INFINITE GROWTH

ANNUAL REPORT | 2014

UZMA

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ANNUAL REPORT 2014

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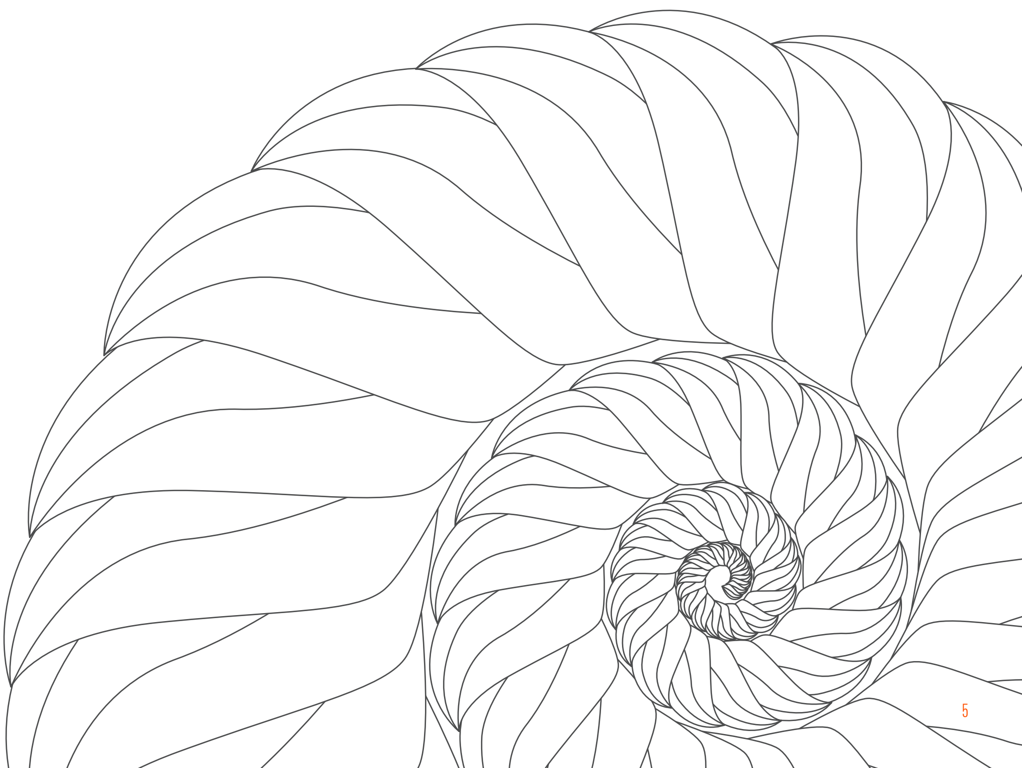


CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Seri Syed Ali
bin Tan Sri Syed Abbas Alhabshee
(Independent Non-Executive Chairman)

Dato' Kamarul Redzuan
bin Muhamed
(Managing Director / Chief Executive Officer)

Datin Rozita
binti Mat Shah @ Hassan
(Executive Director / SVP Corporate Services)

Peter Angus Knowles
(Executive Director / SVP International Business)

Dato' Che Nazahatuhisamudin
bin Che Haron
(Executive Director / SVP Business Development)

Dato' Dr. (H) Ab Wahab
bin Haji Ibrahim
(Independent Non-Executive Director)

Yahya
bin Razali
(Independent Non-Executive Director)

Dato' Hajjah Zurainah
Binti Musa
(Independent Non-Executive Director)

AUDIT COMMITTEE

Dato' Dr. (H) Ab Wahab
bin Haji Ibrahim - Chairman
(Independent Non-Executive Director)

Datuk Seri Syed Ali
bin Tan Sri Syed Abbas Alhabshee - Member
(Independent Non-Executive Chairman)

Yahya
bin Razali – Member
(Independent Non-Executive Director)

NOMINATING COMMITTEE

Datuk Seri Syed Ali
bin Tan Sri Syed Abbas Alhabshee - Chairman
(Independent Non-Executive Chairman)

Dato' Dr. (H) Ab Wahab
bin Haji Ibrahim -Member
(Independent Non-Executive Director)

Yahya
bin Razali – Member
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Datuk Seri Syed Ali
bin Tan Sri Syed Abbas Alhabshee - Chairman
(Independent Non-Executive Chairman)

Dato' Dr. (H) Ab Wahab
bin Haji Ibrahim -Member
(Independent Non-Executive Director)

Dato' Kamarul Redzuan
bin Muhamed - Member
(Managing Director / Chief Executive Officer)

SECRETARIES

Kang Shew Meng
(MAICSA 0778565)

Seow Fei San
(MAICSA 7009732)

REGISTERED OFFICE

802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7803 1126
Fax: 03-7806 1387

STOCK EXCHANGE LISTING

Main Market: Bursa Malaysia Securities Berhad
Listed Since: 29 July 2008
Stock Name: UZMA
Stock Code: 7250

AUDITORS

Crowe Horwath (AF1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur.
Tel: 03- 2788 9999
Fax: 03- 2788 9998

CORPORATE OFFICE

Uzma Tower
No 2, Jalan PJU 8/8A
Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7611 4000
Fax: 03-7611 4100
Email: malaysia@uzmagroup.com
Website: www.uzmagroup.com

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
(378993-D)
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel: 03-7841 8000
Fax: 03-7841 8151

PRINCIPAL BANKERS

HSBC Amanah Malaysia Berhad
(807705-X)
No. 2 Leboh Ampang
50100 Kuala Lumpur
Tel: 03-2070 0744
Fax: 03-2070 1146

OCBC Al-Amin Bank Berhad (818444-T)
No 60 Vista Magna Jalan Prima Metro Prima
Kepong 52100 Kuala Lumpur
Tel: 03 6252 2228
Fax: 03 6258 0888

RHB Islamic Bank Berhad (680329-V)
RHB Centre No 426
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9281 3030
Fax: 03-9287 4173

Citibank Berhad (297989-M)
Menara Citibank No 165 Jalan Ampang
50450 Kuala Lumpur
Tel: 03 2383 0000
Fax: 03 2383 6666

Standard Chartered Bank Malaysia Berhad
(115793-P)
Menara Standard Chartered
No 30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: +60 3 2117 7777
Fax: +60 3 2711 6006

AmBank (M) Berhad (8515-D)
Level 18 Menara Dion
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2026 3939
Fax: 03-2026 6855

RHB Bank Berhad (6171-M)
RHB Centre No 426
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9281 3030
Fax: 03-9287 4173

Alliance Bank Malaysia Berhad
(88103-W)
Ground & 1st Floor
No. 2, Jalan Murni 25/ 61
Taman Sri Muda, Seksyen 25
40400 Shah Alam, Selangor
Tel: 03-5121 9336
Fax: 03-5121 9373

NOTICE OF THE EIGHTH (8TH) ANNUAL GENERAL MEETING

UZMA BERHAD
(769866-V)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the Eighth (8th) Annual General Meeting of the Company will be held at **Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6 40100 Shah Alam, Selangor Darul Ehsan on Wednesday , 24 June 2015 at 9.00 a.m.** to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of Directors and Auditors thereon. **Ordinary Resolution 1**

2. To approve the increase in directors' fees. **Ordinary Resolution 2**

3. To re-elect the following Directors who retire in accordance with the Company's Articles of Association:-
   (i) Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee (Article 77) **Ordinary Resolution 3**
   (ii) Peter Angus Knowles (Article 77) **Ordinary Resolution 4**
   (iii) Dato' Hajjah Zurainah Binti Musa (Article 83) **Ordinary Resolution 5**

4. To appoint Messrs Crowe Horwath as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

5. As Special Business to consider and if thought fit, to pass the following Resolution, with or without modifications: -

   ### ORDINARY RESOLUTION – AUTHORITY TO ISSUE SHARES

   "THAT subject always to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being." **Ordinary Resolution 7**

6. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
Secretaries

Petaling Jaya
29 May 2015

NOTES

1. Only depositors whose names appear in the Record of Depositors as at 17 June 2015 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.

8. Explanatory notes on special business:

Resolution 7 - Authority to Issue Shares

The Proposed Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, 5,350,000 ordinary Shares of RM0.50 each ("Shares") in the Company were issued pursuant to the authority granted to the Directors at the Seventh Annual General Meeting held on 10 June 2014 and which will lapse at the conclusion of the Eighth Annual General Meeting. The said Shares were issued as part payment for the share consideration of RM11,500,000 in relation to the acquisition of 18.98% of the issued and paid up share capital of Setegap Ventures Petroleum Sdn. Bhd. for a total purchase consideration of RM28,500,000.

UZMA IN A SNAPSHOT

As at 31 Dec 2014.

ESTABLISHED IN
2000

EMPLOYEES
183 UESB : 570 UB

CONSULTANT
500

COUNTRIES
36

INTERNATIONAL CLIENTS
52

PERFORMANCE AT A GLANCE

REVENUE

17% INCREASE

FROM RM406 MILLION TO RM473 MILLION

PROFIT AFTER TAX

16% INCREASE

FROM RM34.9 MILLION TO RM40.4MILLION

EARNINGS PER SHARE

24% DECREASE

FROM RM0.25 TO RM0.19

CORPORATE STRUCTURE

AS AT 30 APRIL 2015

UZMA BERHAD

- UZMA CONSULTING LIMITED 49.45%
- UZMA ENGINEERING SDN BHD 100%
  - UZMA TRACER SDN BHD 70%
  - PT UZMA 95%
  - UZMA INTEGRATED SOLUTION SDN BHD 60%
  - SVJ HOLDING LIMITED 100%
  - UZMA WELL SERVICES (THAILAND) LIMITED 49%
    - MMSVS GROUP HOLDING CO., LTD 100%
- UZMA TERAS SDN BHD 100%
  - SAZMA AVIATION SDN BHD 40%
- UZMA ENGINEERING PTY LTD 100%
- TENGGARA ANALISIS SDN BHD 100%
  - SETEGAP VENTURES PETROLEUM SDN BHD 49%
- UZMA ENERGY VENTURE (SARAWAK) SDN BHD 100%
- MALAYSIAN ENERGY CHEMICAL & SERVICES SDN BHD 70%
- PREMIER ENTERPRISE CORPORATION (M) SDN BHD 100%

OUR CORE VALUES

HEALTH & SAFETY

Uzma believes in providing a healthy, secured and safe working environment in all of our operations and activities regardless of where we are on the globe. Our stakeholders and all their loved ones shall have peace of mind knowing that they are in good hands, all the time.

PEOPLE

Uzma aspires to be the employer of choice to our people and to be a catalyst for a balanced passion towards work and life. We recognize the diversity of our people and we respect our differences. We develop personal and professional competency of our people through systematic human development process. We nurture leadership and teamwork through purpose-unifying programs and activities.

INTEGRITY

Uzma adopts the highest standards of personal and professional integrity in executing its business activities within the organization and external to the organization. We are committed to ethical business practices and good corporate governance in order to be an exemplary corporate citizen.

QUALITY

Uzma embraces the concept of pro-activity in planning, executing and continually improving our deliverables to all our stakeholders to exceed their every expectations. We ensure that our people are effective and efficient in executing their responsibilities. We strive to achieve excellence and be second to none in all we do.

ENVIRONMENT

Uzma believes in co-existing with and preserving the environment. Our stakeholders can rest assured that we shall do our very best to make sure that we leave minimal footprints in every activities we do on this precious planet.

> 2014 also saw Uzma shifting its focus on inorganic growth by a series of strategic acquisitions.

Datuk Seri Syed Ali Bin Tan Sri
Syed Abbas Alhabshee

CHAIRMAN'S STATEMENT

DATUK SERI SYED ALI
Independent Non-Executive Chairman,
Uzma Berhad.

Fresh from the 2008 economic crisis, I remember feeling excited when in 2010 Uzma was making a comeback into the black with a revenue of RM116mil. Last year we made RM473.4mil.

> "WE HAVE GROWN MORE THAN FOUR TIMES IN JUST FOUR YEARS!"

But then you would say, why go back four years when you should compare our performance to the previous year? The numbers still look impressive, with 17% growth compared to 2013's revenue of RM406mil.

There is very little surprise to this good performance, really, if you look at the way Uzma has been steered by its leadership team. With a team of considerably young, visionary and hardworking key leaders within the organization, smart strategies and accurate execution have always been Uzma's strength. Time and time again I see that the organization has proven its efficient adaptation to clients changing needs, effective agility to the industry's appetite and continual improvement in running its day to day operations. How many local service contractors you know are willing to invest in quality? How many are willing to put quality at the same level of Health & Safety? Here is where the Uzma leadership shines – when they put priorities to their appropriate place, and walk the talk.

The spiralling down of the oil price in late 2014 gave shockwave to the whole oil and gas industry. A host of oil and gas giants took the drastic steps to cut down on costs and headcounts, announcing aggressive shrinkage in spending. Believing in its strength, Uzma took the opposite direction of investing more on quality improvement, focusing on its internal processes, with priorities given to areas where the organization could improve its efficiency, increase its productivity and reduce wastes and eliminate non-value-added processes. I took my hat off to Uzma for being positive during this trying time, taking the opportunity to reflect on its capabilities, strength and weaknesses, and from there, formulate strategies to aggressively improve itself when most of the other companies busy worrying about the uncertainty and chopping off headcounts.

2014 also saw Uzma shifting its focus on inorganic growth by a series of strategic acquisitions. These acquisitions of local and international businesses gave complementing value-added capabilities to Uzma, further expanding its core competencies to reach out to more business areas and more customer bases. Expansion and growth need to come with reciprocal building and strengthening of the organization and its resources, and the key resources to Uzma has always been its people. I am delighted that Uzma's management didn't overlook this fact in 2014, with a few continual process improvement focused on better people management, like the improvement in its Performance Management System, initiation of a talent pool program and many more internal programs targeted to build its people and to align the mind-set of all its staffs towards achieving the common goal of the organization.

I want to take this opportunity to congratulate Uzma and its staffs on their move to the Uzma Tower in the third quarter of 2014. Moving from a 5 storey shop house in Fraser Business Park into a spanking new 12-storey tower in the heart of Damansara Perdana showed how strong the company has been, and gives a little hint on where it's heading in years to come. For a growing company like Uzma, this move has become necessary, for the old dwellings could no longer cater for its growing headcounts. I hope Uzma's staffs can enjoy better working environment and more upmarket lifestyle in its Empire Damansara neighbourhood. Better productivity and creativity should entail, I hope.

With the oil price now at less than half its price during its heyday in the middle of 2014, the outlook for 2015 is very uncertain. I was made aware about clients from all over soliciting for cost reductions on all projects, and this could pose a new challenge moving into 2015. Not to mention the significantly reduced spending across all industry players, which translate into less projects and eroded margins for the service sector. There is no telling what the industry has in store for us. This might be here to stay for a long time and could become a new norm for the industry. However, looking at the efficiency and effectiveness of the leadership team in Uzma, I have very little worry about the future of this fine organization. I have already seen aggressive cost optimization projects undertaken across the organization as I am writing this statement, so I am certain that Uzma will do just fine to face the challenges of 2015.

> "THANK YOU FOR YOUR CONTINUING SUPPORT."

CEO'S REVIEW ON OPERATION

DATO' KAMARUL REDZUAN BIN MUHAMED
Managing Director / Chief Executive Officer,
Uzma Berhad.

Dear Fellow Shareholders:

We achieved strong financial performance for 2014, driven by strong execution from both our operations and our subsidiaries' operations. Profitability and cash flow generation were healthy on a 17% revenue growth year-over-year from RM406mil in 2013 to RM473.4mil in 2014. Our Gross Profit grew 32% to RM110.7mil, giving Profit after Tax (PAT) of RM40.4mil, a 16% increase from the year before.

2014 was a very significant year for Uzma, as it witnessed our first step into a new frontier – Small Field Risk Sharing Contract (SFRSC). Partnering with the largest UK independent oil producer, EnQuest, through its locally-owned entity EQ Petroleum Developments Malaysia Sdn. Bhd., we are now on track to get the first oil by the 2nd quarter of 2015. The SFRSC is a 9-year contract to develop and operate the Tanjong Baram Field located close to shore in Lutong, Sarawak. With this Joint Venture, Uzma is now putting its foot into being a fully integrated oil and gas company effectively utilizing our existing competencies.

2014 also saw the initiation to consolidate our core competencies into three distinct business groups: Geoscience and Petroleum Engineering Services (GPE), Drilling and Well Services (DWS) and Production Optimization and Operations Services (POOS). This consolidation is vital to ensure focus is given by the appropriate leadership teams and to ensure they remain lean and focused on the common traits of their competencies.

FIND: GEOSCIENCE AND PETROLEUM ENGINEERING SERVICES (GPE)

Being the backbone of Uzma, GPE now consists of a Study Centre, capable of running studies on Block/Basin Evaluation, integrated Full Field Review (FFR) and integrated Field Development Plan (FDP). Other key capabilities are Reservoir Characterization and Modelling, Enhanced Oil Recovery (EOR), Seismic Processing 2D/3D and Seismic Acquisition Streamer and OBC/OB.

A new addition to GPE is the Reservoir Tracer Services and Integrated Software Solutions which started their active operations in early 2014. uzmaTRACER provides integrated subsurface tracer services for reservoir characterization, completion evaluation and production optimization. Integrated Solutions (uzmaIS) provides boutique software assessment, design and development. Its core competencies spans High Performance Computing (HPC), Integrated Information Management and Management of Change. Even though the revenue contribution from these two new operations within GPE were minimal in 2014, we expect a healthy growth in 2015 despite the current oil crisis.

CONNECT: DRILLING AND WELL SERVICES (DWS)

A void which we aspired to fill since the company grew significantly bigger early in the new millennium, we saw DWS asserting its importance in 2014. With services spanning Drilling Project Management & Consultancy (DPM), Rigless Marine System (RMS), Advanced Management System (AMS), wireline, slickline, pumping / cementing and CTU, more and more exciting projects have been executed by our DWS group. I am pleased to announce that DWS has contributed quite handsomely in 2014.

Adding to the excitement within DWS was our acquisition of MMSVS in May 2014. Now we can boast to have one of the largest fleet of Hydraulic Workover Units (HWU) in South East Asia. With MMSVS on board, our DWS now claims instant capability in repairing and maintenance of existing wells. With HWUs currently hired in Thailand, Bangladesh and Brunei, MMSVS has contributed a healthy revenue for the group in 2014. We are expanding our services by investing more money upgrading the current HWUs as well as purchasing new HWUs to tap into the SEA market in 2015.

PRODUCE: PRODUCTION OPTIMIZATION AND OPERATIONS SERVICES (POOS)

Our Low Pressure System (LPS) well-known as the uzmAPRES continued to lead the revenue for POOS, with a total of 11 units installed, and 8 units in active operations across the Malaysian fields in 2014. Designed to solve the idle well problems, uzmAPRES continued to attract clients' attention as historical data suggested that it has helped to significantly increase oil production without well intervention.

Other than the LPS, POOS has been very active in water injection, chemical solutions and well test operations, which have seen a healthy growth in market share throughout 2014. Its oilfield chemical solutions under MECAS has emerged to be the best performing business unit in Uzma. MECAS provides on-site, technology-driven chemical and service solutions to the global petroleum and natural gas industry. With its own in-house manufacturing capability located in Kemaman Supply Base (KSB), our chemical solutions continued to satisfy the clients with innovative and cost competitive services.

FIND, CONNECT, PRODUCE

Spanning all three phases of the industry, our business in manpower consultancy remains a significant part of our revenue base. We are proud to be the leading manpower consultancy company for this region, with just under 600 active consultants worldwide.

Expanding into Engineering Procurement, Uzma acquired Premier Enterprise Corporation (PEC) in June 2014. Immediately after merging into the Uzma family, we strategically transferred PEC's Specialty Chemical business to MECAS, appropriately getting PEC to focus on trading of mechanical & rotating equipment, industrial lubricants, electrical and laboratory instruments. PEC also has the capability of Front-End Engineering Design and fabrication of Zone II rated equipment.

> If I were given only one sentence to describe 2014, I'd put it in a few simple words: strategic acquisition to spur inorganic growth.

Dato' Kamarul Redzuan bin Muhamed

TRIALS AND TRIUMPHS OF 2014

To fund our expansion in 2014, we raised as much as RM99mil via rights issuance of around 132million units of Uzma shares. The renounceable rights issue priced attractively at 76.7% discount, or at RM0.75 each, also aimed at giving opportunity to the current shareholders to increase their equity participation in the company. The fund was channelled mostly to finance our Tanjong Baram SFRSC, production services expansion and new technology pursuit.

I am delighted that we moved to our new headquarter, the 12-storey stand-alone building in Empire Damansara dubbed the Uzma Tower, exactly as planned in November 2014. The move was unavoidable, since our old HQ at the Uzma House couldn't provide enough space for our growing family. This definitely added to our operations cost, as the maintenance of such a tower is significantly higher than our previous HQ at Fraser Business Park. Operating from our new home with all our subsidiaries under one roof sharing a common infrastructure and back-office support services will make Uzma more efficient and agile to face the difficult and uncertain 2015.

Growing both in business and resources in 2014, we found ourselves facing an increased spending – both on capital expenditure and operations costs. We grew our staffs to more than 220 strong in 2014. Providing our staffs with comfortable and efficient working environment, we invested millions on up-to-date IT infrastructure, communication gadgets and multi-media equipment. This rise in costs needs to be reciprocated by an aggressive cost optimization effort in order to keep Uzma competitive, especially towards the end of 2014 when the oil price took the dive. Stakeholders could rest assured that our leadership have rolled-out cost optimization projects since the 4th quarter of 2014, and I am confident that Uzma will persevere this downturn better than we did in 2008.

Close to our hearts, I am happy to announce that, by the end of 2014,
With a healthy organization-wide participation in pro-active Health, Safety & Environment (HSE) programs, I can confidently tell our stakeholders and their loved ones that they are in good, safe hands at Uzma. We are on a very good pace to celebrate our 3million man hours with 0 LTI in 2015.

If I were given only one sentence to describe 2014, I'd put it in a few simple words: strategic acquisition to spur inorganic growth. Looking ahead into 2015, it will mark Uzma's 15th year anniversary, and we shall celebrate this in the current oil price turmoil and industry uncertainty. Strategies have been aligned to face the difficult times ahead. I am confident about Uzma's agility and perseverance and I will see you next year stronger than ever.

> I THANK YOU FOR YOUR SUPPORT.

BOARD OF DIRECTORS

From left to right Peter Angus Knowles, Dato' Che Nazahatuhisamudin Bin Che Haron, Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim, Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee, Dato' Kamarul Redzuan Bin Muhamed, Datin Rozita Binti Mat Shah @ Hassan and Yahya Bin Razali,

Note : Dato' Hajjah Zurainah Binti Musa is not in the picture as she was only appointed on the 13th May 2015."

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

1. There is no family relationship among the directors and substantial shareholders of the Company except for Dato' Kamarul Redzuan bin Muhamed and Datin Rozita binti Mat Shah @ Hassan who relationship is husband and wife.

2. None of the directors have any conviction for offences, other than traffic offences, within the past 10 years.

3. With the exception of Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee, Dato' Dr. (H) Ab Wahab bin Haji Ibrahim, Encik Yahya Bin Razali and Dato' Hajjah Zurainah Binti Musa,none of the directors hold any directorship in other public companies.

4. The Director's holdings in shares of the Company are disclosed in the Analysis of Shareholding section of the Annual Report.

DIRECTORS' PROFILES

DATUK SERI SYED ALI BIN TAN SRI SYED ABBAS ALHABSHEE | Malaysian | Aged 53 | Independent Non-Executive Chairman

"Datuk Seri Syed Ali was a member of Dewan Negara (Senate) of Malaysia from 2003 to 2009.

He was appointed to the Board on 21 May 2008 and currently is the Chairman of Remuneration Committee and Nominating Committee and a member of Audit Committee of Uzma Berhad.

Datuk Seri Syed Ali was awarded a Professional Diploma in Leadership and Management by the New Zealand Institute of Management in 2003. He ventured into corporate world in the early 1980s and held directorships in several private and public corporations involved in a diverse range of businesses. He holds a directorship in Asia Media Group Berhad, Bright Packaging Industry Berhad and Redtone International Berhad.

Datuk Seri Syed Ali was a member of Dewan Negara (Senate) of Malaysia from 2003 to 2009. Rendering service to society, he is also the Chairman of Yayasan Pendidikan Cheras and Executive Director Yayasan Wilayah Persekutuan.

DATO' KAMARUL REDZUAN BIN MUHAMED | Malaysian | Aged 42 | Managing Director / Chief Executive Officer

He was appointed to the Board on 21 May 2008 and a member of the Remuneration Committee of Uzma Berhad.

A high achiever since his school days, Dato' Kamarul is the product of the country's American Top Universities (ATU)' programme. He attended Colorado School of Mines, a world-renowned producer of high quality talents in the petroleum industry. He graduated in 1995 with a Bachelor's Degree in Petroleum Engineering.

Dato' Kamarul is a hands-on CEO, having worked as a reservoir engineer on an integrated reservoir engineering study in the USA before returning to Malaysia. He began his local career as a Facilities Engineer in Esso Production Malaysia Inc. ("EPMI") where he worked on a number of offshore projects. Gaining a good grounding in offshore engineering, he started to develop a network of exploration and production contacts in Malaysia. To further expand his horizon, he joined Sedco Forex, a leading International Drilling Contractor. Shifting to test his entrepreneurship skills, he later joined Smedvig Technologies Sdn Bhd, as a Technical Representative. Turned out to be a natural entrepreneur, he helped to spur exciting growth in the organization, which landed him a fast-tracked promotion to become the Business Development Manager for the Asian Division. During his tenure, he built and maintained a good relationship with PETRONAS and other PSCs securing multi-million dollar contracts for Smedvig Technologies Sdn. Bhd. across the region.

When Smedvig Technologies Sdn. Bhd. was acquired by Roxar Sdn. Bhd. ("Roxar") in 1999, he was instrumental in setting up its KL operations and later putting it on a launch pad to become the regional office and hub for Roxar's activities in Asia Pacific. Realising that his dreams could only be materialised by answering to the most demanding boss that is himself, he left Roxar to set up Uzma in May 2000.

Despite being a competent and a hands-on engineer, it is his business development skills and entrepreneurship nature that contribute most to the growth of Uzma. He has established and developed a vast network in many Malaysian Oil and Gas companies, earning the respect of senior management in many Malaysian-based Oil and Gas companies. Today, Dato' Kamarul still plays an active and vital role in strategizing, governing and ensuring effective execution of his key management team to put Uzma into greater heights. He is an active member of SPE and Research advisory Council for University Technology PETRONAS (UTP).

PETER ANGUS KNOWLES | British | Aged 53 | Executive Director / SVP International Business

> He brings with him a total of 26 years hands-on international oilfield experience which earns him technical credibility and respect amongst customers throughout South East Asia and Australasia.

He was appointed to the Board on 21 May 2008.

A British fondly known via his middle name within the industry, Angus graduated from RGIT University in Aberdeen, Scotland which is renowned as a higher learning institution for offshore engineering. After graduation in 1978 he worked for an offshore engineering company before joining Southeastern Drilling Company ("Sedco"), a leading International Drilling Contractor in 1981, as a graduate trainee. He worked on a number of international assignments in Korea, USA, Norway and the Middle East attaining the level of District Manager before Sedco was acquired by Schlumberger in 1984. He subsequently worked in a number of senior engineer roles.

In 1989 he joined Prodrill Ltd, an Aberdeen-based drilling consultancy, and was seconded as Senior Drilling Engineer to Petroleum Development Oman and to Shell and Conoco Phillips and the United Kingdom for a total of 4 years before being posted to Malaysia as Engineering Manager in 1992. He was subsequently promoted to Regional Manager. In 1996 Prodrill was acquired by Smedvig Inc, a leading Norwegian drilling company listed on the New York Stock Exchange. He was appointed Asian General Manager for their Smedvig Technologies division and led a period of major expansion.

He brings with him a total of 26 years hands-on international oilfield experience which earns him technical credibility and respect amongst customers throughout South East Asia and Australasia. He also has a proven track record in business development and project management providing a balance of technical understanding, entrepreneurial spirit, and commercial prudence. The continuing demand from oil companies for his performance improvement and risk management consultancy helps him to maintain his extensive client network and provides access to senior executives throughout the industry. Very much active running Uzma Australia and Uzma Thailand, Angus carries on with his passion in providing Drilling Management System consultancy to a vast array of his loyal clients worldwide.

DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM | Malaysian | Aged 63 | Independent Non-Executive Director

> He is a Chartered Accountant and also a member of the Malaysian Institute of Accountants (MIA).

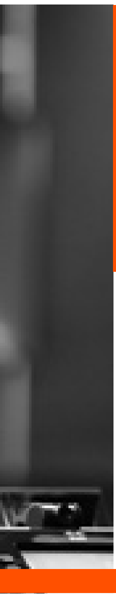
DATIN ROZITA BINTI MAT SHAH @ HASSAN | Malaysian | Aged 45 | Executive Director / SVP Corporate Services

"Her initial role in Uzma Malaysia was to build the core consultancy business where she had successfully grown the business during her tenure.

She was appointed to the Board on 21 May 2008.

Datin Rozita graduated with a Bachelor of Science in Chemical Engineering from Rensselaer Polytechnic Institute, New York in 1993. She worked for an American technology company before returning to Malaysia in 1994 where she joined EPMI as a Systems Engineer. She held various technical roles during her six years with EPMI during which she developed sound project management skills and became an accomplished Project Engineer. After a short stint as a Project Engineer with OGP Technical Services Sdn Bhd, a PETRONAS subsidiary, she joined forces with her husband, Dato' Kamarul to set up Uzma.

Her initial role in Uzma Malaysia was to build the core consultancy business where she had successfully grown the business during her tenure. Her abilities were ideal for the consultancy business as she has strong formal technical qualifications and training, coupled with a natural ability to develop and maintain personal relationships. These skills, together with good business acumen, people skills and strong management techniques have won her respect from the staff, customers and consultants. She became the Operations Director, managing the back office functions for the whole business as well as performance improvement. The back office functions include logistics, human resources and information technology, as well as corporate social responsibility. Until the appointment of Group Finance Manager, she also managed accounting and finance. Currently as SVP of Corporate Services, Datin Rozita has an additional and demanding role to play as she is also in charge of two (2) separate departments: the Human Resources and Corporate Relations & Administration.



He was appointed to our Board on 26 May 2011 and currently is the Chairman of Audit Committee and a member of Nominating Committee and Remuneration Committee of Uzma Berhad.

He is a Chartered Accountant and also a member of the Malaysian Institute of Accountants (MIA). He holds a Diploma and Advanced Diploma in Accounting from Universiti Teknologi MARA and his experience spans over 27 years in the area of finance and accounting. He began his career in the Corporate Finance Division at PETRONAS in 1978 and later assumed the role of Finance Manager for PETRONAS Gas Berhad (PGB), a subsidiary of PETRONAS. He was also appointed as Joint Company Secretary and was a member of the Management Committee for PGB.

Following the successful implementation of the listing of PETRONAS Gas Berhad, he was further reassigned as Head of the Finance and IT Division of OGP Technical Services Sdn. Bhd., another subsidiary of PETRONAS in 1996, a position he held until 2004. In 2007, he obtained his Master of Business Administration (Management Studies) from University of Rockhampton, USA and in the same year was honoured with the Honorary Doctorate in Public Service by Irish International University, Ireland. He is currently an Independent Non-Executive Director on the board of Alam Maritime Resources Berhad and Tanjung Offshore Berhad. He also serves as the Chairman of Alam Maritim Resources Berhad and Tanjung Offshore Berhad Audit Committee.

YAHYA BIN RAZALI | Malaysian | Aged 59 | Independent Non-Executive Director

"He worked with the Ministry of Culture, Youth and Sports of Malaysia from 1977 to 1979.

He was appointed to the Board on 19 February 2014 and currently is the member of Audit Committee and Nominating Committee of Uzma Berhad.

Encik Yahya obtained his Bachelor of Science (Finance) from Southern Illinois University and MBA from Berkeley, United States in 1982 and 1984 respectively. He worked with the Ministry of Culture, Youth and Sports of Malaysia from 1977 to 1979. In 1984, he joined the United State Leasing Corporation, San Francisco, United States as a Financial Analyst. In 1986, he worked as a Consultant with Alexander Proudfoot Productivity Consultant Pte Ltd in Singapore. He also held the position of Investment Manager and Executive Director for Selangor Foundation and Grand United Holdings Berhad respectively from 1988 to 1993. He was the Fund Manager cum Associate Director for Spectrum Asset Management Sdn Bhd, a licensed fund management company. He is also a Certified Financial Planner.

He is currently sits on the board of one (1) other public corporation, namely, NetX Holdings Berhad.

DATO' HAJJAH ZURAINAH BINTI MUSA | Malaysian | Aged 53 | Independent Non-Executive Director

"She has been an Executive Director of Berjaya Corporation Berhad since January 13, 2012

She was appointed to our Board on 13 May 2015.

Dato' Hajjah Zurainah obtained her Post Graduate Diploma in Human Resource Management from University of Newcastle, Diploma in Occupational Health and Safety from the University of New South Wales and Diploma in Secretarial Science from MARA Institute of Technology. She started working in 1983 and was working in senior capacities for several organizations, both locally and internationally. She has more than 15 years of experience in the field of Human Resource Management and Development as well as Human Relationship Management. Her experience includes inter-alia, the designing, developing, managing, organizing and conducting trainings of programs, seminars and courses as well as the provision of consulting services relating to the various aspects of human resource development and management for organizations in Malaysia, Australia, United States of America, Indonesia and The Middle East. She has been an Executive Director of Berjaya Corporation Berhad since January 13, 2012. She serves as an Executive Director of Berjaya Times Square Sdn. Bhd. She also holds directorships in various subsidiaries of Berjaya Assets Berhad.

She has been Non-Executive Director of Berjaya Food Berhad since March 7, 2014. She is a Director of Tioman Island Resort Berhad.

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON | Malaysian | Aged 42 | Executive Director / SVP Business Development

In 2007, he was entrusted to be Uzma's Sales and Operations Director, a role in which he can comfortably apply his excellent people and negotiating skills to its maximum.

He was appointed to our Board on 21 May 2008.

Upon graduation from Valparaiso University, Indiana, USA in 1996 with a Bachelor of Science in Electrical Engineering, Dato' Naza started his career as a Development Engineer with Pernec Sdn Bhd. Then, he joined Scopetel (M) Sdn Bhd as a Project Engineer gaining 4 years hands-on offshore engineering and project management experience where he also assisted in business development in this satellite communications company. In 1999, he joined AKK Management as its' General Manager where he helped build the company into a successful trading and water treatment company. During his tenure at AKK Management, he had concluded major contracts with various multinational companies and he had been instrumental in forming formal and exclusive relationships with major suppliers in the water treatment business.

In 2000, he joined Uzma Malaysia and was focused on opening up Uzma's Middle East office in the year 2003 and expanded the business in the Middle East before extending into North Africa. While in Qatar, he successfully built a relationship with major Oil and Gas and petrochemical companies and subsequently secured various long-term contracts with various companies in the region.

In 2007, he was entrusted to be Uzma's Sales and Operations Director, a role in which he can comfortably apply his excellent people and negotiating skills to its maximum. In addition to directing the Account Managers and managing the preparation of tenders and proposals, he spends a great deal of his time in engaging customers for business development and marketing. as the Executive Director and SVP Business Development of Uzma Berhad, Dato' Naza's mission is to fast-track Uzma to be one of the biggest service companies in Malaysia.

Dato' Naza currently sits on the board of directors and management team of Setegap Ventures Petroleum (SVP) Sdn Bhd as well as the board of directors at Malaysian Energy Chemical & Services (MECAS) Sdn Bhd and TransOcean Drilling Sdn Bhd.

KEY LEADERSHIP'S PROFILES

DRS. ROBERT EISE HUSLBOS
Senior General Manager – LAB

Year joined: 2007

Drs. Robert graduated from Free University, Amsterdam in 1982 where he obtained both his BSc and MSc Degrees in Geology. He has worked in the oil and gas industry for over 30 years serving across China, Libya, Indonesia, United Kingdom and Malaysia, where he gained extensive experience in laboratory services and regional basin studies. Drs. Robert is currently leading Uzma LAB with a vision of expanding the business to become one of the leading laboratory service centers in the region.

RIZAL BIN MOHD ARIFIN
Senior Vice President-Geoscience & Petroleum Engineering

Year joined: 2011

Rizal graduated from Marquette University, Milwaukee, Wisconsin in Business Administration. His excellent capabilities with more than 18 years of experience in Sales and Marketing have brought his previous company, ROXAR in securing big projects with PETRONAS including other national oil companies in South East Asia region and numerously awarded as Best Sales Manager of the Year by the company. His current role as Senior Vice President is instrumental in building Geosciences and Petroleum Engineering capabilities as the backbone to Uzma's offerings to the local and international oil and gas industry. Two years after he joined UZMA in 2011, he received a CEO award for his exceptional performance and excellent deliverables for magnifying the department's success and its business growth. Rizal is a member of Society of Petroleum Engineers.

MOHD ASRUL BIN ABDUL AZIZ
Senior General Manager-Integrated Solution

Year joined: 2013

Asrul is among the rare individuals who received First Class Honours from the prestigious Imperial College, University of London, United Kingdom for his Master's of Engineering degree in Software Engineering. He is a professional member of International Association of Software Architect and has been engineering software both locally and internationally. His software engineering career started with Disney UK, he then moved on to Mercedes AG and subsequently Amazon UK. In Asia, he started his career in the oil and gas industry with PETRONAS and heavily involved in Data Mining, High Performance Computing and Information Management for both local and regional clients.

He is now managing Uzma Integrated Solution, ensuring highest possible standard for each and every product/service from the company.

LIAU SENG TICK
General Manager-Tracer Solution

Year joined: 2014

Liau holds a Bachelor Degree in Petroleum Engineering from the University of Technology, Malaysia. He has more than 10 years of experience in industrial application of radioactive and chemical tracers in the oil, gas and petrochemical industry. He started his career as a Contracts Engineer with Dialog in 2001 and later moved on with an international tracer company in 2003. He also had a 2-year international placement in the Middle East as a Tracer Project Manager. He held various incremental roles from field application, project operation to business development within the tracer industry. Liau joined Uzma in 2014 and is responsible for the development and provision of chemical tracer technologies to oil and gas subsurface segment with a vision to be the leading integrated tracer company in the region.

DALE TUPPER
Operations Manager – Uzma MMSVS - HWO

Year joined: 2005

Dale has worked in the oil and gas industry for over 37 years. He began his career in snubbing and hydraulic workover in 1978 with Brown Equipment and Service Tools (BEST), a subsidiary company of Brown Oil Tools. He started working as a helper and was later promoted as an Operator and subsequently Supervisor. He was given responsibility to supervise BEST's operations in Nigeria and Dubai. Dale first worked in South East Asia in 1988 with Elnusa, Indonesia. He then worked with several other companies around Asia and Africa. Dale joined MMSVS, a subsidiary company of Uzma Berhad, in 2005 to help build the company into a Hydraulic Workover company as an Operations Manager. He has also been given responsibility to oversee MMSVS' Operations, HSE Division, Procurement Division and Personnel.

CARL MICHAEL URBIGKIT
Head of Department -Well Intervention

Year joined: 2014

Mike graduated from Central Wyoming College, USA with an ASc in Geology. He has worked in the oil and gas industry, around the world. With well intervention experiences in the Rocky Mountain region, Alaska, California, SE Asia, China, Russia, the Middle East, North and West Africa and the North Sea, he has vast experience in all areas, both onshore and offshore, drilling and production. He is a highly skilled Field Redevelopment and Well Intervention Specialist with over 26 years of experience with Weatherford. During his career with Weatherford, he was the Regional Downhole Services manager for West Africa, Russia/CIS and Europe. Leading teams in projects as diverse as Multi-Laterals, Subsea P&A's, platform decommissioning and field re-development, Mike was appointed as the Head of the Well Intervention Services Department with a vision to merge ACME Well Intervention business into Uzma and integrate service lines into solutions based provider.

Mike is a certified member with the Society of Petroleum Engineers (SPE), a qualified International Association of Drilling Contractor (IADC) and AOSC.

KENNETH JOHN MUIR
Senior Vice President – Drilling & Well Services

Year joined: 2014

Ken graduated from RGIT University, Aberdeen and has 34 years of drilling experience, including 15 years in Drilling Project Management. His project delivery experience commenced in 1996 as Project Manager and Drilling Superintendent with Smedvig, and continued with Secure Drilling, Senergy, and most recently with PTTEPI in Myanmar as Head of Drilling Engineering and Drilling Superintendent for their first deepwater well. During his career, Ken also worked for PETRONAS Carigali, Inpex, British Gas, ENI, Petrochina, and PTTEPI, providing project management on all rig types including Jack-ups, Tender Barges, Semi-submersibles, Drillships, deepwater and land operations.

Ken's drilling team has been responsible for all planning, engineering, procurement, contracting and operations on the Uzma/EnQuest Tanjong Baram small field development. As that project reaches the final stages, Ken's role will transition to running the Drilling & Well Services Division with the intention of building a strong, integrated well intervention business as operators turn to existing assets for improved returns in the current low oil price environment.

ZALIZA BINTI AHMAD ZAINUDDIN
Senior General Manager-Wireline Services

Year joined: 2009

Zaliza graduated with a Bachelor Degree in Chemical Engineering from University of Malaya. She has over 19 years of international experience in E-Line Services (Open Hole and Cased Hole) while working with Schlumberger from the inception of her career. In Schlumberger, she held various positions in Operations, Operations Management, and Technical Sales & Support. During this period, she also held a position as the Regional Safety Manager for Brunei, Malaysia and Philippines for more than 3 years. She was the E-Line Operation Manager for East Malaysia, Brunei and Philippines prior to joining Uzma.

As the Senior General Manager of Wireline Services, she has a crucial role in the success of the company. Her best specialties are in integrated perspective and formulate solutions.

Zaliza is a member of the Society of Petroleum Engineers (SPE).

NOOR HAKIMI BIN MOHD NASIR
General Manager-QHSE, Corporate Quality & Business Improvement

Year joined: 2011

Hakimi graduated from the University of Michigan, Ann Arbor, USA majoring in Mechanical Engineering. He has over 18 years of multi-national experience in QHSE management, mechanical design, process engineering, quality engineering and supply chain management. Hakimi is a certified Quality Engineer by the American Society for Quality (ASQ), a qualified Lead Auditor for ISO9001/OHSAS18001/ISO14001 and a six sigma black belt. He currently oversees Quality Assurance, HSE, Procurement & Vendor Management, IT, Integrated Management System and Organisational Improvement.

BONG LEONG SUNG
Chief Financial Officer

Year joined: 2007

Bong graduated with a degree in Accounting from the University of Malaya, Kuala Lumpur in 1999. He has vast experience in financial and corporate management having worked for Arthur Anderson, Ernst & Young, Kuala Lumpur City Securities Berhad, Alliance Investment Bank Berhad and the European Credit Investment Bank Ltd. He is currently a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He played a very important role during Uzma's pre-IPO days as the Corporate Finance Manager and was subsequently promoted to be the Chief Financial Officer of the Company. He plays a vital role in ensuring Uzma's financial management complies with the highest of global standards.

AHMAD YUNUS BIN ABDUL TALIB
Senior Vice President
– Project Oilfield & Operation Services

Year joined: 2008

Yunus Talib graduated from University of Wisconsin, Madison, USA with a BSc. in Mechanical Engineering in 1993. He has over 20 years of experience in the oil and gas industry and spent the first 13 years with ExxonMobil in various positions of increasing responsibility in the Operations Technical and Project Departments. Yunus joined Uzma as a General Manager for Project & Oilfield Services and later led the acquisition of MECAS and seconded as a Managing Director. He is currently attached to the Tanjong Baram Risk Services Contract (RSC) Project as Deputy Project Manager responsible for host tie-in, interfaces, and operations.

SA'ADIAH BINTI OMAR
General Manager-Consulting Services

Year joined: 2008

Sa'adiah graduated from University of Malaya, Kuala Lumpur. She began her career with various construction companies prior to joining Uzma. She started her career/with Uzma in production services as Operations Executive. She was later reassigned into Oilfield Manpower Consultancy to help the growth, a challenge that she readily took up and excelled. She has been instrumental in growing the Oilfield Manpower Consultancy division of Uzma to where it is today. Her interpersonal and business development skills in maneuvering the division through the industry's most demanding clients and consultants have contributed significantly to the division's stellar achievements.

ZULKIFLI KAMARUDDIN
General Manager-Malaysian Energy Chemical and Services Sdn. Bhd. (MECAS)

Year joined: 2015

Zulkifli graduated with a Bachelor of Science (BSc.) from Universiti Putra Malaysia and he had furthered his study in Oilfield Chemistry in Liverpool, England. He has 25-years of experience in Oilfield Chemical (OFC). He started his career with Mobil Oil (presently ExxonMobil) in 1989. He spent 3 years with Holland based OFC Company, SERVO BV, 11 years with Baker Hughes including 5 and half years seconded to Brunei Shell Petroleum (BSP), and 4 years as a District Manager. Prior to joining UZMA as a General Manager of MECAS, he spent 10 years with Nalco-Champion as its' Country Manager for Malaysia and Brunei which later promoted as a District Manager. . In 2014, during annual NC Global Summit in Abu Dhabi, he is the recipient for 2014-Oilmens Club Awards in recognition of his leaderships coupled with an outstanding District Performance.

Zulkifli also has vast Field Technical exposure and managing experience including in Gulf of Mexico, Scotland, Holland, China, Vietnam, Indonesia, Thailand, Bangladesh, India, and Brunei. He is currently a member of the National American Corrosion Engineers (NACE) and the Society of Petroleum Engineers (SPE). He plays a vital role in ensuring MECAS's milestones as Malaysia's reputable OFC Market Leader and continue as a prominent player in Malaysia's Oil and Gas oilfield chemical arena.

TENGKU ZURAIDI YAZLI BIN TENGKU YAHAYA
General Manager Production Optimization & Operation Services

Year joined: 2008

Tengku Zuraidi graduated from Universiti Teknologi Petronas in Mechanical Engineering majoring in Petroleum Engineering. He has over 9 years of experience in the oil and gas industry. He worked as a Drilling Engineer at PETRONAS before joining Uzma as a Sales Engineer-Drilling Services. He was then assigned as the Account Manager & Sales Manager in production services. As a young leader with great capabilities and energy, balanced skills between technical and commercial, he now helms the Production Optimization & Operation Services, managing day-to-day operations as well as strategizing for its future growth.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") is committed to ensure the highest standards of corporate governance are practiced throughout the Uzma Berhad group of Companies ("Uzma Group") as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and the financial performance of the Group.

Uzma Group's corporate governance structure has been developed and enhanced based on the principles and recommendations of best practices prescribed in the Malaysian Code on Corporate Governance 2012 ("the Code").

In this Statement, the Board reports on the manner in which the Group has adopted and applied the principles and recommendations in the Code and the extent to which it has complied with the best practices of good governance as set out in the Code throughout the year under review.

1. BOARD OF DIRECTORS

The Company is led by an experienced Board comprising members whose skills, expertise and experience ranges from engineers, to entrepreneurs and accountants. This wide spectrum of skills and experience provide the strength that is required to lead the Group towards its objectives and enable the Group to rest in the firm control of an accountable and competent Board. The Board is responsible for the Group's overall strategies and objectives, its acquisition and divestment policies, financial policy and major capital expenditure projects and the consideration of significant financial matters. In carrying out its function, the Board is assisted by several Board Committees, namely, the Audit Committee, Nominating Committee and Remuneration Committee.

The Board operates within a robust set of governance as set out below:-

1.1 Board Charter and Code of Conduct and Ethics

The Board has formally adopted a Board Charter, which provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for Directors and Management on the responsibilities of the Boards, its Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

The Board is also committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct and Ethics provide guidance for Directors regarding ethical and behavioural considerations and/or actions as they address their duties and obligations during their appointment.

The Board Charter and Code of Conduct and Ethics are made available for reference in the Company's website www.uzmagroup.com.

1.2 Composition of the Board

The Board has a balanced composition of eight (8) Directors consisting of four (4) Executive Directors and four (4) Independent Non-Executive Directors. The Board composition is in line with the Bursa Malaysia Securities Berhad Main Market Listing Requirements that requires at least 2 or one-third (1/3) of the Board members to be independent directors.

The present size and composition of the Board is appropriate for the complexity and scale of operations of Uzma Group. As presently constituted, the Board is well balanced and has the stability, continuity and commitment as well as capacity to discharge its responsibilities effectively.

The roles of the Chairman and the Executive Directors are separate to ensure balance of power and authority, so that no one individual has unfettered powers of decision. The position of the Chairman is held by an Independent Director. There is a division of responsibility between the Chairman who is leading the Board in the oversight of management and Executive Directors, who responsible for managing the overall business and day to day operations of the Company to ensure that there is a balance of power and authority, promotion of accountability and facilitation of division of responsibilities between them.

The key duties and responsibilities of the Chairman are to provide leadership to the Board, chairing the meetings of the Board and shareholders, ensuring that the Board fully discharges its responsibilities and acting as liaison person between the Board and the management.

None of the Independent Directors has served the Company exceeding a cumulative terms of nine (9) years.

1.3 Board Meeting

The Board meets at least once in a quarter with additional meeting convened as and when necessary. All Directors are provided with agenda and set of Board papers issued prior to Board meetings to ensure that the directors can appreciate the issues to be obtained further explanations, where necessary and to make an informed decision. Senior management is invited to attend these meetings to explain and clarify matters being tabled.

The Board has a formal schedule of matters reserved at Board Meetings which includes, corporate plans, annual budgets, management and Group's performance review, major investments and financial decisions, changes to the management and control structure within the Group, including key policies and procedures and delegated authority limits.

The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties with regard to issues to be discussed. All resolutions are recorded and thereafter circulated to the Directors for comments before minutes of proceedings are finalised and confirmed. The Company Secretary organises and attends all Board Meetings to ensure proper records of the proceedings.

Directors are also given access to any information within the Company and are free to seek independent professional advice at the Company's expense, if necessary, in furtherance of their duties. Towards this end, there is an agreed procedure in place for Directors to acquire independent professional advice to ensure the Board functions effectively. All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are met and advises the Board on compliance issues.

During the year under review, five (5) Board of Directors' meetings were held for the financial year ended 31 December 2014 to review the Group's quarterly and annual financial statements and its operations. The record of attendance is as follows:-

Name of Director	Directorate	Attendance
Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee	Independent Non-Executive Chairman	5/5
Dato' Kamarul Redzuan bin Muhamed	Managing Director/Chief Executive Officer	5/5
Datin Rozita binti Mat Shah @ Hassan	Executive Director	5/5
Peter Angus Knowles	Executive Director	4/5
Dato' Che Nazahatuhisamudin bin Che Haron	Executive Director	4/5
Dato' Dr. (H) Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	5/5
Yahya Bin Razali *(Appointed on 19 February 2014)*	Independent Non-Executive Director	5/5

1.4 Appointment and Re-election of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors are subject to retirement and are entitled for re-election at the first annual general meeting after their appointment. At every subsequent Annual General Meeting, one-third (1/3) of the Directors for the time being, or if their number is not three (3) or a multiple of three (3), then the number nearest to one third shall retire from office provided always that all Directors shall retire from office once at least in each three (3) years, but shall be eligible for re-election. An election of Directors shall take place every year. The election of each Director is voted on separately.

Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors who over the age of 70 may, by a resolution of which no shorter notice than that required to be given to the members of the Company of an Annual General Meeting has been duly given, be appointed or reappointed as a director of the Company to hold office until the conclusion of the next annual general meeting.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next annual general meeting and shall be eligible for re-election.

1.5 Directors' Training

The Directors recognise the importance and value of attending programmes, seminars and forums in order to keep themselves abreast with the current developments of the industry as well as the new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director.

During the financial year ended 31 December 2014, the following Directors after assessing their own training needs, have attended the following programmes, seminars and/or conference:-

Name of Director	Training Attended
Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee	- Due to tight work commitment and busy travelling schedule, the Chairman was unable to attend any training during the financial year ended 31st December 2014
Dato' Kamarul Redzuan bin Muhamed	- PCSB Vendors Forum and Outstanding Vendor Award (OVA 2014) – KL Convention Centre - Offshore Technology Conference, KLCC - CIMB 4th Annual Asia Pacific Conference & Invest Malaysia Conference 2014 - Miller Heiman Course – Strategic Selling (Comprehensive Strategy for Complex Sales) - Miller Heiman Course – Strategic Selling (Blue Print Sheet Review) - "Innovate or Die" by Simon Squibb - UOB Kay Hian " Asian Games Conference – Singapore"
Datin Rozita binti Mat Shah @ Hassan	- Inaugural Petronas Vendor Integrity Programme - Cut-E – Human Potential Beyond IQ
Peter Angus Knowles	- Microsoft Word 2010 (Advance)
Dato' Che Nazahatuhisamudin bin Che Haron	-Stranded Oil Sabah – SOS, Kota Kinabalu, Sabah -PCSB Vendors Forum and Outstanding Vendor Award (OVA 2014) – KL Convention Centre -Offshore Technology Conference, KLCC -Sabah Oil and Gas Conference and Exhibition, Kota Kinabalu, Sabah -MOGSEC 2014 -International Petroleum Technology Conference, 2014
Dato' Dr. (H) Ab. Wahab bin Haji Ibrahim	-6th Annual Corporate Governance Summit
Encik Yahya bin Razali	-Audit Committee Conference 2014 – Stepping Up for Better Governance

2. BOARD COMMITTEES

In discharging its fiduciary duties, the Board has set up various committees.

2.1 Audit Committee

The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Company. The composition and terms of reference of the Audit Committee together with its report are presented on pages 40 to 42 of this Annual Report

2.2 Nominating Committee

The Nominating Committee comprises the following members:

(1) Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee - Chairman *(Independent Non-Executive Chairman)*

(2) Yahya Bin Razali – Member *(Independent Non-Executive Director)*

(3) Dato' Dr. (H) Ab Wahab bin Haji Ibrahim - Member *(Independent Non-Executive Director)*

The functions of the Nominating Committee are:

(i) recommend the nomination of a person or persons for all directorships to be filled by the shareholders or the board;

(ii) consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder;

(iii) recommend to the board, directors to fill the seats on board committees;

(iv) identify, evaluate and recommend candidates for appointment as Company Secretary;

(v) assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its findings to the board; and

(vi) review annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board and thereafter, recommend its findings to the board.

The Nominating Committee was set up by the Board to ensure that it has an appropriate balance, size and the required mix of skills, experience and core competencies to govern the organisation towards achieving its intended goals and objectives. The Nominating Committee shall propose new candidates for the Board and assess Directors on an on-going basis.

The nomination and election process of Board members are as follows:-

- **Appointment of New Directors**

  The Board nomination process is to facilitate and provide a guide for the Nominating Committee to identify, evaluate, select and recommend to the Board the candidate to be appointed as a director of the Company.

  The Board does not set specific criteria for the assessment and selection of director candidate. However, the consideration would be taken on the need to meet the regulatory requirement such as Companies Act, 1965 and Main Market Listing Requirements, the achievement in the candidate personal career, integrity, wisdom, independence of the candidate, ability to make independent and analytical inquiries, ability to work as team to support the Board, possession of the required skill, qualification and expertise that would add value to the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board to select the suitable candidate.

  The Nominating Committee is responsible to recommend identified candidate to the Board to fill vacancy arises from resignation, retirement or any other reasons or if there is a need to appoint additional director with the required skill or profession to the Board in order to close the competency gap in the Board identified by the Nominating Committee. The potential candidate may be proposed by existing director, senior management staff, shareholders or third party referrals.

  Upon receipt of the proposal, the Nominating Committee is responsible to conduct an assessment and evaluation on the proposed candidate.

  The assessment/evaluation process may include, at the Nominating Committee's discretion, reviewing the candidate's resume, curriculum vitae and other biographical information, confirming the candidate's qualifications and conducting legal and other background searches as well as formal or informal interview at the Nominating Committee's discretion. The Nominating Committee would also assess the candidate's integrity, wisdom, independence, ability to make independent and analytical inquiries, ability to work as a team to support the Board, understanding of the business environment and the willingness to devote adequate time and commitment to attend to the duties/functions of the Board.

  Upon completion of the assessment and evaluation of the proposed candidate, the Nominating Committee would make its recommendation to the Board. Based on the recommendation of the Nominating Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

  The Chairman of the Board would then make an invitation or offer to the proposed/potential candidate to join the Board as a director. With the acceptance of the offer/invitation, the candidate would be appointed as director of the Company.

- **Annual Assessment of Existing Directors**

  The director who is subject to re-election and/or re-appointment at next Annual General Meeting shall be assessed by the Nominating Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nominating Committee would be based on the yearly assessment conducted.

- **Assessment on Independence of Directors**

  Criteria have been set to assess the independence of candidate for directors and existing directors based on the guidelines set out in the Main Market Listing Requirements.

  On an annual basis, the Directors are required to confirm their independence by completing the independence checklist.

  The following gender diversity policy has been established by the Board:-

  - During selection process, any list of proposed candidates to the Board shall consist of at least one woman candidate, wherever reasonably possible.
  - The Nominating Committee is responsible in ensuring that gender diversity objectives are adopted in board recruitment, board performance evaluation and succession planning processes.
  - The Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract and retain women participation in the Board.
  - The Board acknowledges the recommendation of the Code on gender diversity. The Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. The Group has zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.

The Board will monitor the Company's performance in meeting the target and shall review the policy and target set to achieve gender diversity in the boardroom as and when needed. The summary of the activities of the Nominating Committee during the financial year are as follows:-

- Annual review the mix of skill and experience and other qualities of the Board.
- Assess the effectiveness of the Board as a whole, the Board committees and the Directors.
- Discuss the Directors' retirement by rotation.
- Recommend candidates for directorships
- Recommend appointments to the Board Committees

2.3 Remuneration Committee

The Remuneration Committee comprises the following members:-

(1) Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee - Chairman (Independent Non-Executive Chairman)
(2) Dato' Dr. (H) Ab Wahab bin Haji Ibrahim – Member (Independent Non-Executive Director)
(3) Dato' Kamarul Redzuan bin Muhamed - Member (Managing Director / Chief Executive Officer)

The function of the Remuneration Committee is to recommend to the Board, the remuneration packages of Managing Director, Executive Directors and/or other persons of the Group as the Remuneration Committee is designated to consider and getting professional advice as and when necessary.

The number of Directors who served during the financial year ended 31 December 2014 whose remuneration and fees received/receivable from the Group falls into the following bands: -

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
< RM50,000	-	1
RM50,001 – RM100,000	-	2
RM400,001 – RM450,000	1	-
RM500,001 – RM550,000	1	-
RM1,000,001 – RM1,050,000	1	-
RM1,300,001 – RM1,350,000	1	-
Total:	**4**	**3**

	Executive	Non-Executive
RM'000		
Salaries and Other Emoluments	3706	8
Benefits-in-Kind	30	-
Fees	-	185

The remuneration policies and procedures are as follows:-

- **Remuneration of Executive Directors**

  The remuneration of the Executive Directors shall be reviewed and proposed by the Remuneration Committee for their consideration and recommendation to the Board for approval. The remuneration of the Executive Directors is structured to attract, retain and motivate them in order to run the Group successfully.

  On the recommendation of the Remuneration Committee, the Board reviews the remuneration of the Executive Directors whereby the respective Executive Directors abstained from discussions and decisions on their own remuneration.

- **Annual Bonus**

  The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be proposed by the RC for their consideration and recommendation to the Board for approval.

- **Other benefits**

  Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits if so proposed by the RC for their consideration and recommendation to the Board for approval.

- **Remuneration for Non-Executive Directors**

The remuneration of non-executive directors, which made up of Director fee, meeting allowance and other benefits, if any, is determined by the Board.

The Directors' fee is determined by the Board and subject to the approval of the shareholders of the Company at general meeting.

In addition to the above, the Directors may be remunerated by a fixed sum (for non executive director) or by a percentage of profits (for executive directors) or otherwise as may be determined by the Board for the performance of extra services or to make any special exertions in going or residing away from his usual place of business or residence for any purpose of the Company or giving special attention to the business of the Company. Such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors. Such remuneration would be proposed by the Remuneration Committee for their review, consideration and recommendation to the Board for decision.

3. SHAREHOLDERS

The Company has implemented a shareholder communications policy to ensure effective communication with its shareholders and other stakeholders. Communication between the Company and its shareholders are done in the following manner:-

3.1 Relationship with Shareholders and Investors

The Board recognises the value of good investor relation and the importance of disseminating information in a fair and equitable manner, the participation of shareholders and investors, both individual and institutional, at Annual General Meeting is encouraged. Such information is disseminated via the Company's annual reports, quarterly financial results and various prescribed announcements made to Bursa Securities from time to time in the Bursa Securities' website at www.bursamalaysia.com.

The Group also maintains a website at www.uzmagroup.com which provides information, qualitative and quantitative, on the Group's operations and corporate developments.

Any enquiry regarding the Company and its group of companies may be conveyed to the following personnel:-

Mr. Bong Leong Sung (Chief Financial Controller)
Telephone number : 03-7611 4000
Fax number : 03-7611 4100
Email : malaysia@uzmagroup.com

3.2 General Meeting

The Annual General Meeting represents the principal forum for dialogue and interaction with all the shareholders of the Company. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. During the annual and other general meetings, shareholders have direct access to Board members who are on hand to answer their questions, either on specific resolutions or on the Company generally. The Chairman ensures that a reasonable time is provided to the shareholders for discussion at the meeting before each resolution is proposed.

The Board takes note of the recommendation by the Code on the adoption of electronic voting and encourage poll voting to facilitate greater shareholders' participation. The shareholders are informed of their rights to demand a poll vote prior to the commencement of general meeting and the Board will ensure that any vote of shareholders taken at the general meeting on the resolution approving related party transactions is taken on a poll. Shareholders' rights relating to general meeting is also published on the Company's website. Announcement will also be made on the detailed results showing the number of votes cast for and against each resolution.

4. ACCOUNTABILITY & AUDIT

4.1 Financial Reporting

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial performance and prospects through the quarterly and annual financial statements to shareholders. The Board with the assistance of the Audit Committee has to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgments and estimates.

4.2 Risk Management and Internal Control

The Board recognises the importance of a sound system of internal control for the Group including risk assessment and acknowledges its ultimate responsibilities in maintaining the same. The Group has a system of risk management and internal control and the overview of the state of the Group's risk management and internal control is spelt out in the Statement on Risk Management and Internal Control on page 41 of this Annual Report.

4.3 Relationship with the Auditors

The Board has maintained a professional and transparent relationship with the Group's auditors, both external and internal. The Audit Committee seeks regular assurance on the effectiveness of the internal control systems through independent appraisal by the auditors in ensuring compliance with the applicable accounting standards in Malaysia. Liaison and unrestricted communication exists between the Audit Committee and the external auditors.

The Company has put in place the policies and procedures to assess the sustainability and independence of external auditors.

The Board, with the recommendations by the Audit Committee, will ensure that all quarterly announcements and annual reports present a balanced and understandable assessment of the Group's financial position and prospect.

The Board is also required by the Companies Act, 1965 to prepare financial statements that give a true and fair view of the state of affairs, including the cash flows and results of the Group and of the Company for the financial year. A statement by the Board of its responsibilities for preparing the financial statements is set out on page 54 of this Annual Report.

4.4 Internal Control and Internal Audit Function

The Board acknowledges its responsibility for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The Statement on Risk Management and Internal Control set out on page 43 of this Annual Report provides an overview of the state of internal controls within the Group. Further information on the internal audit function and its activities are set out on page 42 of this Annual Report.

5. CORPORATE DISCLOSURE

To ensure timely and high quality disclosure, the Company has implemented a corporate disclosure policy to ensure accurate, clear, timely and complete disclosure of material information necessary for informed investing and take reasonable steps to ensure that all who invest in the Company's securities enjoy equal access to such information to avoid an individual or selective disclosure.

6. RESPONSIBILITY STATEMENT BY DIRECTORS

The Directors are responsible for ensuring that the annual financial statements of the Company are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Bursa Malaysia Securities Berhad Main Market Listing Requirements. They are to ensure that the annual financial statements of the Company give a true and fair view of the state of affairs of the Company and the Group at the end of the financial year and the results and cash flows for the year then ended.

In preparing the financial statements, the Directors have:-

(i) adopted the appropriate accounting policies and applied them consistently;
(ii) made judgments and estimates that are reasonable and prudent;
(iii) ensure applicable approved accounting standards have been followed, and any material departures have been disclosed and explained in the financial statements; and
(iv) ensure the financial statements have been prepared on a going concern basis.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

7. SUSTAINABILITY POLICY

The Board is committed to operate its business in accordance with environmental, social and economic responsibility. These include working within the law in order to be innovative and demonstrate initiative to meet the requirements of various stakeholders.

The Company strives to achieve sustainable long term balance between meeting its business goals and preserving the environment, its commitments with respect to sustainability are in the core areas of workplace, marketplace, community and environment.

The strategies to promote sustainability and its implementation can be found at the Company's website at www.uzmagroup.com.

8. CORPORATE SOCIAL RESPONSIBILITIES ("CSR")

Corporate Social Responsibility has been a fundamental part of our organisational policy, and, as a conscientious organisation, we are committed to sustainable development and ensuring zero harm to the people and the environment in all our undertakings and wherever we operate. We are aware of our obligation to deliver profits to enhance shareholders value and at the same time, make positive social contribution to the immediate communities where we operate as well as to the wider business community of which we belong. CSR is undertaken at many levels including Group corporate office, regional and representative offices.

THE ENVIRONMENT

Our philosophy exemplifies our commitment to "sustainable development and zero harm to the people and environment" in all our business undertakings areas in which we operate. Our Core values, Health Safety and Environment ("HSE") Policy and various procedures on safety and business ethics serve as our guides in all our operations.

To inculcate the 'Care for the Environment' values among our staff and the community at large and to use energy more effectively, we are actively and continuously reducing our carbon footprint by simply ensuring a reduction in the indiscriminate use of paper and also by ensuring that all employees work together to reduce wastage of electricity and water. We believe that by enforcing these values at the office place, these positive behaviours will also spillover into the daily lives of our employees and their families.

THE WORKPLACE

We recognise that as a knowledge and technology based company, our people are our greatest assets. Their safety and health is our prime concern and we adhere to the belief that 'a healthy body leads to a healthy mind'. With this in mind, and in particular with the onset of the H1N1 disease in Malaysia, the HSE Department promptly communicated up to date information regarding the virus and preventive measures to take. This measure was particularly critical as everyone was at risk. The virus was a very true and prevalent threat to all Malaysians alike.

An equally common threat was that of layoffs due to the global financial and economic meltdown and many organizations were forced to dismiss their longstanding employees. Our people were however spared this indignity as we made every provision to make sure that we retained our most precious of assets.

Staff development was also part of our CSR policies and we ensured deserving staff attended the necessary trainings to keep their knowledge and skills honed.

THE COMMUNITY

All companies live and operate within the community and depend upon this very community in many ways. As a caring and socially responsible corporate citizen, the Company supported the Kompleks Darul Kifayah, an orphanage complex that houses orphans by supporting the education of one of its students. This bright scholar has his higher studies fully supported and it is hoped that his success will be an inspiration for future recipients of this scholarship.

Bringing festive cheer to the orphans of Darul Kifayah has since become an annual practice. The management and staff feted these orphans along with our clients and suppliers in conjunction with the Ramadhan celebrations.

The fulfillment of our corporate social responsibility will always be a fundamental part of our operations. The delivery may evolve over time, but its very essence will remain the same, that is to give back to those who have given us so much!

With the aspiration to be part of the force to push forward young talents in the local sports arena, Uzma was proud to be a gold sponsor to the Tennis Malaysia Junior Tour 2014.

Joining the other caring citizen in Malaysia, the Group together with ANSARA – MRSM KB Alumni) volunteered to help the flood victims in Kelantan during the through Uzma-Ansara (East Cost Flood Relief) during the flood season in late December 2014 and early January 2015.

9.COMPLIANCE WITH THE CODE

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavor to improve and enhance the procedures from time to time.

AUDIT COMMITTEE REPORT

The Audit Committee of Uzma Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2014.

1. COMPOSITION

The Audit Committee comprises the following Board members:-

Chairman
Dato' Ab Wahab bin Haji Ibrahim - Independent Non-Executive Director

Members
- Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee - Independent Non-Executive Chairman
- Yahya Bin Razali - Independent Non-Executive Director

2. MEMBERS AND ATTENDANCE

According to the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Audit Committee shall be appointed by the Board of Directors ("Board") from amongst the Directors of the Company and its number shall not be less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Directors. The members of the Audit Committee shall elect a Chairman from amongst themselves who is an Independent Non-Executive Director.

The terms of office and performance of the Committee and each of its members shall be reviewed by the Board no less than once every three (3) years.

The Audit Committee met five (5) times during the financial year ended 31 December 2014. Details of attendance of each member at the Audit Committee Meeting held during the financial year ended 31 December 2014 are as follows:

Members of the Audit Committee	Total Meeting Attended
Dato' Ab Wahab bin Haji Ibrahim	5/5
Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee	5/5
Yahya Bin Razali *(Appointed on 19 February 2014)*	5/5

3. TERMS OF REFERENCE

3.1 Primary Purposes

The Audit Committee shall:-

(1) provide assistance to the Board of Directors in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for the Company and all its wholly and majority owned subsidiaries ("Group").

(2) improve the Group's business efficiency, quality of the accounting function, system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.

(3) maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.

(4) enhance the independence of both the external and internal auditors functions through active participation in the audit process.

(5) strengthen the role of the independent directors by giving them a greater depth of knowledge as to the operations of the Company and the Group through their participation in the Committee.

(6) act upon the Board of Directors' request to investigate and report on any issues or concerns with regard to the management of the Group.

3.2 Composition

The Board of Directors shall appoint the members of the Audit Committee from amongst themselves, which fulfils the requirements of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

3.3 Retirement and Resignation

In the event of any vacancy in the Audit Committee, the Company shall fill in the vacancy within two (2) months, but in any case not later than three (3) months.

3.4 Authority

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of the Company have explicit authority to investigate any matter within its terms of reference, full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee shall have direct communication channels with the external auditors and person(s) carrying out the internal audit function and be able to convene meetings/obtain independent/external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

3.5 Functions & Duties

The functions of the Audit Committee are as follows:-

(1) To do the following, in relation to the internal audit function:-
- (a) review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (b) review the internal audit programme and processes or investigation undertaken and ascertain whether or not appropriate actions are taken on the recommendations of the internal audit function; and
- (c) review any appraisal or assessment of the performance of members of the internal audit function and approve any appointment or termination of senior staff members of the internal audit function.

(2) To do the following, in relation to the external audit function:-
- (a) meet with the external auditors without executive board members present at least twice a year;
- (b) consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- (c) discuss with the external auditors before the audit commences, the nature and scope of the audit and review the adequacy of existing external auditors audit arrangements;
- (d) review the quarterly results and year end financial statements, prior to the approval by the Board and review the external auditors' audit report;
- (e) review and response to any management letter sent by the external auditors to the Company;
- (f) discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary); and
- (g) review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels.

Apart from the above functions, the Committee may carry out any other function that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Company to ensure the effectiveness discharge of the Committee's duties and responsibilities including reviewing any related party transactions and potential conflict of interests arising therefrom, consider major findings of internal investigations and management response and review/verify the Share Option Scheme of the Company (if any).

The Committee actions shall be reported to the Board of Directors with such recommendations as the Committee deemed appropriate. Where necessary, the Committee may report to Bursa Malaysia Securities Berhad on any matter reported by it to the Board which has not been satisfactorily resolved resulting in a breach of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

3.6 Meetings

The Committee shall meet at least four (4) times in a year subject to the quorum of at least two (2) independent directors or more frequently as circumstances required or upon the request of any member of the Committee with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities. The Committee may invite any Board member or any member of management or any employee of the Company who the Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary.

3.7 Procedure of Audit Committee

The Audit Committee may regulate its own procedures, in particular, calling of meetings, notice to be given of such meetings, voting and proceedings of such meetings, keeping of minutes and custody, production and inspection of such minutes.

3.8 Secretary

The Company Secretary or other appropriate senior official shall be the Secretary to the Audit Committee.

4. SUMMARY OF THE ACTIVITIES OF THE AUDIT COMMITTEE

The activities undertaken by the Audit Committee during the financial year ended 31 December 2014 up to the date of issuance of this Annual Report are as follows:-

(1) Reviewed the Company's quarterly financial report prior to submission to the Board for consideration and approval, focusing particularly on significant and unusual events and compliance with accounting standards and other legal requirements.

(2) Reviewed the scope of work and audit plan of the external auditors.

(3) Reviewed the performance of the external auditors, including assessment of their independence in the performance of their obligations as external auditors.

(4) Reviewed and discuss with the External Auditors, the major issues raised in the audit reports, the audit's recommendations, management's response and actions taken.

(5) Reviewed the annual audited financial statements of the Company prior to submission to the Board for consideration and approval.

(6) Reviewed the related party transactions and to ensure that they are not more favourable to the related parties than those generally available to the public and complies with the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

(7) Reviewed with the Internal Auditors the Internal Audit Planning scope and plan, and their findings and the management's response and actions taken.

(8) Reviewed the status of compliance of the Company with the Malaysian Code of Corporate Governance 2012, which are within the scope and function of the Audit Committee, for the purposes of disclosure in the Statement of Corporate Governance pursuant to the requirement of paragraph 15.25 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

5. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The internal audit function, which is outsourced to a professional services firm is an integral part of the assurance mechanism in ensuring the Group's system of internal control are adequate and effective. The Internal Auditors report directly to the Audit Committee and assist the Audit Committee to discharge its duties and responsibilities.

The Internal Auditors prepare and table the Internal Audit Plan for the consideration and approval of the Audit Committee. It conducts independent reviews of the key activities with the Group's operation based on the audit plan approved by the Audit Committee. The Internal Auditors report to the Audit Committee on a regular basis and provide the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

The costs incurred in maintaining the outsourced the internal audit function for the financial year ended 31 December 2014 is RM76,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Uzma Berhad ("Board") recognises the importance of a sound risk management framework and internal control system to safeguard its shareholders' investments and the Group's assets.

The Board is pleased to provide Uzma Berhad Group's ("Uzma Group" or "the Group") Statement on Risk Management and Internal Control which outlines the nature and scope of risk management framework and internal control system of the Group (excluding jointly controlled companies) during the financial year ended 31 December 2014. This Statement has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board acknowledges that it is ultimately responsible for the Group's risk management and internal control systems, and also to ensure the adequacy and effectiveness of these systems in the Group. In this respect, the responsibility of reviewing the adequacy and effectiveness of the internal control systems has been delegated to the Audit Committee, which empowered by its terms of reference, to seek the assurance of the adequacy and effectiveness of the internal control systems through reports it receives from the independent reviews conducted by the internal audit function and management.

However, as there are inherent limitations in any system of risk management and internal controls, such systems put into effect by the Management can only manage rather than eliminate all the risks that may impede the achievement of the Group's business objectives or goals. Therefore, the systems can only provide reasonable and not absolute assurance against material misstatement and loss.

RISK MANAGEMENT

The Heads of Departments within the Group are delegated with the responsibility to manage identified risks within defined parameters and standards. Periodic management meetings were held in which key risks relating to the Group's operations and business plans are deliberated. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

The abovementioned practices undertaken by the Management serves as the on-going process adopted by the Group to identify, evaluate and manage significant risks faced by the Group for the financial year under review and up to the date of approval of this Statement. The Board shall re-evaluate the effectiveness and adequacy of the existing risk management practices from time to time, and where appropriate, revise such practices accordingly.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board through the Audit Committee regularly receives and review reports on internal control from its internal audit function. The internal audit function did not perform internal audit review of the Group's jointly controlled companies as Uzma Group does not have full management control over these companies.

The internal audit function is outsourced to external consultants and they report directly to the Audit Committee. During the financial year ended 31 December 2014, audits were carried out in accordance to the internal audit plan that has been reviewed and approved by the Audit Committee. Observations from internal audits were presented to the Audit Committee together with Management's response and proposed action plans for its review. The action plans were then followed up during subsequent internal audits with implementation status reported to the Audit Committee. The costs incurred for the outsourced internal audit function for the financial year ended 31 December 2014 were RM76,000.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

The other key elements of the Group's internal controls systems are as follows:

- An organisation structure, which clearly defines the lines of responsibilities, proper segregation of duties and delegation of authority;
- Relevant training and development programmes are in place to ensure that the Group has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibilities effectively;'
- Rigorous review of key information such as financial performance, management accounts and budgets by the Board;
- The Executive Directors are closely involved in the running of the business and operation of the Group and they report to the Board on significant changes in the business and external environment, which affect the operation of the Group at large;
- An annual Group budget is prepared by Management and tabled to the Board for approval. Continuous monitoring is carried out quarterly to measure actual performance against budget so as to identify significant variances arising and devise remedial action plans;
- Regular management meetings are held to discuss the Group's performance, business operation and management issues as well as formulate appropriate measures to address them; and
- The Group has established policies and procedures to support the Group's various business activities.

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

The Board has received assurance from the Chief Executive Officer and Chief Financial Officer that the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system is satisfactory and no material internal control failures or any of the reported weaknesses have resulted in material losses or contingencies during the financial year under review.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors has reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of the Company for the financial year ended 31 December 2014 in accordance with Malaysian Approved Standard on Assurance Engagement, ISAE3000, assurance engagement other that audit or review of historical financial information and recommended Practice Guide 5 (Revised), Guidance for auditors on engagement to report on the Statement on Risk Management and Internal Control included in the Annual Report, have reported to the Board that nothing has come to their attention that causes them to believe that the Statement, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issues to be set out, nor is factually inaccurate.

Additionally, in accordance with paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2014 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and effectiveness of risk management and internal controls of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 29 April 2014.

OTHER COMPLIANCE INFORMATION

1. Utilisation of proceeds

The Company issued 132,000,000 new ordinary shares of RM0.50 per share each ("Rights Shares") at an issue price of RM0.75 per share on the basis of one right share for every one existing ordinary share ("Right Issue"). The Right Issue was completed with the listing of and quotation of the Rights Shares on the Main Market of Bursa Securities on 21 July 2014. The status of the utilisation of the proceeds raised as at 31 December 2014 is set out below:-

Purpose	Proposed Utilisation	Actual Utilisation up to 31 December 2014	Intended Time Frame For Utilisation	Deviations		Explanation
	RM'000	RM'000	Months	RM'000	%	
Capital Expenditure	78'000	36,608	24	41,392	53.1	Note
Working Capital	8,000	8,000	12	-	-	
High performance Computing	4,500	1,369	12	3,131	69.6	Note
Renovation of Office Premise	7,500	6,630	12	870	11.6	Note
Defraying Estimate Expenses	1,000	1,000	Immediate	-	-	
	99,000	**53,607**		**45,393**		

Note: To be Utilised

2. Share buy-back

The Company did not purchase any of its own shares during the financial year ended 31 December 2014.

3. Options, warrants or convertibles securities

The Company did not issue any options, warrants or convertibles securities during the financial year ended 31 December 2014.

4. Depository Receipts ("DR")

The Company did not issue any DR programme during the financial year ended 31 December 2014.

5. Imposition of Sanctions and/or Penalties

During the financial year ended 31 December 2014, there was no material sanctions and/or penalties imposed on the Company and its subsidiaries, its Directors or Management by the relevant regulatory bodies.

6. Variation in results from estimates, forecasts, projections or unaudited results announced

The Company did not release any profit estimates, forecasts or projections for the financial year ended 31 December 2014 and there was no material variation between the audited results for the financial year ended 31 December 2014 and the unaudited results previously announced.

7. Profit Guarantee

No profit guarantee was provided by the Company during the financial year ended 31 December 2014.

8. Non-audit Fees

Total non-audit fees paid/payable to the external auditors during the financial year ended 31 December 2014 amounted to RM80,000.

9. Material Contracts

To the best of the Board's knowledge, there are no material contracts involving the Group with any of the major shareholder or director in office during the financial year ended 31 December 2014.

ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2015

Authorised Share Capital	: RM250,000.00
Paid-Up Share Capital	: RM134,575,000.00
Class of Shares	: ordinary share of RM0.50 each
Voting Rights	: one vote per share holder on a show of hands or one vote per ordinary share on a poll.

DISTRIBUTION OF SHANREHOLDINGS

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders (%)	No. of Shares	% of Issued Share Capital
Less than 100	18	0.74	359	0.00
100 to 1,000	795	32.81	335,005	0.12
1,001 to 10,000	1,106	45.64	5,169,550	1.92
10,001 to 100,000	367	15.15	11,788,900	4.38
100,001 to less than 5% of issued shares	124	5.12	78,261,212	29.06
5% and above of issued shares	13	0.54	173,794,974	64.52
Total	**2,423**	**100.00**	**269,350,000**	**100.00**

THIRTY LARGEST SHARHOLDERS

No.	Name	No. Of Shares	% Of Issued Share Capital
1.	KAMARUL REDZUAN BIN MUHAMED	57,012,874	21.17
2.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ROZITA BINTI MAT SHAH @ HASSAN	26,400,000	9.80
3.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KAMARUL REDZUAN BIN MUHAMED	26,400,000	9.80
4.	LEMBAGA TABUNG HAJI	26,263,200	9.75
5.	ROZITA BINTI MAT SHAH @ HASSAN	16,523,200	6.13
6.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	10,825,100	4.02
7.	NASRI BIN NASRUN	5,350,000	1.99
8.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHUA SAI MEN	5,029,100	1.87
9.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	3,905,000	1.45
10.	HSBC NOMINEES (ASING) SDN. BHD. BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND	3,532,800	1.31
11.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR CHAN CHEE BENG (PBCL-0G0078)	3,035,100	1.13
12.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	2,839,400	1.05

No.	Name	No. Of Shares	% Of Issued Share Capital
13.	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR KAMARUL REDZUAN BIN MUHAMED (KLM-SFC)	2,562,000	0.95
14.	TENGKU AB MALEK BIN TENGKU MOHAMED	2,484,800	0.92
15.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	2,460,700	0.91
16.	MOHD ZULHAIZAN BIN MOHD NOOR	2,375,000	0.88
17.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR RHB-OSK GROWTH AND INCOME FOCUS TRUST (4892)	2,203,200	0.82
18.	HSBC NOMINEES (ASING) SDN. BHD. BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND	2,155,300	0.80
19.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHE NAZAHATUHISAMUDIN	2,100,580	0.78
20.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEES BERHAD FOR RHB-OSK CAPITAL FUND (200189)	1,953,800	0.73
21.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD.	1,925,000	0.71
22.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR KHONG KHENG TING (M78048)	1,919,600	0.71
23.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHONG KHENG TING	1,774,600	0.66
24.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR RHB-OSK SMART TREASURE FUND (4694-002)	1,702,500	0.63
25.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (VCAM EQUITY FD)	1,700,000	0.63
26.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR NAMULIFE INVESTMENT PROGRESS FUND (4082)	1,612,400	0.60
27.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (NOMURA)	1,600,000	0.59
28.	ABDULLAH GHANIM A ALGHANIM	1,213,000	0.45
29.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSGROWTH FUND	1,203,100	0.45
30.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR RHB-OSK DANA KIDSAVE	1,200,000	0.45
	TOTAL	**221,261,354**	**82.15**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. Of Shares Held			
Name	Direct	%	Indirect	%
Dato' Kamarul Redzuan Bin Muhamed	85,974,874	31.92	43,200,00*	16.04
Datin Rozita Binti Mat Shah @ Hassan	43,200,200	16.04	85,974,874+	31.92
Lembaga Tabung Haji	26,673,600	9.09	-	-
Kumpulan Wang Persaraan (Diperbadankan)	10,825,100	4.02	7,121,200#	2.64

Notes:
- * *Deemed interested by virtue of his Spouse, Datin Rozita Binti Mat Shah @ Hassan's interest.*
- \+ *Deemed interested by virtue of her Spouse, Dato' Kamarul Redzuan Bin Muhamed's intrest.*
- \# *Shares held by Fund Managers.*

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

	No. Of Shares Held			
Name	Direct	%	Indirect	%
Dato' Kamarul Redzuan Bin Muhamed	85,974,874	31.92	43,200,200*	16.04
Datin Rozita Binti Mat Shah @ Hassan	43,200,200	16.04	85,974,874+	31.92
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee	111,450	0.04	-	-
Peter Angus Knowles	150,000	0.06	-	-
Dato' Che Nazahatuhisamudin Bin Che Haron	2,400,580	0.89	-	-
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	-	-	-	-
Yahya Bin Razali	-	-	-	-

Notes:
- * *Deemed interested by virtue of his Spouse, Datin Rozita Binti Mat Shah @ Hassan's interest.*
- \+ *Deemed interested by virtue of her Spouse, Dato' Kamarul Redzuan Bin Muhamed's interest.*

LIST OF PROPERTIES

Title/Location	Description/ Existing Use	Registered Owner	Age of Building (Years)	Land/ Built-Up Area	Tenure	Net Book Value as at 31.12.2014 (RM'000)	Original Cost (RM'000)
H.S. (D) 110395/110396 P.T. No. 549 & 550 Seksyen 92 Bandar Kuala Lumpur No. 68 and 70, Fraser Business Park Jalan Metro Pudu 2 55200 Kuala Lumpur	Two adjacent multi-storey building for use as office premises	Uzma Engineering Sdn. Bhd	4 years	1,722sq ft/ 8,034 sq ft per multi storey lot	Freehold	5,547	5,860
H.S. (D) 102228 P.T. No. 16042 Damansara, Selangor Darul Ehsan No. 29, Jalan Kartunis U1/47 Temasya Industrial Park Section U1, Shah Alam, Selangor Darul Ehsan	Geological Laboratory	Uzma Engineering Sdn. Bhd	11 years	892 sq mtr or 9601.49 sq ft	Freehold	3,405	3,626
H.S. (D) 256295, P.T. No. 47371 in the Mukim of Sungai Buloh, District of Petaling, State of Selangor H-B1-01, H-02-01, H-03-01, H-03A-01, H-05-01, H-06-01, H-07-01, H-08-01, H-09-01,H-10-01, H-11-01, H-12-01, all situated at Blok Empire Pejabat, Empire Damansara, No. 2, Jalan PJU 8/8A, Damansara Perdana, PJU 8, Petaling Jaya, 47820 Selangor Darul Ehsan	12-Storey commercial building for use as office premises	Uzma Engineering Sdn. Bhd	1 year	21,495.1 sq mtr or 38,901 sq ft	Leasehold 99 years	23,979	24,000

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of its subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial year	40,388	10,051
Attributable to:-		
Owners of the Company	36,007	10,051
Non-controlling interests	4,381	-
	40,388	**10,051**

DIVIDENDS

Since the end of the previous financial year, the Company declared a single tier interim dividend of 3.78 sen per ordinary share amounting to RM9,979,200 in respect of the current financial year, payable on 9 January 2015 to the shareholders of the Company whose name appeared in the Register of Members at the close of the business day on 10 December 2014.

The directors do not recommend the payment of any final dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) the Company increased its authorised share capital from RM100,000,000 to RM250,000,000 by the creation of 300,000,000 new ordinary shares of RM0.50 each;

(b) the Company increased its issued and paid-up share capital from RM66,000,000 to RM132,000,000 pursuant to the Company's renounceable rights issue of 132,000,000 new ordinary shares of RM0.50 each ("Rights Share") at an issue price of RM0.75 per Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary share of RM0.50 each held in the Company. The new shares were listed and quoted on the Main Market of Bursa Securities on 21 July 2014.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 48 to the financial statements. At the end of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee
Dato' Kamarul Redzuan Bin Muhamed
Datin Rozita Binti Mat Shah @ Hassan
Peter Angus Knowles
Dato' Che Nazahatuhisamudin Bin Che Haron
Dato' Dr. (H) Ab Wahab BIn Haji Ibrahim
Yahya Bin Razali

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	AT 1.1.2014	BOUGHT	SOLD	AT 31.12.2014
THE COMPANY				
Direct Interests In The Company				
Dato' Kamarul Redzuan Bin Muhamed	55,249,937	36,549,937	(5,825,000)	85,974,874
Datin Rozita Binti Mat Shah @ Hassan	12,600,058	30,600,142	-	43,200,200
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee	111,450	-	-	111,450
Peter Angus Knowles	75,000	75,000	-	150,000
Dato' Che Nazahatuhisamudin Bin Che Haron	1,000,000	1,400,580	-	2,400,580
Deemed Interests In The Company				
Dato' Kamarul Redzuan Bin Muhamed^	12,600,058	30,600,142	-	43,200,200
Datin Rozita Binti Mat Shah @ Hassan *	55,249,937	36,549,937	(5,825,000)	85,974,874

Notes:-
^ Deemed interested by virtue of his spouse, Datin Rozita Binti Mat Shah @ Hassan's interest.
** Deemed interested by virtue of her spouse, Dato' Kamarul Redzuan Bin Muhamed's interest.*

By virtue of their interests in the Company, Dato' Kamarul Redzuan Bin Muhamed and Datin Rozita Binti Mat Shah @ Hassan are deemed to have interests in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 50 to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS

The significant events during the financial year and subsequent to the end of the reporting period are disclosed in Notes 52 and 53 to the financial statements, respectively.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 29 APRIL 2015

Dato' Kamarul Redzuan Bin Muhamed

Dato' Che Nazahatuhisamudin Bin Che Haron

STATEMENT BY DIRECTORS

We, Dato' Kamarul Redzuan Bin Muhamed and Dato' Che Nazahatuhisamudin Bin Che Haron, being two of the directors of Uzma Berhad, state that, in the opinion of the directors, the financial statements set out on pages 12 to 120 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 55, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 29 APRIL 2015

DATO' KAMARUL REDZUAN BIN MUHAMED

DATO' CHE NAZAHATUHISAMUDIN BIN CHE HARON

STATUTORY DECLARATION

I, Bong Leong Sung, being the officer primarily responsible for the financial management of Uzma Berhad, do solemnly and sincerely declare that the financial statements set out on pages 12 to 120 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Bong Leong Sung,
at Kuala Lumpur in the Federal Territory
on this 29 April 2015

BEFORE ME

BONG LEONG SUNG

DATIN HAJAH RAIHELA WANCHIK (W-275)
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Uzma Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 65 to 114.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 55 on page 113 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CROWE HORWATH
FIRM NO: AF 1018
CHARTERED ACCOUNTANTS

CHUA WAI HONG
APPROVAL NO: 2974/09/15 (J)
CHARTERED ACCOUNTANT

29 APRIL 2015

KUALA LUMPUR

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2014

	Note	The Group 2014 Rm'000	The Group 2013 Rm'000	The Company 2014 Rm'000	The Company 2013 Rm'000
ASSETS					
NON-CURRENT ASSETS					
Investments In Subsidiaries	5	-	-	65,461	44,880
Investment In An Associate	6	-	325	-	-
Investments In Joint Ventures	7	17,580	15,754	-	-
Other Investment		11	11	-	-
Property, Plant And Equipment	8	127,479	41,739	-	-
Development Expenditure	9	31,058	-	-	-
Intangible Asset	10	2,391	-	-	-
Deferred Tax Assets	11	112	38	-	-
Goodwill On Consolidation	12	61,368	1,653	-	-
		239,999	**59,520**	**65,461**	**44,880**
CURRENT ASSETS					
Inventories	13	13,500	6,193	-	-
Trade Receivables	14	160,817	113,096	-	-
Other Receivables, Deposits And Prepayments	15	20,667	7,709	18	18
Tax Recoverable		3,708	53	3	22
Amount Owing By Contract Customers	16	14,203	14,538	-	-
Amount Owing By Subsidiaries	17	-	-	124,216	27,010
Amount Owing By An Associate	18	2,857	2,887	-	-
Short-Term Investments	19	37	532	33	528
Fixed Deposits With Licensed Banks	20	19,034	12,597	-	-
Cash And Bank Balances		33,808	24,381	421	304
		268,631	181,986	124,691	27,882
TOTAL ASSETS		**508,630**	**241,506**	**190,152**	**72,762**

	Note	The Group 2014 Rm'000	The Group 2013 Rm'000	The Company 2014 Rm'000	The Company 2013 Rm'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	132,000	66,000	132,000	66,000
Share premium	22	44,247	11,921	44,247	11,921
Merger deficit	23	(29,700)	(29,700)	-	-
Capital reserve	24	51	51	-	-
Foreign exchange translation reserve	25	1,576	(135)	-	-
Retained profits/(Accumulated losses)	26	106,356	80,328	(5,163)	(5,235)
Equity attributable to owners of the Company		254,530	128,465	171,084	72,686
Non-controlling interests	5	9,136	6,973	-	-
TOTAL EQUITY		**263,666**	**135,438**	**171,084**	**72,686**
NON-CURRENT LIABILITIES					
Deferred tax liabilities	11	4,309	2,377	-	-
Long-term borrowings	27	29,820	15,718	-	-
Deferred liability	28	17,157	-	1,878	-
		51,286	18,095	1,878	-
CURRENT LIABILITIES					
Trade payables	29	111,630	62,509	-	-
Other payables and accruals	30	8,564	6,570	52	76
Amount owing to a subsidiary	17	-	-	7,159	-
Provision for taxation		2,523	2,130	-	-
Short-term borrowings	31	42,451	6,412	-	-
Dividend payable	34	9,979	-	9,979	-
Bank overdrafts	35	18,531	10,352	-	-
		193,678	87,973	17,190	76
TOTAL LIABILITIES		**244,964**	**106,068**	**19,068**	**76**
TOTAL EQUITY AND LIABILITIES		**508,630**	**241,506**	**190,152**	**72,762**
NET ASSETS PER ORDINARY SHARE (SEN)	36	96	97		

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		The Group		The Company	
	Note	2014 Rm'000	2013 Rm'000	2014 Rm'000	2013 Rm'000
Revenue	37	473,425	405,902	11,434	4,485
Cost Of Sales		(362,753)	(322,122)	-	-
Gross Profit		110,672	83,780	11,434	4,485
Other Income		3,011	1,731	6	23
		113,683	85,511	11,440	4,508
Administrative Expenses		(55,090)	(31,886)	(1,370)	(984)
Operating Expenses		(7,654)	(9,030)	-	-
Finance Costs		(4,049)	(3,112)	-	-
Share Of Results In An Associate, Net Of Tax		(325)	125	-	-
Share Of Results In Joint Ventures, Net Of Tax		4,772	4,458	-	-
Profit Before Taxation	38	51,337	46,066	10,070	3,524
Income Tax Expense	39	(10,949)	(11,182)	(19)	(1,050)
Profit After Taxation		40,388	34,884	10,051	2,474
Other Comprehensive Income, Net Of Tax					
Item That May Be Reclassified Subsequently To Profit Or Loss					
Foreign Currency Translation Differences		1,798	(51)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**42,186**	**34,833**	**10,051**	**2,474**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	The Group 2014 Rm'000	The Group 2013 Rm'000	The Company 2014 Rm'000	The Company 2013 Rm'000
Profit After Taxation Attributable To:-					
Owners Of The Company		36,007	33,064	10,051	2,474
Non-Controlling Interests		4,381	1,820	-	-
		40,388	**34,884**	**10,051**	**2,474**
Total Comprehensive Income Attributable To:-					
Owners Of The Company		37,718	33,021	10,051	2,474
Non-Controlling Interests		4,468	1,812	-	-
		42,186	**34,833**	**10,051**	**2,474**
Earnings Per Share					
- Basic (Sen)	40	18.6	25.0		
- Diluted (Sen)	40	N/A	N/A		

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
		← Non-Distributable				→	Distributable			
THE GROUP										
Balance at 1.1.2013		66,000	11,921	(92)	(29,700)	51	49,904	98,084	5,272	103,356
Profit after taxation for the financial year		-	-	-	-	-	33,064	33,064	1,820	34,884
Other comprehensive income for the financial year, net of tax:										
- Foreign currency translation differences		-	-	(43)	-	-	-	(43)	(8)	(51)
Total comprehensive income for the financial year		-	-	(43)	-	-	33,064	33,021	1,812	34,833
Contributions by and distributions to owners of the Company:										
-Dividends:										
- by the Company	41	-	-	-	-	-	(2,640)	(2,640)	-	(2,640)
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(111)	(111)
BALANCE AT 31.12.2013		**66,000**	**11,921**	**(135)**	**(29,700)**	**51**	**80,328**	**128,465**	**6,973**	**135,438**

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

		Non-Distributable					Distributable			
	Note	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserve RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
THE GROUP										
Balance at 31.12.2013/1.1.2014		66,000	11,921	(135)	(29,700)	51	80,328	128,465	6,973	135,438
Profit after taxation for the financial year		-	-	-	-	-	36,007	36,007	4,381	40,388
Other comprehensive income for the financial year, net of tax:										
- Foreign currency translation differences		-	-	1,711	-	-	-	1,711	87	1,798
Total comprehensive income for the financial year		-	-	1,711	-	-	36,007	37,718	4,468	42,186
Contributions by and distributions to owners of the Company:										
- Issuance of shares		66,000	33,000	-	-	-	-	99,000	-	99,000
- Share issuance expenses		-	(674)	-	-	-	-	(674)	-	(674)
- Acquisition of subsidiaries		-	-	-	-	-	-	-	70	70
- Dividends:										
- by the Company	41	-	-	-	-	-	(9,979)	(9,979)	-	(9,979)
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(2,375)	(2,375)
Total transaction with owners		66,000	32,326	-	-	-	(9,979)	88,347	(2,305)	86,042
BALANCE AT 31.12.2014		**132,000**	**44,247**	**1,576**	**(29,700)**	**51**	**106,356**	**254,530**	**9,136**	**263,666**

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Note	Share Capital RM'000	Non-Distributable Share Premium RM'000	Distributable Accumulated Losses RM'000	Total Equity RM'000
THE COMPANY					
Balance at 1.1.2013		66,000	11,921	(5,069)	72,852
Profit after taxation/Total comprehensive income for the financial year		-	-	2,474	2,474
Contributions by and distribution to owners of the Company:					
- Dividend	41	-	-	(2,640)	(2,640)
Balance at 31.12.2013/1.1.2014		66,000	11,921	(5,235)	72,686
Profit after taxation/Total comprehensive income for the financial year		-	-	10,051	10,051
Contributions by and distribution to owners of the Company:					
- Issuance of shares		66,000	33,000	-	99,000
- Share issuance expenses		-	(674)	-	(674)
- Dividend	41	-	-	(9,979)	(9,979)
Total transactions with owners		66,000	32,326	(9,979)	88,347
BALANCE AT 31.12.2014		**132,000**	**44,247**	**(5,163)**	**171,084**

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		51,336	46,066	10,070	3,524
Adjustments for:-					
Allowance for impairment losses on receivables		47	489	-	-
Amortisation of intangible asset		398	-	-	-
Bad debts written off		-	159	-	-
Depreciation of property, plant and equipment		7,369	4,617	-	-
Interest expense		3,846	2,687	-	-
Loss on disposal of property, plant and equipment		67	-	-	-
Property, plant and equipment written off		9	-	-	-
Share of profit, net of tax in:					
- joint ventures		(4,772)	(4,458)	-	-
- associate		325	(125)	-	-
Dividend income		-	-	(11,254)	(4,305)
Gain on disposal of a joint venture		(305)	-	-	-
Interest income		(741)	(378)	(6)	(23)
Net loss/(gain) on foreign exchange - unrealised		978	(702)	-	-
Reversal of impairment losses on trade receivables		(183)	-	-	-
Operating profit/(loss) before working capital changes		58,374	48,355	(1,190)	(804)
Decrease in amount owing by contract customers		335	3,607	-	-
Increase in trade and other receivables		(45,462)	(25,816)	-	-
Increase/(Decrease) in trade and other payables		38,119	(9,340)	(24)	(52)
(Increase)/Decrease in inventories		(7,048)	1,795	-	-
CASH FROM/(FOR) OPERATIONS		44,318	18,601	(1,214)	(856)
Interest paid		(3,846)	(2,687)	-	-
Income tax paid		(10,172)	(10,898)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		**30,300**	**5,016**	**(1,214)**	**(856)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (CONT'D)

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired	42	(91,111)	-	-	-
Investment in:					
- subsidiaries		-	-	(18,703)	-
- an associate		-	(200)	-	-
Dividend received			-	5,354	3,255
Interest received		741	378	6	23
Proceeds from disposal of:					
- a joint venture		2,500	-	-	-
- property, plant and equipment		528	-	-	-
Purchase of property, plant and equipment	44	(48,812)	(11,316)	-	-
Purchase of development expenditure		(31,058)	-	-	-
Net withdrawal of deposits pledged with licensed banks		1,366	1,004	-	-
Repayment from/(Advances to) an associate		30	(2,887)	-	-
Advances to subsidiaries		-	-	(97,206)	(1,745)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(165,816)**	**(13,021)**	**(110,549)**	**1,533**

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from a subsidiary		-	-	13,059	-
Proceeds from issuance of shares		99,000	-	99,000	-
Share issuance expenses		(674)	-	(674)	-
Dividend paid		-	(2,640)	-	(2,640)
Dividend paid to minority shareholders by a subsidiary		(2,375)	(111)	-	-
Drawdown of term loans		25,731	6,464	-	-
Repayment of term loans		(10,352)	(6,489)	-	-
Repayment of lease and hire purchase obligations		(290)	(172)	-	-
Net drawdown of bills payable		32,872	-	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		143,912	(2,948)	111,385	(2,640)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,396	(10,953)	(378)	(1,963)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		14,561	25,275	832	2,795
Effect of exchange rate differences		160	239	-	-
CASH AND CASH EQUIVALENTSAT END OF THE FINANCIAL YEAR	45	**23,117**	**14,561**	**454**	**832**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office
802, 8th Floor, Block C, Kelana Square,
17, Jalan SS7/26, 47301 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business
No. 2, Jalan PJU8/8A, Damansara Perdana,
47820 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 April 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 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 Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(a) MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in MFRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this MFRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held.

(b) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

(c) Annual Improvements to MFRSs 2010 - 2012 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of the future revaluations.

(d) Annual Improvements to MFRSs 2011 - 2013 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

(e) Annual Improvements to MFRSs 2012 - 2014 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(a) Depreciation of Property, Plant and Equipment (cont'd)

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Contracts

Contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) Contract Revenue

Contract accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgment is required to be made of its probability and revenue recognised accordingly.

(ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(f) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(g) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

4.2 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustment arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate of the reporting period.

4.3 BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Merger Accounting for Common Control Business Combinations

The acquisitions resulted in a business combination involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. The merger accounting is used by the Group to account for such common control business combinations.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party and parties' interests.

When the merger method is used, the cost of investment in the Company's books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(b) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

4.3 BASIS OF CONSOLIDATION (CONT'D)

(b) Business Combinations (cont'd)

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(c) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(d) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.4 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.
Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Investments in subsidiaries are initially stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are initially stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 INVESTMENT IN AN ASSOCIATE

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to 31 December 2014.

4.6 INVESTMENT IN AN ASSOCIATE (CONT'D)

The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of the investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4.7 JOINT ARRANGEMENTS

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements returns.

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint operation and joint ventures.

(a) Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, the obligations for the liabilities, relating to the arrangement. The Group accounts for each of its interest in the joint operations the assets, liabilities, revenue and expenses (including its share of those held or incurred jointly with the other investors) in accordance with the applicable accounting standards.

(b) Joint Ventures

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to 31 December 2014. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture or when the investment is classified as held for sale. When the Group retains an interest in the former joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that joint venture to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method when an investment in a joint venture becomes an investment in an associate.

4.7 JOINT ARRANGEMENTS (CONT'D)

(b) Joint Ventures (cont'd)

Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the joint venture will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in joint ventures are recognised in profit or loss.

4.8 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement are recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

4.8 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (cont'd)

(iv) Available-for-sale Financial Assets (cont'd)

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.9 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any and is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Leasehold land	Over the lease period of 94 years
Leasehold improvement	5% - 20%
Laboratory equipment	10% - 20%
Wireline equipment	10%
Uzmapress equipment	10%
Hydraulic Workover Units	10% - 20%
Computers, EDP and software	20% - 33 1/3%
Furniture, fittings and renovation	20%
Motor vehicles	20%
Plant and office equipment	20% - 50%
Returnable shipping containers	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

4.9 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate, only when the costs is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.10 DEVELOPMENT EXPENDITURE

Expenditure relating to development of assets including the construction, installation and completion of infrastructure facilities such as platforms, pipelines and development wells.

The development expenditure is amortised over a contract period of 9 years when the assets are ready for use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

4.11 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their valueinuse, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.12 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated in accordance with the policy set out in Note 4.9 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.13 OPERATING LEASES

Leases in which the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line method over the lease period.

4.14 INTANGIBLE ASSETS

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. The Group assesses the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

The useful life of the intangible asset of the Group is 7 years.

4.15 INVENTORIES

Inventories are stated at the lower of cost (determined on the weighted average basis) and net realisable value. Cost of raw materials comprises costs of purchase. Cost of finished goods includes direct materials, direct labour, and appropriate production overheads.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

4.16 AMOUNTS OWING BY/ TO CONTRACT CUSTOMERS

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

4.17 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.18 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.18 CASH AND CASH EQUIVALENTS (CONT'D)

During the current financial year, the Group excluded deposits pledged to financial institutions from cash and cash equivalents for the purpose of the statements of cash flows. This change has been applied retrospectively with an adjustment made against the opening balance of the cash and cash equivalents as at 1 January 2013.

4.19 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4.20 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition and construction or production of a qualifying asset are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4.21 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.22 RELATED PARTIES

A party is related to an entity (referred as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.23 REVENUE AND OTHER INCOME

(a) Contract Income

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

(b) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(c) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(d) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(e) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

4.24 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.25 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.26 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5. INVESTMENTS IN SUBSIDIARIES

	The Company 2014 RM'000	2013 RM'000
Unquoted shares in Malaysia, at cost		
At 1 January	44,205	44,205
Addition during the financial year	20,581	-
At 31 December	64,786	44,205
Unquoted shares outside Malaysia, at cost	675	675
	65,461	**44,880**

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Uzma Engineering Sdn. Bhd.	Malaysia	100%	100%	Provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.
Uzma Consulting Limited*#	Thailand	49%	49%	Provision of surface software and consultancy services for oil and gas industries.
Uzma Engineering Pty. Ltd.*	Australia	100%	100%	Provision of geoscience and reservoir engineering services, and management systems.
Uzma Teras Sdn. Bhd.	Malaysia	100%	100%	Provision of aviation engineering, support services and agency business of aircraft and machines.
Malaysian Energy Chemical & Services Sdn. Bhd.	Malaysia	70%	70%	Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
Tenggara Analisis Sdn. Bhd.	Malaysia	100%	100%	Investment holding.
Uzma Energy Venture (Sarawak) Sdn. Bhd.	Malaysia	100%	100%	Exploration and production in oilfield and related activities.
Premier Enterprise Corporation (M) Sdn Bhd.	Malaysia	100%	-	Trading of hardware and equipment for oil refinery.
Held by Uzma Engineering Sdn. Bhd.:				
PT Uzma	Indonesia	95%	95%	Dormant.
Uzma Tracer Sdn. Bhd.	Malaysia	70%	-	Provision for chemical tracer services for oil and gas sector.
Uzma Integrated Solution Sdn. Bhd.	Malaysia	60%	-	Provision of geocomputing and geophysical software development, testing and maintenance services.
SVJ Holding Limited	British Virgin Island	100%	-	Investment holding.
Uzma Well Services (Thailand) Ltd. @#	Thailand	49%	-	Investment holding.
Held by SVJ Holding Limited and Uzma Well Services (Thailand) Ltd.:				
MMSVS Group Holding Co., Ltd. @	Thailand	100%	-	Investment holding and provides repair and maintenance petroleum exploration and production wells.

\# *Uzma Consulting Limited and Uzma Well Services (Thailand) Ltd. are considered subsidiaries although the Company does not own more than 50% of its equity interest because the Company has the power to appoint and remove the majority of the Board of Directors and therefore control the Board.*

* *audited by other firms of chartered accountants.*

@ *audited by a member firm of Crowe Horwath International of which Crowe Horwath is a member.*

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2013	2014	2014	2013
	%	%	RM'000	RM'000
Uzma Consulting Limited	51	51	1,416	1104
Malaysian Energy Chemical & Services Sdn. Bhd.	30	30	7,604	5,866
Other individually immaterial subsidiaries:-				
PT Uzma	5	5	(2)	3
Uzma Tracer Sdn. Bhd.	30	-	(97)	-
Uzma Integrated Solution Sdn. Bhd.	40	-	215	-
			9,136	**6,973**

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Uzma Consulting Limited	
	2014	**2013**
	RM'000	**RM'000**
At 31 December		
Non-current assets	143	127
Current assets	4,464	3,346
Current liabilities	(1,794)	(1,276)
NET ASSETS	**2,813**	**2,197**
Financial year ended 31 December		
Revenue	12,135	11,311
Profit for the financial year	686	495
Total comprehensive income	857	480
Dividends paid to non-controlling interests	125	111
Total comprehensive income attributable to non-controlling interests	437	245
Net cash flows from operating activities	525	1,151
Net cash flows for investing activities	(81)	(99)
Net cash flows for financing activities	(919)	(205)

	Malaysian Energy Chemical & Services Sdn. Bhd.	
	2014	**2013**
	RM'000	**RM'000**
At 31 December		
Non-current assets	6,147	556
Current assets	37,305	24,147
Current liabilities	(18,104)	(5,148)
NET ASSETS	**25,348**	**19,555**
Financial year ended 31 December		
Revenue	71,468	38,509
Profit for the financial year	13,293	5,226
Total comprehensive income	13,293	5,226
Dividends paid to non-controlling interests	2,250	-
Total comprehensive income attributable to non-controlling interests	3,988	1,568
Net cash flows from operating activities	7,822	2,685
Net cash flows for investing activities	(5,865)	(323)
Net cash flows from financing activities	238	27

6. INVESTMENT IN AN ASSOCIATE

	The Group 2014 RM'000	The Group 2013 RM'000
Unquoted shares, at cost	200	200
Share of post acquisition (losses)/profits	(200)	125
	-	**325**

Share of results in the associate are based on unaudited financial statements of the associate.

The details of the associate are as follows:-

Name of Associate	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Sazma Aviation Sdn. Bhd.	Malaysia	40%	40%	Provision of professional aviation services, trading, ground handling services, general merchant agent, carrier and air transportation.

The summarised unaudited financial information for each associate that is material to the Group is as follows:-

	Sazma Aviation Sdn Bhd 2014 RM'000	Sazma Aviation Sdn Bhd 2013 RM'000
At 31 December		
Non-current assets	736	732
Current assets	10,821	4,692
Non-current liabilities	(9,546)	(69)
Current liabilities	(12,548)	(4,777)
	(10,537)	**578**
Financial year ended 31 December		
Revenue	23,969	17,781
Profit for the financial year	(11,115)	313
Total comprehensive income	(11,115)	313
Group's share of profit for the financial year	(325)	125
Group's share of total comprehensive income	(325)	125
Reconciliation of net assets to carrying amount		
Group's share of net assets above	(4,215)	231
Goodwill on acquisition	94	94
Unrecognised losses	4,121	-
Carrying amount of the Group's interests in this associate	-	**325**

The Group has not recognised losses relating to Sazma Aviation Sdn. Bhd., where its share of losses exceeds the Group's interest in this associate. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM4,121,000 (2013 : Nil), which is also the current financial year's losses. The Group has no obligation in respect of these losses.

7. INVESTMENTS IN JOINT VENTURES

	The Group 2014 RM'000	2013 RM'000
Unquoted shares, at cost		
At 1 January	11,500	11,500
Disposal during the financial year	(4,000)	-
At 31 December	7,500	11,500
Allowance for impairment loss:-		
At 1 January	(1,500)	(1,500)
Disposal during the financial year	1,500	-
At 31 December	-	(1,500)
	7,500	10,000
Share of post acquisition profits	10,080	5,754
	17,580	**15,754**

The details of the joint ventures are as follows:-

Name of Associate	Country of Incorporation	Effective Equity Interest 2014	2013	Principal Activities
Uzma-Oriental Co. Ltd.	Hong Kong	-	35%	Investment holding.
Setegap Ventures Petroleum Sdn. Bhd.	Malaysia	30%	30%	Provision of professional aviation services, trading, ground handling services, general merchant agent, carrier and air transportation.

The summarised financial information for each joint venture that is material to the Group is as follows:-

	Setegap Ventures Petroleum Sdn. Bhd. 2014 RM'000	2013 RM'000
At 31 December		
Non-current assets	27,810	17,059
Current assets	46,331	32,941
Non-current liabilities	(9,397)	(10,097)
Current liabilities	(21,612)	(7,036)
Redeemable convertible preference shares	-	(3,750)
	43,132	**29,117**
Financial year ended 31 December		
Revenue	88,535	69,912
Profit for the financial year	16,717	15,008
Total comprehensive income	16,717	15,008
Group's share of profit for the financial year	4,779	4,505
Group's share of total comprehensive income	4,779	4,505
Dividend received	751	901
Reconciliation of net assets to carrying amount		
Group's share of net assets above	12,948	8,919
Goodwill on acquisition	4,632	4,632
Carrying amount of the Group's interests in this joint venture	**17,580**	**13,551**

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

The summarised financial information for each joint venture that is material to the Group is as follows:-

	Uzma-Oriental Co. Ltd. 2014 RM'000	2013 RM'000
At 31 December		
Non-current assets	-	2,062
Current assets	-	73
Current liabilities	-	(426)
	-	**1,709**
Financial year ended 31 December		
Profit for the financial year	(20)	(136)
Total comprehensive expenses	(20)	(136)
Group's share of losses for the financial year	(7)	(47)
Reconciliation of net assets to carrying amount		
Group's share of net assets above	-	611
Goodwill on acquisition	-	1,592
Carrying amount of the Group's interests in this joint venture	**-**	**2,203**

8. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2014 RM'000	Acquisition Of Subsidiaries RM'000	Additions RM'000	Disposal RM'000	Written Off RM'000	Exchange Differences RM'000	Depreciation Charge RM'000	At 31.12.2014 RM'000
THE GROUP								
Net Book Value								
Freehold land	5,740	-	-	-	-	-	-	5,740
Freehold buildings	3,286	-	-	-	-	-	(75)	3,211
Leasehold land and building	-	-	24,000	-	-	-	(21)	23,979
Leasehold improvement	-	408	438	-	-	191	(35)	1,002
Laboratory equipment	1,490	-	387	-	-	-	(306)	1,571
Wireline equipment	6,072	-	1,601	-	-	-	(759)	6,914
Uzmapress equipment	22,074	-	29	-	-	-	(2,566)	19,537
Hydraulic Workover Units	-	35,882	9,128	(452)	-	4,620	(1,916)	47,262
Computers, EDP and software	1,098	117	637	-	-	3	(436)	1,419
Furniture, fittings and renovation	568	358	7,409	-	-	19	(377)	7,977
Motor vehicles	730	2,307	2,292	(143)	-	351	(586)	4,951
Plant and office equipment	448	229	2,663	-	-	17	(237)	3,120
Returnable shipping containers	233	-	627	-	(9)	-	(55)	796
	41,739	**39,301**	**49,211**	**(595)**	**(9)**	**5,201**	**(7,369)**	**127,479**

	At 1.1.2013 RM'000	Additions RM'000	Exchange Differences RM'000	Depreciation Charge RM'000	At 31.12.2013 RM'000
THE GROUP					
Net Book Value					
Freehold land	5,740	-	-	-	5,740
Freehold buildings	3,361	-	-	(75)	3,286
Laboratory equipment	1,300	456	-	(266)	1,490
Wireline equipment	5,836	935	-	(699)	6,072
Uzmapress equipment	16,352	8,148	-	(2,426)	22,074
Computers, EDP and software	866	823	-	(591)	1,098
Furniture, fittings and renovation	427	388	-	(247)	568
Motor vehicles	716	224	(4)	(206)	730
Plant and office equipment	355	193	-	(100)	448
Returnable shipping containers	-	240	-	(7)	233
	34,953	**11,407**	**(4)**	**(4,617)**	**41,739**

8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM'000	Accumulated Depreciation RM'000	Net Book Value RM'000
THE GROUP			
At 31.12.2014			
Freehold land	5,740	-	5,740
Freehold buildings	3,745	(534)	3,211
Leasehold land and building	24,000	(21)	23,979
Leasehold improvement	1,463	(461)	1,002
Laboratory equipment	2,986	(1,415)	1,571
Wireline equipment	9,026	(2,112)	6,914
Uzmapress equipment	25,691	(6,154)	19,537
Hydraulic Workover Units	71,291	(24,029)	47,262
Computers, EDP and software	6,431	(5,012)	1,419
Furniture, fittings and renovation	11,328	(3,351)	7,977
Motor vehicles	7,033	(2,082)	4,951
Plant and office equipment	4,678	(1,558)	3,120
Returnable shipping containers	858	(62)	796
	174,270	**(46,791)**	**127,479**
At 31.12.2013			
Freehold land	5,740	-	5,740
Buildings	3,745	(459)	3,286
Laboratory equipment	2,599	(1,109)	1,490
Wireline equipment	7,425	(1,353)	6,072
Uzmapress equipment	25,662	(3,588)	22,074
Computers, EDP and software	5,383	(4,285)	1,098
Furniture, fittings and renovation	3,082	(2,514)	568
Motor vehicles	1,437	(707)	730
Plant and office equipment	1,078	(630)	448
Returnable shipping containers	240	(7)	233
	56,391	**(14,652)**	**41,739**

The total net book value of the motor vehicles of the Group acquired under hire purchase terms at the end of the reporting period amounted to approximately RM702,000 (2013 : RM617,000).

The net book values of the property, plant and equipment at the end of the reporting period pledged as security for banking facilities granted to the Group are as follows:-

	The Group 2014 RM'000	2013 RM'000
Freehold land	5,740	5,740
Freehold buildings	3,211	3,286
Leasehold land and building	23,979	-
Wireline equipment	-	6,072
Uzmapress equipment	19,424	21,981
	52,354	**37,079**

9. DEVELOPMENT EXPENDITURE

	The Group 2014 RM'000	2013 RM'000
At 1 January	-	-
Addition during the financial year	31,058	-
At 31 December	**31,058**	**-**

Expenditure relating to development of assets including the construction, installation and completion of infrastructure facilities such as platforms, pipelines and development wells.

10. Intangible Asset

	The Group 2014 RM'000	2013 RM'000
Customer base, at cost:-		
At 1 January	-	-
Addition during the financial year	2,789	-
At 31 December	2,789	-
Amortisation of intangible asset:-		
At 1 January	-	-
Amortisation during the financial year	(398)	-
At 31 December	(398)	-
	2,391	**-**

11. Deferred Tax Assets/(Liabilities)

	The Group 2014 RM'000	2013 RM'000
At 1 January	(2,339)	(1,148)
Recognised in profit or loss (Note 39)	(1,765)	(1,190)
Acquisition of subsidiaries (Note 42)	(49)	-
Exchange differences	(44)	(1)
At 31 December	**(4,197)**	**(2,339)**
Presented as follows:-		
Deferred tax assets	112	38
Deferred tax liabilities	(4,309)	(2,377)
	(4,197)	**(2,339)**

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The deferred tax assets and liability consist of the tax effects of the following items:-

	The Group	
	2014 RM'000	2013 RM'000
Deferred tax assets:-		
Allowance for impairment losses on receivables	898	898
Provisions	242	-
	1,140	898
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(5,225)	(3,275)
Others	(112)	38
	(5,337)	(3,237)
	(4,197)	**(2,339)**

At the end of the reporting period, the Group has tax losses of approximately RM916,000 (2013 : Nil) that are available for offset against future taxable profits of the subsidiaries in which the losses arose. No deferred tax assets are recognised in respect of this item as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

12. GOODWILL ON CONSOLIDATION

	The Group	
	2014 RM'000	2013 RM'000
At 1 January	1,653	1,653
Acquisition of subsidiaries	59,715	-
At 31 December	**61,368**	**1,653**

The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	The Group	
	2014 RM'000	2013 RM'000
Services	51,095	-
Trading	10,273	1,653
	61,368	**1,653**

12. GOODWILL ON CONSOLIDATION (CONT'D)

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2014	2013	2014	2013	2014	2013
Services	36%	-	10%	-	16.3%	-
Trading	15% - 32%	32%	6%	6%	16.3%	12.6%

(i)	Budgeted gross margin	Based on past performance and the management's expectation of market development.
(ii)	Growth rate	Based on the expected projection of the respective operating segments.
(iii)	Discount rate (pre-tax)	Reflect specific risks relating to the relevant operating segments.

The Group believes that no reasonable change in the above key assumptions would cause the carrying amount of the goodwill to exceed its recoverable amount.

13. INVENTORIES

	The Group	
	2014 RM'000	2013 RM'000
Raw materials	6,262	2,460
Finished goods	6,667	3,425
Trading goods	82	-
Wireline consumables	489	308
	13,500	**6,193**
Recognised in profit or loss		
Inventories recognised as cost of sales	50,122	23,331

None of the inventories is carried at net realisable value.

14. TRADE RECEIVABLES

	The Group	
	2014 RM'000	2013 RM'000
Trade receivables	67,670	38,089
Allowance for impairment losses:-		
At 1 January	(3,773)	(3,284)
Addition during the financial year	(47)	(489)
Reversal during the financial year	183	-
At 31 December	(3,637)	(3,773)
	64,033	34,316
Accrued billings	96,784	78,780
	160,817	**113,096**

The Group's normal trade credit terms range from 30 to 90 (2013 : 30 to 60) days.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other receivables, deposits and prepayments	20,994	8,036	18	18
Allowance for impairment losses	(327)	(327)	-	-
	20,667	**7,709**	**18**	**18**

16. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	2014 RM'000	2013 RM'000
Contract costs incurred to-date	41,640	30,592
Attributable profits	22,383	19,603
	64,023	50,195
Progress billings	(49,820)	(35,657)
	14,203	**14,538**

17. AMOUNTS OWING BY/TO SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured and interest-free. The amounts owing represent advances and payments made on behalf. The amounts owing are repayable on demand and is to be settled in cash.

18. AMOUNT OWING BY AN ASSOCIATE

The amount owing is non-trade in nature, unsecured and interest-free. The amount owing represents advances and payments made on behalf. The amount owing is repayable on demand and is to be settled in cash.

19. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Quoted unit trusts in Malaysia:-				
At fair value	37	532	33	528

20. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of RM11,231,000 (2013 : RM12,597,000) have been pledged to licensed banks as security for banking facilities granted to the Group.

The effective interest rates of the fixed deposits at the end of the reporting period ranged from 1.20% to 3.45% (2013 : 1.60% to 3.50%) per annum. The fixed deposits have maturity periods ranging from 1 to 18 (2013 : 1 to 12) months.

21. SHARE CAPITAL

Number Of Share	2014 RM'000	2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
Ordinary Shares of RM0.50Each				
Authorised				
At 1 January	200,000	200,000	100,000	100,000
Creation during the year	300,000	-	150,000	-
At 31 December	**500,000**	**200,000**	**250,000**	**100,000**
Issued And Fully Paid-Up				
At 1 January	132,000	132,000	66,000	66,000
Rights Issue	132,000	-	66,000	-
At 31 December	**264,000**	**132,000**	**132,000**	**66,000**

The Company increased its issued and paid-up share capital from RM66,000,000 to RM132,000,000 pursuant to the Company's renounceable rights issue of 132,000,000 new ordinary shares of RM0.50 each ("Rights Share") at an issue price of RM0.75 per Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary share of RM0.50 each held in the Company. The new shares were listed and quoted on the Main Market of Bursa Securities on 21 July 2014.

The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

22. SHARE PREMIUM

The movements in the share premium of the Group and the Company are as follows:-

	The Group / The Company 2014 RM'000	The Group / The Company 2013 RM'000
At 1 January	11,921	11,921
Issuance of new shares	33,000	-
Share issuance expenses	(674)	-
At 31 December	**44,247**	**11,921**

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

23. MERGER DEFICIT

The merger deficit relates to the difference between the nominal value of shares issued for the purchase of a subsidiary amounting to RM31,000,000 and the nominal value of the shares acquired of RM1,300,000.

24. CAPITAL RESERVE

The foreign subsidiary is required under the provisions of the Civil and Commercial Code of Thailand, to set aside as a statutory reserve of at least 5% of its net profit at each dividend declaration until the reserve reaches 10% of the authorised share capital. The reserve is not available for dividend declaration.

25. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

26. RETAINED PROFITS/(ACCUMULATED LOSSES)

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

27. LONG-TERM BORROWINGS

	The Group	
	2014 RM'000	2013 RM'000
Lease and hire purchase payables (Note 32)	552	449
Term loans (Note 33)	29,268	15,269
	29,820	**15,718**

28. DEFERRED LIABILITY

The deferred liability represents the balance of the purchase consideration to be paid for the acquisitions of subsidiaries.

29. TRADE PAYABLES

	The Group	
	2014 RM'000	2013 RM'000
Trade payables	36,808	8,413
Amount owing to related parties	8,082	-
Accrued contract costs	66,740	54,096
	111,630	**62,509**

The normal trade credit terms granted to the Group range from 7 to 120 (2013 : 7 to 30) days.

The amount owing to related parties is trade-in-nature and subject to normal trade credit terms ranging from 30 to 45 (2013 : Nil) days.

30. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables	7,000	3,097	-	30
Accruals	1,564	3,473	52	46
	8,564	**6,570**	**52**	**76**

31. SHORT-TERM BORROWINGS

	The Group	
	2014 RM'000	2013 RM'000
Lease and hire purchase payables (Note 32)	166	160
Term loans (Note 33)	7,632	6,252
Revolving credit	30,504	-
Invoice financing	4,149	-
	42,451	**6,412**

The average effective interest rates at the end of the reporting period for borrowings which bore interest at floating rates, were as follows:-

	The Group	
	2014 %	2013 %
Revolving credit	2.50 - 2.79	-
Invoice financing	2.20 - 5.45	-

The revolving credit and invoice financing are secured by:-
(i) a corporate guarantee by the Company; and
(ii) a fixed deposit of RM1,749,000 of a subsidiary.

32. LEASE AND HIRE PURCHASE PAYABLES

	The Group	
	2014 RM'000	2013 RM'000
Future minimum lease and hire purchase payments:		
- not later than one year	198	182
- later than one year but not later than five years	604	483
- later than five years	30	43
	832	708
Less: Future finance charges	(114)	(99)
Present value of lease and hire purchase payables	**718**	**609**
Current (Note 31):		
- not later than one year	166	160
Non-current (Note 27):		
- later than one year but not later than five years	527	412
- later than five years	25	37
	552	449
	718	**609**

The lease and hire purchase payables of the Group bore effective interest rates ranging from 4.65% to 10.88% (2013 : 4.65% to 5.75%) per annum at the end of the reporting period.

33. TERM LOANS

	The Group 2014 RM'000	2013 RM'000
Current (Note 31):		
- repayable within one year	7,632	6,252
Non-current (Note 27):		
- repayable between one and two years	6,597	5,200
- repayable between two and five years	7,446	9,624
- repayable after five years	15,225	445
Total non-current	29,268	15,269
	36,900	**21,521**

Details of the term loans are as follows:-

Term loan	Monthly Instalment	Interest Rate Per Annum	Number of Monthly Instalments	Date of Commencement of Repayment	Amount Outstanding RM'000
1	Year 1 to 5 - RM30,901 Year 6 onwards - RM30,618	BLR - 1.50% BLR - 1.70%	120	1 May 2009	1,443
2	Year 1 to 4 - RM416,667	COF + 2.25%	48	5 March 2013	10,768
3	Year 1 to 4 - RM416,667	COF + 2.25%	48	Commenced one month after full drawdown	1,368
4	Year 1 to 7 - RM32,896	COF + 2.25%	84	21 February 2014	2,401
5	Year 1 to 15 - RM161,947	BLR - 2.40%	180	1 April 2014	20,920
					36,900

The term loans bore a weighted average effective interest rate of 4.94% (2013 : 6.06%) per annum at the end of the reporting period:-

The following is a summary of the security for the term loans:-

(a) Term loan 1 is secured by:-

(i) a first legal charge over the freehold land and buildings of a subsidiary; and
(ii) a corporate guarantee of RM26,426,598 by the Company.

(b) Term loans 2, 3 and 4 are secured by:-

(i) a first legal charge over the freehold land and buildings of a subsidiary;
(ii) a first legal charge over the Uzmapress equipment of a subsidiary;
(iii) a fixed deposit of RM2,000,000 of a subsidiary; and
(iii) a corporate guarantee of RM83,000,000 by the Company.

(c) Term loan 5 is secured by:-

(i) a first legal charge over the leasehold land and buildings of a subsidiary; and
(ii) a corporate guarantee of RM21,600,000 by the Company.

34. DIVIDEND PAYABLE

	The Group 2014 RM'000	2013 RM'000
Single tier interim dividend of 3.78 sen (2013 : Nil) per ordinary share in respect of the financial year ended 31 December 2014	9,979	-

35. BANK OVERDRAFTS

The bank overdrafts bore a weighted effective interest rate of 8.23% (2013 : 7.85%) per annum at the end of the reporting period and are secured by:-

(i) a fixed deposit of a subsidiary;
(ii) a corporate guarantee of RM20,700,000 by the Company; and
(iii) the same manner as term loans 2, 3 and 4 in Note 33(b) to the financial statements.

36. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of approximately RM254,530,000 (2013 : RM128,465,000) divided by the number of ordinary shares at the end of the reporting period of 264,000,000 (2013 : 132,000,000) shares.

37. REVENUE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Services rendered	373,804	352,069	-	-
Contract revenue	21,952	17,728	-	-
Sales of goods	77,669	36,105	-	-
Dividend income	-	-	11,254	4,305
Management fee	-	-	180	180
	473,425	**405,902**	**11,434**	**4,485**

38. PROFIT BEFORE TAXATION

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Statutory audit fee:				
- for the financial year	301	198	55	46
- underprovision in the previous financial year	2	18	4	6
Non-statutory audit fee	86	6	86	6
Allowance for impairment losses on trade receivables	47	489	-	-
Amortisation of intangible asset	398	-	-	-
Bad debts written off	-	159	-	-
Depreciation of property, plant and equipment	7,369	4,617	-	-
Directors' fee	185	200	185	188
Directors' non-fee emoluments:				
- salaries, allowances and other benefits	3,408	3,506	8	10
- defined contribution plan	336	323	-	-
Interest expense:				
- bank overdrafts	563	400	-	-
- bank guarantee	375	358	-	-
- factoring	-	460		
- invoice financing	479	-	-	-
- lease and hire purchase	124	27	-	-
- revolving credit	97	-	-	-
- term loans	2,208	1,442	-	-
Loss on disposal of property, plant and equipment	67	-	-	-
Loss on foreign exchange:				
- realised	443	325	-	8
- unrealised	1,486	-	-	-
Property, plant and equipment written off	9	-	-	-
Rental of premises	340	532	-	-
Rental of office	491	-	-	-
Rental of office equipment	229	128	-	-
Rental of forklift and cranes	304	105	-	-
Rental of warehouse	270	15	-	-
Share of results in an associate	325	(125)	-	-
Staff costs:				
- salaries, wages, bonuses, allowances and other benefits	37,613	19,516	-	-
- defined contribution plan	2,767	2,089	-	-
Gain on foreign exchange:				
- realised	(648)	(585)	-	-
- unrealised	(508)	(702)	-	-
Gain on disposal of a joint venture	(305)	-	-	-
Interest income	(741)	(378)	(6)	(23)
Rental income	(24)	(66)	-	-
Reversal of impairment losses on trade receivables	(183)	-	-	-
Share of results in joint ventures	(4,772)	(4,458)	-	-

39. INCOME TAX EXPENSE

	The Group 2014 RM'000	2013 RM'000	The Company 2014 RM'000	2013 RM'000
Income tax:				
- for the current financial year	9,414	10,414	43	1,050
- overprovision in the previous financial year	(230)	(422)	(24)	-
	9,184	9,992	19	1,050
Deferred taxation (Note 11):				
- for the current financial year	1,545	1,042	-	-
- underprovision in the previous financial year	220	148	-	-
	1,765	1,190	-	-
	10,949	**11,182**	**19**	**1,050**

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group 2014 RM'000	2013 RM'000	The Company 2014 RM'000	2013 RM'000
Profit before taxation	51,337	46,066	10,070	3,524
Tax at the statutory tax rate of 25% (2013 : 25%)	12,833	11,516	2,518	881
Tax effects of:-				
Non-deductible expenses	3,304	1,170	340	201
Non-taxable gains	(164)	(53)	(2,815)	(32)
Deduction for cost on acquisition of a foreign owned company	(4,101)	-	-	-
Deferred tax assets not recognised during the financial year	210			
Share of results in an associate	81	(31)	-	-
Share of results in joint ventures	(1,193)	(1,114)	-	-
(Over)/Underprovision in the previous financial year				
- current tax	(230)	(422)	(24)	-
- deferred tax	220	148	-	-
Different tax rates in other countries	(11)	(32)	-	-
Income tax expense for the financial year	**10,949**	**11,182**	**19**	**1,050**

40. EARNINGS PER SHARE

	The Group 2014	2013
Profit attributable to owners of the Company (RM'000)	36,007	33,064
Weighted average number of ordinary shares ('000):-		
Issued ordinary shares at 1 January	132,000	132,000
Effect of rights issue	61,118	-
Weighted average number of ordinary shares at		
31 December ('000)	193,118	132,000
Basic earnings per share (sen)	18.6	25.0

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the end of the reporting period.

41. Dividends

	The Company 2014 RM'000	2013 RM'000
Single tier interim dividend of 3.78 sen per ordinary share in respect of the financial year ended 31 December 2014	9,979	-
Single tier interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2013	-	2,640
	9,979	**2,640**

42. ACQUISITION OF SUBSIDIARIES

During the financial year, the Group acquired:-

(a) The entire equity interest in Premier Enterprise Corporation (M) Sdn. Bhd., comprising 500,000 ordinary shares of RM1.00 each for a cash consideration of RM20,603,000;

(b) MMSVS Group Holding Co., Ltd. ("MMSVS") for a cash consideration of USD29,700,000 by way of:-

(i) Uzma Engineering Sdn. Bhd. ("UESB"), a wholly-owned subsidiary, acquired the entire equity interest in SVJ Holding Limited, which hold entire ordinary shares in MMSVS comprising 100,000 ordinary shares of Thai Baht 100 each; and

(ii) Uzma Well Services (Thailand) Limited, a 49%-owned subsidiary of UESB, acquired entire preferred shares in MMSVS comprising 100,999 preferred shares of Thai Baht 100 each.

The acquisition was completed on 23 July 2014;

(c) 70% equity interest in Uzma Tracer Sdn. Bhd. comprising 70,000 ordinary shares of RM1.00 each for a total cash consideration of RM70,000; and

(d) 60% equity interest in Uzma Integrated Solution Sdn. Bhd. comprising 60,000 ordinary shares of RM1.00 each for a total cash consideration of RM60,000.

The fair values of the identifiable assets and liabilities of the subsidiaries at the date of acquisition were:-

	Fair Value Recognised At Date Of Acquisition RM'000
Plant and equipment	39,301
Intangible asset	2,789
Trade and other receivables	14,494
Inventories	259
Tax recoverable	2,274
Cash and cash equivalents	9,638
Trade payables and accruals	(10,445)
Deferred taxation	(49)
Net identifiable assets and liabilities	58,261
Less: Non-controlling interests	(70)
Add: Goodwill on acquisition	59,715
Total purchase consideration	117,906
Less: Deferred liability	(17,157)
	100,749
Less: Cash and cash equivalents of subsidiaries acquired	(9,638)
Net cash outflow for acquisition of subsidiaries	**91,111**

The acquired subsidiaries have contributed the following results to the Group:-

	The Group 2014 RM'000	2013 RM'000
Revenue	22,190	-
Profit after taxation	6,107	-

43. INTEREST IN JOINT OPERATIONS

The Group has a 30% (2013 : Nil) partnership interest in a joint operation, Tanjung Baram Field with EQ Petroleum Developments Malaysia Sdn. Bhd.. Tanjung Baram Field's principal place of business is in Malaysia. Tanjung Baram Field's principal activity is to carry out the development and production of petroleum.

44. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group 2014 RM'000	2013 RM'000
Cost of property, plant and equipment purchased	49,211	11,407
Amount financed through hire purchase	(399)	(91)
Cash disbursed for purchase of property, plant and equipment	**48,812**	**11,316**

45. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise:-

		The Group		The Company
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Short-term investments (Note 19)	37	532	33	528
Fixed deposits with licensed banks (Note 20)	19,034	12,597	-	-
Cash and bank balances	33,808	24,381	421	304
Bank overdrafts (Note 35)	(18,531)	(10,352)	-	-
	34,348	27,158	454	832
Less: Fixed deposits pledged with licensed banks	(11,231)	(12,597)	-	-
	23,117	**14,561**	**454**	**832**

46. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the directors of the Company during the financial year are as follows:-

		The Group		The Company
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive directors:				
- fee	-	12	-	-
- salaries and other emoluments	3,706	3,759	-	-
- benefits-in-kind	30	60	-	-
Non-executive directors:				
- fee	185	188	185	188
- other emoluments	8	10	8	10
	3,929	**4,029**	**193**	**198**

Details of the number of directors of the Company and their respective remuneration bands are analysed as follows:-

		The Group		The Company
	2014	2013	2014	2013
	No. of Directors	No. of Directors	No. of Directors	No. of Directors
Executive directors:				
- RM1,500,001 – RM1,600,000	-	1	-	-
- RM1,000,001 – RM1,500,000	2	1	-	-
- RM900,001 – RM950,000	-	-	-	-
- RM700,001 – RM750,000	-	1	-	-
- RM650,001 – RM700,000	-	-	-	-
- RM600,001 – RM650,000	-	-	-	-
- RM550,001 – RM600,000	1	1	-	-
- RM450,001 – RM550,000	1	-	-	-
- RM400,001 – RM450,000	-	-	-	-
- RM350,001 – RM400,000	-	-	-	-
- RM150,001 – RM200,000	-	-	-	-
Non-executive directors:				
- RM50,001 – RM100,000	2	2	2	2
- Below RM50,000	1	1	1	1
	7	7	3	3

47. CAPITAL COMMITMENTS

	The Group 2014 RM'000	2013 RM'000
Approved and contracted for:		
- property, plant and equipment	2,002	20,412
- investment in a joint venture	27,075	-
	29,077	**20,412**

48. CONTINGENT LIABILITY

	The Company 2014 RM'000	2013 RM'000
Secured:-		
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	125,696	66,944

49. OPERATING SEGMENTS

The Group is organised into 3 main business segments as follows:-

(i) Services segment
- involved in the provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.

(ii) Trading segment
- involved in manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.

(iii) Investment holding

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments. Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

Business Segments

The Group	Services RM'000	Trading RM'000	Investment Holding RM'000	Eliminations RM'000	The Group RM'000
2014					
REVENUE					
External revenue	392,992	80,433	-	-	473,425
Inter-segment revenue	669	254	180	(1,103)	-
Total revenue	**393,661**	**80,687**	**180**	**(1,103)**	**473,425**
RESULTS					
Segment results	33,606	24,569	10,813	(18,049)	50,939
Finance costs	(4,040)	(9)	-	-	(4,049)
Share of results in an associate					(325)
Share of results in joint ventures					4,772
Profit from ordinary activities before taxation					51,337
Income tax expense					(10,949)
Profit from ordinary activities after taxation					40,388
Non-controlling interests					(4,381)
Net profit attributable to owners of the Company					**36,007**

49. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

The Group	Services RM'000	Trading RM'000	Investment Holding RM'000	Eliminations RM'000	Group RM'000
2014					
ASSETS					
Segment assets	264,774	68,528	226,614	(55,106)	504,810
Unallocated assets					3,820
					508,630
LIABILITIES					
Segment liabilities	(207,417)	(18,946)	(11,918)	149	(238,132)
Unallocated liabilities					(6,832)
					(244,964)
Depreciation					7,369
Capital expenditure					49,211
2013					
REVENUE					
External revenue	369,797	36,105	-	-	405,902
Inter-segment revenue	752	528	4,485	(5,765)	-
Total revenue	**370,549**	**36,633**	**4,485**	**(5,765)**	**405,902**
RESULTS					
Segment results	39,525	6,189	(961)	(158)	44,595
Finance costs					(3,112)
Share of results in an associate					125
Share of results in joint ventures					4,458
Profit from ordinary activities before taxation					46,066
Income tax expense					(11,182)
Profit from ordinary activities after taxation					34,884
Non-controlling interests					(1,820)
Net profit attributable to owners of the Company					**33,064**
2013					
ASSETS					
Segment assets	181,331	24,669	72,740	(37,325)	241,415
Unallocated assets					91
					241,506
LIABILITIES					
Segment liabilities	(96,751)	(4,734)	(76)	-	(101,561)
Unallocated liabilities					(4,507)
					(106,068)
Depreciation	4,495	122	-	-	4,617
Capital expenditure	11,034	373	-	-	11,407

49. OPERATING SEGMENTS (CONT'D)

Geographical Information

Revenue and non-current assets information based on the geographical location of the Company and its subsidiaries are as follows:-

	Revenue		Non-current Assets	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Malaysia	447,969	393,962	195,740	59,384
Thailand	25,106	11,311	44,256	127
Australia	350	629	3	9
	473,425	405,902	239,999	59,520

Major Customers

Revenue from a major customer, with revenue equal to or more than 10% of the Group's revenue arose from sales in the services segment.

50. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties
In addition to the information detailed elsewhere in the financial statements, the Group has related partyrelationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(i) Subsidiaries				
Management fees	-	-	180	180
Dividend income	-	-	5,354	4,305
(ii) Key management personnel (exclude directors' remuneration)				
Short-term employee benefits	8,041	8,750	193	198

Key management personnel comprise members of the senior management team who are directly responsible for the financial and operating policies and decisions of the Group and the Company.

51. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses in the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are primarily denominated in United States Dollar.

The Group's investments in foreign subsidiaries whose reporting and operations in foreign currencies are United States Dollar and Australian Dollar. The Group is exposed to foreign currency translation risk on the consolidation of these companies into Ringgit Malaysia. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk is as follows:-

The Group	United States Dollar RM'000	Australian Dollar RM'000	Others RM'000	Total RM'000
2014				
Financial Assets				
Trade receivables	34,476	172	1,855	36,503
Other receivables and deposit	1,327	-	4,326	5,653
Fixed deposits with licensed banks	1,748	-	552	2,300
Cash and bank balances	13,127	252	1,498	14,877
	50,678	424	8,231	59,333
Financial Liabilities				
Trade payables	14,640	9	1,671	16,320
Other payables and accruals	-	47	3,043	3,090
Lease and hire purchase payables	-	-	21	21
	14,640	56	4,735	19,431
Net financial assets	36,038	368	3,496	39,902
Less: Net financial asset denominated in the respective entities functional currencies	-	(346)	(11,532)	(11,888)
Currency Exposure	**36,038**	**22**	**(8,046)**	**28,014**
2013				
Financial Assets				
Trade receivables	13,481	576	1,905	15,962
Other receivables and deposit	-	16	239	255
Fixed deposits with licensed banks	-	-	311	311
Cash and bank balances	9,624	892	1,580	12,096
	23,105	1,484	4,035	28,624
Financial Liabilities				
Trade payables	3,216	22	133	3,371
Other payables and accruals	1,212	73	154	1,439
	4,428	95	287	4,810
Net financial assets	18,677	1,389	3,748	23,814
Less: Net financial asset denominated in the respective entities functional currencies	-	(380)	(2,468)	(2,848)
Currency Exposure	**18,677**	**1,009**	**1,280**	**20,966**

51. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2014 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000
Effects On Profit After Taxation/Equity				
United States Dollar:				
- strengthened by 10%	2,703	1,401	-	-
- weakened by 10%	(2,703)	(1,401)	-	-
Australian Dollar:				
- strengthened by 10%	2	76	-	-
- weakened by 10%	(2)	(76)	-	-

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 51(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2014 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000
Effects On Profit After Taxation/Equity				
Increase of 100 basis points (bp)	(537)	(229)	-	-
Decrease of 100 bp	537	229	-	-

51. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in market prices of money market unit trust funds. Equity price risk is monitored closely and managed to an acceptable level.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2014 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000	2013 Increase/ (Decrease) RM'000
Effects On Profit After Taxation/Equity				
Increase of 5%	2	27	2	26
Decrease of 5%	(2)	(27)	(2)	(26)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes on allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) customers which constituted approximately 34% of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the financial period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Yemen	254	250	-	-
Thailand	11,873	941	-	-
Malaysia	146,444	107,634	-	-
Other	2,246	4,271	-	-
	160,817	**113,096**	**-**	**-**

51. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2014 is as follows:-

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2014				
Not past due	145,763	-	-	145,763
Past due:				
- less than 3 months	11,420	-	-	11,420
- 3 to 6 months	2,735	-	-	2,735
- over 6 months	4,536	(3,637)	-	899
	164,454	**(3,637)**	**-**	**160,817**
2013				
Not past due	100,744	-	-	100,744
Past due:				
- less than 3 months	8,507	-	-	8,507
- 3 to 6 months	1,748	-	-	1,748
- over 6 months	5,870	(3,773)	-	2,097
	116,869	**(3,773)**	**-**	**113,096**

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

51. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Actual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
THE GROUP						
2014						
Lease and hire purchase payables	5.63	718	832	198	604	30
Revolving credit	2.59	30,504	30,504	30,504	-	-
Invoice financing	3.57	4,149	4,149	4,149	-	-
Term loans	4.94	36,900	46,002	9,217	18,117	18,668
Trade payables	-	111,630	111,630	111,630	-	-
Other payables and accruals	-	8,564	8,564	8,564	-	-
Dividend payable	-	9,979	9,979	9,979	-	-
Bank overdrafts	8.23	18,531	18,531	18,531	-	-
		220,975	**230,191**	**192,772**	**18,721**	**18,698**
2013						
Lease and hire purchase payables	4.77	609	708	182	483	43
Term loans	6.06	21,521	24,078	7,434	16,181	463
Trade payables	-	62,509	62,509	62,509	-	-
Other payables and accruals	-	6,570	6,570	6,570	-	-
Bank overdrafts	7.85	10,352	10,352	10,352	-	-
		101,561	**104,217**	**87,047**	**16,664**	**506**
THE COMPANY						
2014						
Other payables and accruals	-	52	52	52	-	-
Dividend payable	-	9,979	9,979	9,979	-	-
Amount owing to a subsidiary	-	7,159	7,159	7,159	-	-
		17,190	**17,190**	**17,190**	**-**	**-**
2013						
Other payables and accruals	-	76	76	76	-	-

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustment to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

		The Group
	2014	2013
	RM'000	RM'000
Lease and hire purchase payables	718	609
Term loans	36,900	21,521
Revolving credit	30,504	-
Invoice financing	4,149	-
Bank overdrafts	18,531	10,352
	90,802	32,482
Less: Short-term investments	(37)	(532)
Less: Fixed deposits with licensed banks	(19,034)	(12,597)
Less: Cash and bank balances	(33,808)	(24,381)
Net debt/(Excess of cash and cash equivalents)	37,923	(5,028)
Total equity	263,666	135,438
Debt-to-equity ratio	0.14	N/A

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) not less than 25% of the issued and paid-up share capital and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

51. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
Financial Assets				
Available-for-sale financial asset				
Other investment	11	11	-	-
Loans and receivables financial assets				
Trade receivables	160,817	113,096	-	-
Other receivables and deposits	16,270	6,266	3	3
Amount owing by subsidiaries	-	-	124,216	27,010
Fixed deposits with licensedbanks	19,034	12,597	-	-
Cash and bank balances	33,808	24,381	421	304
	229,929	**156,340**	**124,640**	**27,317**
Fair value through profit or loss				
Short-term investments	37	532	33	528
Financial Liabilities				
Other financial liabilities				
Lease and hire purchase payables	718	609	-	-
Term loans	36,900	21,521	-	-
Invoice financing	4,149	-	-	-
Revolving credit	30,504	-	-	-
Trade payables	111,630	62,509	-	-
Other payables and accruals	8,564	6,570	52	76
Amount owing to a subsidiary	-	-	7,159	-
Dividend payable	9,979	-	9,979	-
Bank overdrafts	18,531	10,352	-	-
	220,975	**101,561**	**17,190**	**76**

(d) Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
THE GROUP								
2014								
Financial Assets								
Other investment: unquoted shares	-	-	-	-	-	-	#	11
Short-term investments: quoted investments	37	-	-	-	-	-	37	37
Financial Liabilities								
Term loans	-	-	-	-	36,900	-	36,900	36,900
Lease and hire purchase payables	-	-	-	-	718	-	718	718
2013								
Financial Assets								
Other investment: unquoted shares	-	-	-	-	-	-	#	11
Short-term investments: quoted investments	532	-	-	-	-	-	532	532
Financial Liabilities								
Term loans	-	-	-	-	21,521	-	21,521	21,521
Lease and hire purchase payables	-	-	-	-	609	-	609	609
2014								
Financial Asset								
Short-term investments: - quoted investments	33	-	-	-	-	-	33	33
2013								
Financial Asset								
Short-term investments: - quoted investments	528	-	-	-	-	-	528	528

 # The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

(d) Fair Value Information (Cont'd)

(a) The fair values above are for disclosure purposes and have been determined using the following basis:-

(i) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.

(ii) The fair values of lease and hire purchase payables and term loans are determined by discounting the relevant cash flow using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2014	2013
	%	%
Lease and hire purchase payables	5.63	4.77
Term loans	4.94	6.06

(iii) The interest rate used to discount estimated cash flows, where applicable, is as follows:-

	The Group	
	2014	2013
	%	%
Trade receivables	6	6

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The details of the significant events during the financial year are as follows:

(i) On 7 January 2014, Uzma Engineering Sdn. Bhd. ("UESB"), a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement with Chemical Tracer Services Sdn. Bhd. in connection with the provision of chemical tracer services for the offshore oil and gas sector via a joint venture company.

(ii) On 1 April 2014, the Company announced that a contractor group that includes its wholly-owned subsidiary, Uzma Energy Venture (Sarawak) Sdn. Bhd. and EQ Petroleum Development Malaysia Sdn. Bhd., had on 27 March 2014 signed a Small Field Risk Service Contract with Petroliam Nasional Berhad to carry out the development and production of petroleum from the Tanjung Baram Fields.

(iii) On 28 May 2014, the Company announced that UESB acquired a total of 490 common shares of THB100 each representing the entire issued and paid-up common shares of Well Services (Thailand) Ltd. for a total cash consideration of THB49,000. Well Services (Thailand) Ltd. changed its name to Uzma Well Services (Thailand) Ltd. on 26 June 2014.

(iv) The Company issued 132,000,000 new ordinary shares of RM0.50 each ("Rights Shares") at an issue price of RM0.75 per Right Shares on the basis of one (1) Rights Share for every one (1) existing ordinary share ("Right Issue"). The Right Issue was completed with the listing and quotation of the Rights Shares on the Main Market of Bursa Securities on 21 July 2014.

(v) On 23 July 2014, the Company completed the acquisition of the entire equity interest in MMSVS Group Holding Co., Ltd.. Further information was disclosed in Note 42 (b).

On 4 August 2014, the Company completed the acquisition of the entire issued and paid-up share capital of Premier Enterprise Corporation (M) Sdn. Bhd.. Further information was disclosed in Note 42 (a).

(vii) On 13 August 2014, UESB entered into a Joint Venture Agreement with SmartCore Technologies Sdn. Bhd. in connection with provision of integrated solution services in oil and gas sector via a joint venture company.

(viii) On 5 December 2014, Tenggara Analisis Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into an agreement with Dato'Nasri Bin Nasrun and Mohd Zulhaizan Bin Mohd Noor for the acquisition of 18.98% ordinary equity interest in Setegap Ventures Petroleum Sdn. Bhd. ("SVP") for a total purchase consideration of RM28.5 million ("Proposed Acquisition").

53. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The details of the significant events subsequent to the reporting period are as follows:

(i) On 16 January 2015, the Company announced that UESB was awarded by PETRONAS Carigali Sdn. Bhd. ("PCSB"), a contract for the provision of Through Tubing Downhole Tools and Services. The contract period will be for 2 years which is effective from 1 January 2015 to 31 December 2016 with an extension option of 1 year from 1 January 2017 to 31 December 2017. The value of the contract is estimated at RM50 million.

(ii) The Proposed Acquisition of SVP as disclosed on Note 52 (iii), was completed on 29 January 2015.

(iii) On 17 February 2015, the Company announced that UESB was awarded by PCSB with a contract for the provision of Cased Hole Electric-Line Logging Peforation and other services.

The contract is valued at RM59 million. The duration of the contract is for 2 years effective from 28 January 2015, with the option to extend for an addition of 1 year period, until 27 January 2018.

54. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statement of Cash Flows (Extract):-		
Cash Flows For Investing Activities		
Net Withdrawal Of Deposits Pledged With Licensed Banks	1,004	-
Net Cash For Investing Activities	(13,021)	(14,025)
Cash And Cash Equivalents At Beginning Of The Financial Year	25,275	38,876
Cash And Cash Equivalents At End Of The Financial Year	14,561	27,158

55. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in a accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysia Institute of Accountants, as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained profits/(accumulated losses):				
- realised	114,172	83,457	(5,163)	(5,235)
- unrealised	(5,175)	(1,637)	-	-
	108,997	81,820	(5,163)	(5,235)
Total share of retained profits of joint ventures:				
- realised	10,080	5,754	-	-
Total share of (accumulated losses)/retained profits of an associate:				
- realised	(200)	125	-	-
Less: Consolidation adjustments	(12,521)	(7,371)	-	-
At 31 December	**106,356**	**80,328**	**(5,163)**	**(5,235)**

CDS Account No.

UZMA BERHAD
(Company No. 769866-V)

PROXY FORM

I/We ____
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

of ____
(ADDRESS)

being a member/members of UZMA BERHAD (the "Company") hereby appoint ____________________

of ____
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

____
(ADDRESS)

or failing him/her, ____
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

of ____
(ADDRESS)

or failing him, the Chairman of Meeting, as *my/our proxy, to vote for *me/us and on *my/our behalf at the Eight Annual General Meeting ("AGM") of the Company to be held **Kelab Golf Sultan Abdul Aziz Shah, No. 1, Rumah Kelab, Jalan Kelab Golf 13/6 40100 Shah Alam, Selangor Darul Ehsan on Wednesday, 24 June 2015 at 9.00 a.m.**, or at any adjournment thereof and to vote as indicated below:-

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		
ORDINARY RESOLUTION 7		

Please indicate with an "X" in the space provided above how you wish your votes to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

Dated this ____________________ day of ____________________ 2014

No. of ordinary shares held

____
Signature of Member / Common Seal

Notes:

1. Only depositors whose names appear in the Record of Depositors as at 17 June 2015 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holding to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account known as an omnibus account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.

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Please Affix Stamp Here

The Company Secretary

UZMA BERHAD (769866-V)

802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

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ANNUAL REPORT 2014

UZMA

UZMA TOWER
No 2, Jalan PJU 8/8A
Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan.

T +603 7611 4000
F +603 7611 4100

UZMA