn Bhd (UESB)

Pursuant to the Court of Appeal's decision on 24 October 2023, UESB has written to Singapore International Arbitration Centre ("SIAC") and Asian International Arbitration Centre ("AIAC") to inform that the Court of Appeal has allowed UESB's motion to stay the High Court Decision dated 22 May 2023 pending the appeal on 29 February 2024 and all the arbitration proceedings are to be stayed until the disposal of UESB's appeal against the decision of the High Court in allowing Kong's application for stay of proceedings pending arbitration on 29 February 2024. No further action was taken by SIAC and AIAC subsequent to UESB's letters.



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25. MATERIAL LITIGATION (CONT'D)

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

Asian International Arbitration Centre (“AIAC”) has appointed an arbitrator on 2 October 2023 for this arbitration. Parties are currently waiting for directions from the AIAC to move forward with the arbitration.

26. EARNINGS PER SHARE (“EPS”)

	(Unaudited) Current Quarter Ended 3 Months 30.09.2023	(Unaudited) Corresponding Quarter Ended 3 Months 30.09.2022	(Unaudited) Current Year To Date 3 Months 30.09.2023	(Unaudited) Corresponding Year To Date 3 Months 30.09.2022
Net profit attributable to owners of the Company (RM'000)	11,939	8,828	11,939	8,828
Weighted average number of ordinary shares in issue ('000)	387,231	352,031	387,231	352,031
Basic EPS (sen)	<u>3.08</u>	<u>2.51</u>	<u>3.08</u>	<u>2.51</u>

(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 30 September 2023.

(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 30 September 2023.

BY ORDER OF THE BOARD

Dato' Kamarul Redzuan Bin Muhamed
Group Chief Executive Officer