



UZMA BERHAD

[Company No. 200701011861(769866-V)]
(Incorporated in Malaysia)

**SUMMARY OF KEY MATTERS DISCUSSED AT THE
12th ANNUAL GENERAL MEETING**

VENUE: DAMANSARA PERFORMING ARTS CENTRE (DPAC) HALL
LEVEL G, EMPIRE DAMANSARA
JALAN PJU 8/8A, DAMANSARA PERDANA
47820 PETALING JAYA
SELANGOR DARUL EHSAN

DATE: MONDAY, 16 DECEMBER 2019

TIME: 10.00 A.M.

QUESTION AND ANSWER SESSION

1. (i) Clarification on the status of Pulai-A Project and the involvement of MMSVS Group Holdings Co., Ltd in the project.
- (ii) Competitors of Uzma Berhad (“**the Company**” or “**Uzma**”) in respect of geoscience and reservoir engineering services.
- (iii) Explanation on Enterprise Resource Planning (“**ERP**”) modernization.
- (iv) The impact of United States Dollar (“**USD**”) on Uzma Group.

Uzma Berhad’s response:-

- (i) *Pulai-A platform is one of the old fields of PETRONAS Carigali Sdn. Bhd. (“PCSB”) which had met its life span and shall be decommissioned. Uzma secured Pulai-A Project from PCSB for the decommissioning (Plug and Abandonment) of 22 wells. At present, the Company has decommissioned 15 wells out of 22 wells. MMSVS Group Holdings Co., Ltd, a wholly owned subsidiary of the Company incorporated in Thailand has been supplying the key equipment for Pulai-A Project.*
- (ii) *Geoscience and reservoir engineering services comprised of subsurface services and laboratory services. The main competitors of Uzma for subsurface services are the existing customers which have ability to perform the same by themselves, whereas the competitors of Uzma for laboratory services are uncertain and constantly changing in the market.*

Uzma Berhad (Registration No. 200701011861 (769866-V))

- Summary of the key matters discussed at the Twelfth Annual General Meeting of the Company held on 16 December 2019

- (iii) *The Company has recently migrated from SAP ERP to Sage ERP to ensure that the end to end processes are fully integrated and to minimise operational inefficiency. The Company would apply for a Government special grant for enhancing the operational efficiency as announced by the Government of said grant.*
 - (iv) *The Company has reduced the loans and borrowings of Uzma Group in USD to minimise the impact. In addition, Risk Committee would assess the currency risk before venturing into a new foreign market.*
- 2.
- (i) Clarification on the riskiness of having a major customer in services segment which contributed a revenue of RM255,357,000 representing 57% of the Group's revenue.
 - (ii) The strategy for achieving one of the top five Oil and Gas Services and Equipment company in Malaysia.
 - (iii) The total cost incurred for the acquisition of equity interest in Setegap Ventures Petroleum Sdn. Bhd. ("SVP") from 49% to 64% and the nature of business of SVP.
 - (iv) Optimal gearing ratio for the Group.
 - (v) The relationship between Uzma Group and Dayang Enterprise Holdings Berhad.
 - (vi) Status and impact of the litigation against South Korea's Khan Co Ltd and Kong Offshore Malaysia Sdn. Bhd. ("**Litigation**").

Uzma Berhad's response:-

- (i) *Uzma Group is serving more than 50 clients worldwide. PCSB is the major customer which contributed 57% of Group's revenue and is a subsidiary of Petronas Nasional Berhad ("**PETRONAS**"). As a Malaysian company there is a tendency of relying to NOC. As part of Uzma's 5 Year Plan (5YP), we endeavour to diversify our income portfolio including the client list.*
- (ii) *In order to become one of top five (5) of oil and gas services and equipment company in Malaysia, the Company plans to grow its existing core business regionally by leveraging its existing footprint in Thailand, Indonesia, the Philippines and Brunei. Additionally, the Company is developing capabilities and establishing partners to venture into the Late Life Asset (LLA) and Decommissioning businesses to cater for the maturing fields in Malaysia. As part of diversifying its reliance to Upstream Oil and Gas, the company is venturing into new energy business which encompass renewable and clean energy.*
- (iii) *SVP is engaged in business of providing services relating to coil tubing units, cementing, and pumping which are complementary to the business of Uzma*

Uzma Berhad (Registration No. 200701011861 (769866-V))

- Summary of the key matters discussed at the Twelfth Annual General Meeting of the Company held on 16 December 2019

Group. The Company has foreseen the acquisition of SVP is in the best interest the Company and Group based on the significant growth of SVP since years 2012 to 2019. It has grown from c. RM35m revenue end of 2011 to c. RM125m revenue for the year up to acquisition date 31 January 2019.

- (iv) *The optimal gearing ratio for Uzma Group is 1. The gearing ratio of Uzma Group will be further decreased in the forthcoming financial period..*
 - (v) *Uzma Group does not have any relationship with Dayang Enterprise Holdings Berhad.*
 - (vi) *The Litigation does not affect the financial results for the financial year 2019. The Board would not disclose anything relating to the Litigation as the Litigation is ongoing.*
- 3.
- (i) Clarification on the increase in trade and other receivables of the Group from RM199,420,000 to RM365,953,000.
 - (ii) Clarification on disposal and purchase of property, plant and equipment (“PPE”).
 - (iii) The impact of Malaysian Financial Reporting Standards (“MFRS”) 16 to Uzma.
 - (iv) The reason for the change of Group Chief Financial Officer.
 - (v) The budgeted capital expenditure for the acquisition of equipment, asset and companies.
 - (vi) Whether the Company will declare dividend for the financial year 2020.
 - (vii) The strength of Uzma for bidding the Large Scale Solar 3 (“LSS3”) Project.

Uzma Berhad’s response:-

- (i) *The trade and other receivables include the receivables from new subsidiary SVP consolidated to Group, advances to sub-contractors for new projects and amount owing by PETRONAS in relation to Tanjong Baram Small Field Risk Service Contract. (Not sure about this. Please listen back to meeting recording to be certain)*
- (ii) *The purchase and disposal of PPE was arising from the transfer of assets from Uzma (Labuan) Ltd. to the Company. The purpose for the transfer of assets is to avoid unrealize FOREX loss/gain in the Company consolidated account reporting.*
- (iii) *There was no impact of the MFRS 16 to the Group at the current time.*

Uzma Berhad (Registration No. 200701011861 (769866-V))

- *Summary of the key matters discussed at the Twelfth Annual General Meeting of the Company held on 16 December 2019*

- (iv) *Mr Bong has resigned as Chief Financial Officer of the Company to pursue his other personal commitment.*
- (v) *The Company has budgeted a capital expenditure of RM16 million which is to be utilised for the upcoming project, if any.*
- (vi) *The declaration of dividend would depend on the financial performance and solvency of the Company. The Board would discuss and formalise a Dividend Policy for the Company.*
- (vii) *The Board had taken all necessary measures to secure LSS3 Project but the decision is at the discretion of the Malaysian Energy Commission. Concurrently, Uzma Group also participate in other solar energy projects with a capacity ranging from 500 kilowatts to 5 megawatts under NEM scheme.*