

ANNUAL REPORT 2015



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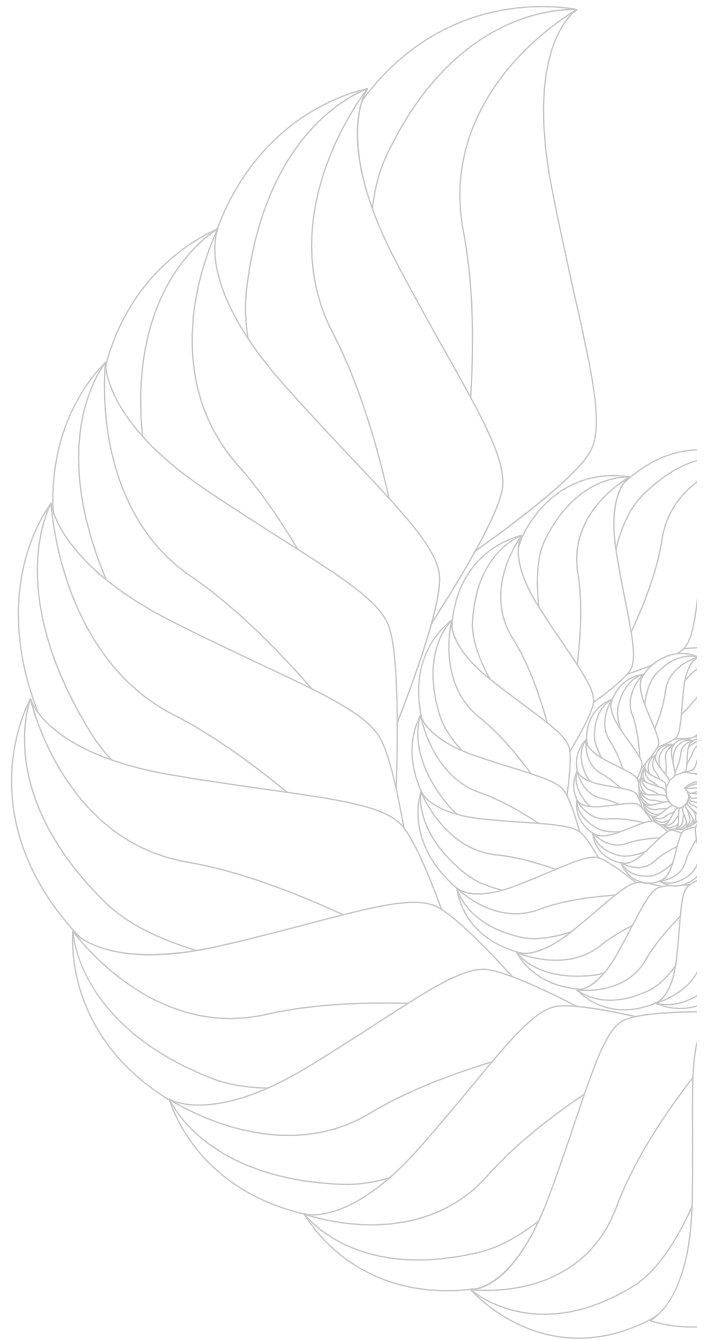


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CORPORATE

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)
- Peter Angus Knowles (Executive Director)
- Dato' Che Nazahatuhisamudin bin Che Haron (Executive Director)
- 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)

INFORMATION

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

AUDITORS

Crowe Horwath (AF 1018)
Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 03-2788 9999 Fax: 03-2788 9998

STOCK EXCHANGE LISTING

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

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
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: 03-2117 7777 Fax: 03-2711 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 Darul Ehsan
Tel: 03-5121 9336 Fax: 03-5121 9373

NOTICE OF THE NINTH (9TH) ANNUAL GENERAL MEETING

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

NOTICE IS HEREBY GIVEN THAT the Ninth (9th) Annual General Meeting of the Company will be held at Damansara Performing Arts Centre (DPAC) Hall, Level G, Empire Damansara, Jalan PJU8/ 8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25th May 2016 at 9.00 a.m. to transact the following businesses:-

AGENDA

- | | |
|---|--|
| <p>1 To receive the Audited Financial Statements for the financial year ended 31st December 2015 and the Reports of Directors and Auditors thereon.
(Please refer Note 8)</p> | |
| <p>2 To approve the increase in directors' fees.</p> | Ordinary Resolution 1 |
| <p>3 To re-elect the following Directors who retire in accordance with the Company's Articles of Association:-
(i) Dato' Che Nazahatuhisamudin bin Che Haron (Article 77)
(ii) Dato' Dr. (H) Ab Wahab bin Haji Ibrahim (Article 77)
(Please refer Note 9)</p> | Ordinary Resolution 2
Ordinary Resolution 3 |
| <p>4 To appoint Messrs Crowe Horwath as Auditors of the Company and to authorize the Directors to fix their remuneration.</p> | Ordinary Resolution 4 |
| <p>5 As Special Business to consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications: -</p> <p>AUTHORITY TO ISSUE SHARES</p> <p>"THAT subject always to the approvals of the relevant governmental and/ or regulatory authorities, the Directors be and are hereby authorized 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."</p> | Ordinary Resolution 5 |
| <p>6 PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR</p> <p>"THAT Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee be and is hereby retained as an Independent Non-Executive Director of the Company and he shall continue to act as an Independent Non-Executive Chairman notwithstanding that he has been on the Board of the Company for a cumulative period of nine years after the 9th AGM."</p> | Ordinary Resolution 6 |
| <p>7 To transact any other business of which due notice shall have been received.</p> | |

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
Secretaries

Petaling Jaya
29th April 2016

NOTES:

- 1** Only depositors whose names appear in the Record of Depositors as at 18th May 2016 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 authorized 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 Authorized 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 Authorized 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 authorized in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorized.
- 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** The Audited Financial Statements for the financial year ended 31st December 2015 are laid before the shareholders pursuant to the provisions of Section 169(1) and (3) of the Companies Act, 1965 for discussion purpose only. It does not require members' approval thus will not be put forward for voting by members.

9 Re-election of Directors who retire by rotation in accordance with Article 77.

For your information, based on the schedule of retirement of rotation, Datin Rozita binti Mat Shah @ Hassan is due for re-election at this meeting alongside with Dato' Che Nazahatuhisamudin bin Che Haron and Dato' Dr. (H) Ab Wahab bin Haji Ibrahim. As Datin Rozita binti Mat Shah @ Hassan has expressed her intention not to seek for re-election, the resolution pertaining to her re-election is not put up for members' approval at this meeting and she will retain her office as Director until the close of this 9th Annual General Meeting.

10 Explanatory notes on special business:

Resolution 5 – Authority to Issue Shares

The Proposed Ordinary Resolution 5, 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, 21,585,000 ordinary shares of RM0.50 each ("Shares") in the Company were allotted and issued on 27th July 2015 pursuant to the authority granted to the Directors at the 8th Annual General Meeting held on 24th June 2015, which will lapse at the conclusion of the 9th Annual General Meeting. The said Shares were allotted and issued in relation to the Private Placement exercise undertaken by the Company at RM2.50 per Placement Share.

Resolution 6 – Proposed Retention of Independent Non-Executive Director

The Ordinary Resolution 6 is proposed pursuant to Recommendation of the Malaysian Code of Corporate Governance 2012 and if passed, will allow Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee to be retained and continue to act as Independent Non-Executive Director/ Chairman of the Company.



**UZMA IN A
SNAPSHOT**



PROFIT AFTER TAX

(EXCLUDING UNREALIZED FOREIGN EXCHANGE):

8% INCREASE

FROM RM41 MILLION TO RM45 MILLION

REVENUE

8% INCREASE

FROM RM473 MILLION TO RM511 MILLION

ADJUSTED EARNINGS PER SHARE

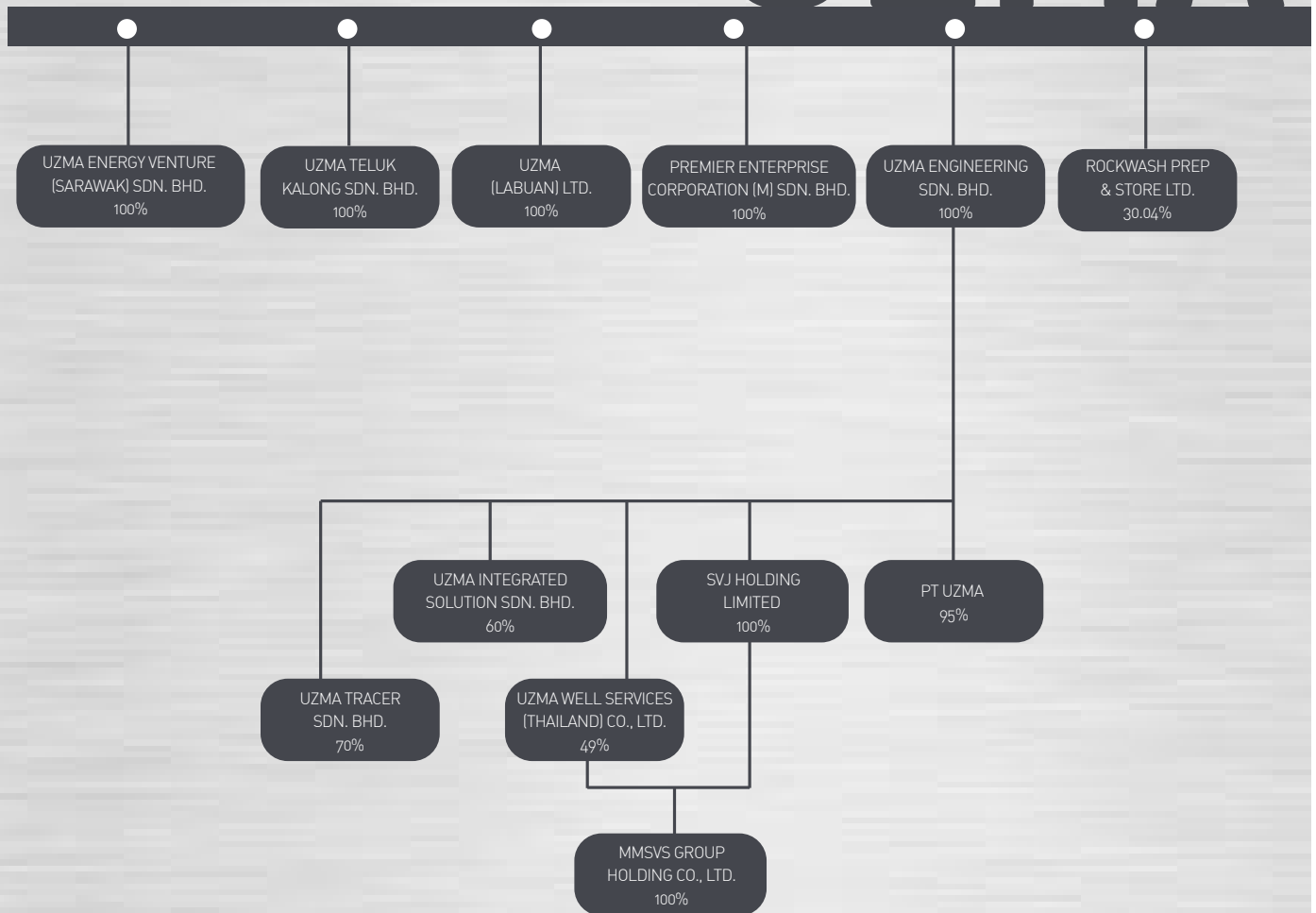
27% DECREASE

FROM RM0.19 TO RM0.14

Adjusted earnings per share is calculated based on the Group's profit attributable to owners of the company (excluding unrealized gain or loss on foreign exchange) divided by the weighted average number of ordinary shares in issue during the financial year.

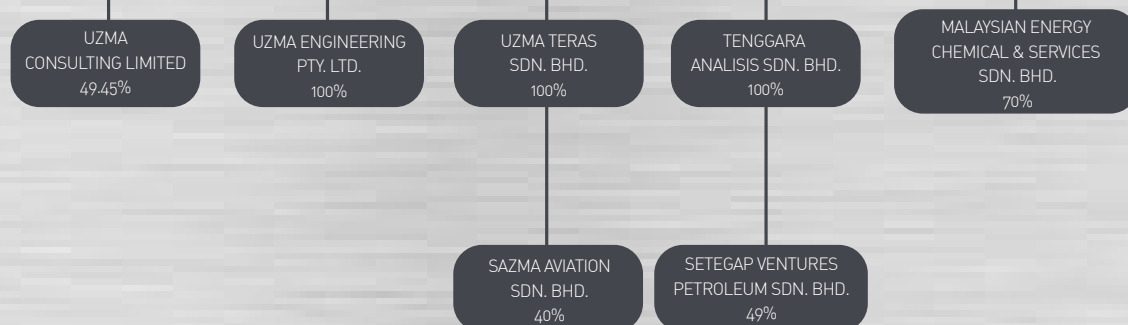
PERFORMANCE AT A GLANCE

UZMA



CORPORATE

BERHAD



STRUCTURE

THE uzmaWAY

CORE VALUES

Uzma is an integrated group of companies that provide cost effective solutions to the oil & gas industry at every step in the exploration, development and production value chain. We are driven by the aspiration to exceed our stakeholders' expectations. We shall deliver this aspiration to exceed our stakeholders' expectations. We shall deliver this aspiration by adopting a set of unifying corporate values, known as the uzmaWAY, which form the core pillars of the corporate identity and practices throughout our organization.

HEALTH AND SAFETY

Uzma believes in providing a healthy, secure and safe working environment in all of our operations and activities regardless of where we are on the globe. Positive health and safety culture shall be inculcated into our organization. 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 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 nurture leadership and teamwork in achieving our common goals. We develop personal and professional competency of our people. We shall stay humble and exude positive attributes in communicating with our stakeholders.

QUALITY

Uzma embraces the concept of pro-activity in planning, executing and continually improving our deliverables to exceed every requirement of our stakeholders. We ensure that our people are effective and efficient in executing their responsibilities. We possess the agility to quickly adapt to stakeholders' expectation and we strive to be the best in everything we do.

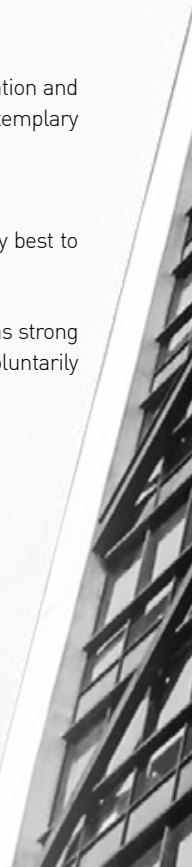
INTEGRITY

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.

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 activity we do on this precious planet.

These core values shall be embraced, practiced and demonstrated by everybody in the organization. Realizing that we are only as strong as our weakest link, we shall make sure that our employees, partners, consultants and supply chain fully understand and voluntarily subscribe to the uzmaWAY.





CHAIRMAN'S STATEMENT

Dear Fellow Stakeholders:

Let me start my message by presenting you with the following quote from the late Martin Luther King Jr.:

**"IF YOU CAN'T FLY THEN RUN,
IF YOU CAN'T RUN THEN WALK,
IF YOU CAN'T WALK THEN CRAWL,
BUT WHATEVER YOU DO,
YOU HAVE TO KEEP MOVING FORWARD."**



**Datuk Seri Syed Ali bin
Tan Sri Syed Abbas Alhabshee**

Malaysian, aged 54

Independent Non-Executive Chairman

The quote is very significant to me because it perfectly describes what the management and the people of Uzma have been doing in 2015, in facing one of the lowest point of the oil and gas industry. The organization, which enjoyed exponential growth in its heyday in the period from 2011 to 2014, was flying high like an eagle, hand-picking strategic contracts put up in the market and delivered them to the clients with high level of quality. Then when the oil price started to slide down suddenly towards the end of 2014, Uzma lost its lift and started to run instead, winning most of the contracts it found itself capable of doing. As the situation worsen going into 2015 with announcements of cost cutting initiatives by most operators, Uzma found itself walking, grabbing any opportunity thrown in the flailing market, but still delivering them cost effectively. When the industry started to down-size due to depleting projects and demands, Uzma crawled along with the other affected companies in the industry, carrying the burden of committed headcounts and operational costs, while working hard to keep afloat amidst contract re-negotiations and declining margins. Faced with the toughest of conditions, Uzma has shown that it has never cease to keep moving forward, reinventing itself even in the most unpredictable situations.

The slump industry caused by the plummeted oil price which went down to below USD40 per barrel at its lowest, coupled with the devaluation of Ringgit Malaysia against the US Dollars, could've been disastrous to Uzma, if not for the quick thinking and wisdom of its top management in steering the organization into the right direction. Of course, this wouldn't be possible without the hard work and commitment from the people of Uzma in efficiently executing all the strategies and actions set forth by the leadership.

At times where even the key oil and gas players in Malaysia were recording negative returns and shrinking operations, Uzma persevered and recorded healthy gains, even though at a lower growth rate. With a revenue of just over RM510 million and a healthy profit after tax of about RM45 million, (excluding the unrealized loss on foreign exchange), I think I wouldn't be too overly complimenting if I say that it has been a superb year for Uzma, given the "clear and present danger" of the industry last year. What else could you expect from the tough industry conditions such as in 2015?

During the times where companies in the industry were terminating and retrenching a huge numbers of their employees, I was told that Uzma had to also execute a "right-sizing" exercise on its newly acquired entity operating out of Bangkok, the MMSVS. I didn't feel overly worried about this exercise as the number of staffs affected were not significant and it was 'precision right sizing' rather than companywide, and it was justified by the shrinking operations. On the bright side, proving the point that human resources have been carefully deployed based on

operational needs, I find comfort in knowing that Uzma hired a few more staffs in its Malaysian operations, and took over one whole Indonesian operations team in 2015. All these, for only one reason: to satisfy the clients and making sure that Uzma keeps delivering the best quality in the safest manner all the time. The addition of headcounts in Jakarta running the directional drilling solutions have also sent me the message that Uzma kept moving forward in 2015 despite the uncertain industry. This clearly showed that Uzma executed its strategies based on the long term vision looking pass the short term shortfalls. It is doing whatever it takes to position itself for more growth in the future, treating the current condition only as a temporary setback aimed at weeding out the players without substance and perseverance.

I also found comfort in knowing that during the hard times in 2015, Uzma top management has sanctioned an aggressive drive to transform the company. Transformation requires a strong foundation and as such the management has worked on establishing a corporate core values called the **uzmaWAY**, which sets out five core values as the foundation for everything else to be built on. The motivation behind the move is to ultimately create a discerningly positive Uzma brand to the eyes of the industry as well as the world outside the industry. In order to create such a strong brand, there needs to be a synchronized identity inside the organization, where each and every single employees speaks the same language, feels the same passion, sing the same tune, aspires to achieve the same goals, believes in the same values, demonstrating the collective set of agreed code of conduct and lives a unified organizational culture. Once everybody lives the **uzmaWAY**, then the brand shall emerge by itself. I foresee a lot of programs and activities with consistent urgency in order to achieve the **uzmaWAY** aspirations, but the journey of a thousand miles starts with a single step, right?

I am intrigued by the **uzmaWAY** and what the management of Uzma plans to do with it, so I find the urge to spend a little more time digesting it. The first core value promoted by the **uzmaWAY** is "health and safety", signified by the idea of inculcating a pro-active and positive health and safety culture in the organization. Ultimately, Uzma aspires to ensure that all stakeholders have the peace of mind knowing that everybody working for the company is in safe, capable hands.

The second core value is "people", which reflects Uzma's principle that its greatest asset is not the multi-million dollars equipment, but it has always been its people. Uzma aspires to develop its people to their full potential, with positive attitude and aptitude such as respect, leadership, teamwork, courtesy and having a balanced passion between work and personal life.

The third core value is "quality", which presents in all the things people do in Uzma. The concept

of being pro-active, agile, innovative, efficient and cost effective is very important for Uzma to be ahead of the competition. Its people will also be taught to always exceed requirements not only from the external clients, but also expectations from internal customers. Continual improvement by the Plan-Do-Act-Check cycle serves as the template for all operations to keep pushing the ceiling of their performance and deliverables.

Next comes "integrity", a very important core value, in which the **uzmaWAY** promotes self-discipline, personal integrity, professional integrity, ethical practices and enforces strict and transparent corporate governance. Anti-corruption and whistle-blower programs are part of the integrity deployment.

The last core value is "environment", in which Uzma aspired to be a good corporate citizen by co-existing with and preserve nature. Uzma's environmental programs shall be designed to leave minimal footprint in whatever activities they do anywhere on the globe.

I was informed that the **uzmaWAY** and its programs and deployment have been in development, internally, since the beginning of 2015 and was finally launched during the town hall address by the CEO in March 2016. The fact that it took about a year to formulate, develop and documented show how much details and thoughts which have been put into the **uzmaWAY**. Understandably so – you cannot rush your sets of foundation. I was fascinated to find out that the first initiatives coming out of the **uzmaWAY** was also announced during the town hall – the "High Performance Staffs" (HPS) program, which, like the **uzmaWAY** was developed since the middle of 2015 along with the **uzmaWAY**. I was informed that a significant amount of money has been budgeted in 2016 to ensure the success of both **uzmaWAY** and its HPS program. I am sure we will hear more exciting programs and deployment of the **uzmaWAY** as we go along. I would like to congratulate Uzma for having such a mission to keep moving forward and reinvent itself to face the future challenges of the industry and the global market.

To my fellow Uzmarians, all the best for 2016 and live the **uzmaWAY**. To our valued shareholders, thank you for believing in Uzma's capability and I hope we can count on your continuing support.

KEEP MOVING

FORWARD

**Datuk Seri Syed Ali bin
Tan Sri Syed Abbas Alhabshee**
Chairman of the Board

CEO'S REVIEW

Dear Stakeholders:

We bid farewell to 2015, the year when we celebrated our 15 years serving one of the most exciting industry in the world. Though it seems like it has been one of the most challenging year so far, there is little doubt that 2016 will be even more challenging in many different ways. We are definitely still in the rough sea.

If it had been business as usual in 2015, then I would be the first person to jump off my seat looking at the 2015 numbers. But you and I know very well, it was far from business as usual. The oil price was lingering below USD40 per barrel for most of the year and the weakened Ringgit Malaysia (against the US dollar) didn't help either.

THE ROUGH SEA OF 2015

We felt the pinch when our clients aggressively cut expenditure. We saw a host of projects we were hoping to win being put into indefinite cold storage. We felt the chill when our competitors took drastic steps to down-size. We saw many professionals we personally knew suddenly facing the predicament which was unheard of in this industry just a year before.

We had clients aggressively demanding discounts and reviewing contract terms. Fortunately at Uzma, we believe in sharing the burden when the sea is rough and sharing the reward when the sea is calm. We have done our best to accommodate every requests from our clients, and continued to serve them better throughout 2015. Providing world-class solutions and delivering high standard of quality with built-in safety at a very cost effective setup is a huge challenge for some companies. Not for Uzma.

Looking back in 2015, we stayed focused amidst the uncertain oil and gas market. Despite the very

challenging conditions, we grew about 9% from where we were the previous year, raking in just over RM510 million in revenue. Our gross profit, which stood at just above RM116 million, grew a little less at about 5% from 2014. This positive growth was further demonstrated in our profit after tax (PAT) which grew more than 8%, giving us over RM44.8 million, compared to the RM41.4 million profit we made in 2014 (PATMI excluding unrealized FOREX). However, if we factor in the weakening Ringgit Malaysia against the US Dollar in which the impact of unrealized loss on foreign exchange kicked in, our PAT then stood at only RM11.3 million, a sharp drop from the RM40.4 million we obtained the previous year.

On physical growth, our Drilling and Well Services (DWS), through its Wireline and Slickline operations was one of the capability which showed growth despite the hardship of 2015. Given the conditions of the industry, this was a good reason to celebrate. Congratulations to our Wireline operations. We are positive that it will continue to do well in 2016.

Luckily for the group, our investments in diversifying into new technology and competencies which we made in 2014 had shown positive results in 2015. Well, comes to think about it, luck didn't have anything to do with it – it was mostly sound business strategy and effective execution. What we had invested in 2014 had significantly helped the group to collectively achieve positive results despite the 2015 gloom in the industry. Our rising stars include Uzma Integrated Solution (UIS), UzmaTRACER, MMSVS and PEC, all which had shown extraordinary growth in revenue and profits in 2015. Their significant achievement for 2015 had helped grow the group in the right direction. Considering that they are practically at their infancy stage within Uzma having been integrated into the system in

late 2014, their stellar growth could only mean one thing: how well we have done in integrating all of these operations into Uzma's efficient execution and effective business culture. The synergy that the group has with these new additions to the growing Uzma competency in the exploration, drilling and production sectors of the oil and gas industry couldn't be more spot on.

In 2015, Uzma Integrated Solution (UIS) had successfully positioned itself as a creative provider of boutique software assessment, software design and software development power house offering highly competitive technology solutions to both upstream and downstream sectors. What sets UIS apart from its key local and international competitors is the fact that it offers its unique solutions on open platforms, allowing clients to further develop on its software to suit any of their future needs. This will not get the clients to be locked down with UIS for future works. Further, UIS is also capable of running Matured Application Lifecycle Management, where it revisits existing applications and package them into enterprise-grade solutions. UIS' international technical alliances allow UIS to adopt the latest and proven technologies much ahead of its local competitors. With a proven track records of cost-effective solutions and on-time delivery, UIS has been gaining positive attention in the local industry and education scene.

Like UIS, our integrated subsurface tracer services led by uzmaTRACER, had also grown significantly in 2015. Focused on reservoir characterization, completion evaluation and production optimization, uzmaTRACER had gained its footing in the local scene by providing reliable and cost effective solutions for clients to make informed decisions and reduce risks in their quest for recovery maximization or field development. Among services provided by



Dato' Kamarul Redzuan bin Muhamed
Malaysian, aged 43
Managing Director / Chief Executive Officer

uzmaTRACER are interwell tracer, partitioning interwell tracer, single well chemical tracer, frac fluid tracer and mud tracer.

Our fully owned subsidiary operating out of its base in Bangkok, MMSVS, had also grown bigger in revenue for fiscal 2015. Providing the hydraulic workover services via its fleet of hydraulic workover units (HWU) which is the largest fleet in the region, its biggest market has traditionally been limited to Thailand. Synergized with Uzma's study centers and established Drilling and Well Services (DWS), our HWUs have continued to garner more excitement in the Malaysian oil and gas scene. Even though in Thailand it has been very active with clients like PTTEP, Salamander, Mubadala and CEC, Malaysia has been very conservative with the idea. However, it is slowly catching up with the realization that our HWU is a more efficient and a cost effective alternative to the traditional drilling rig in well services, completion and side-track works. We relocated two of our HWUs into Malaysia for some strategic operations and we are satisfied with their progress.

Our Engineering, Procurement, Construction, Installation and Commissioning (EPCIC) arm, PEC, had grown healthily in 2015. Providing procurement services, front-end engineering design, engineering and fabrication of zone II rated equipment and other general trading and services of oil and gas operational equipment and PPEs, PEC's growth in the slump market signified our efficiency and cost effectiveness in providing our solutions to our array of loyal clients.

2015 also saw the fruition of our step into the Small Field Risk Sharing Contract (SFRSC) via our partnership with the renowned UK producer EnQuest. I am proud to announce that we successfully produced our first oil in August 2015. We might not be able to recover our investment as fast as we originally planned due to the weakening crude price, but we have gained the footing and first-hand experience outside of our comfort zone.

Closer to the core of our production services competency, we embarked on yet another of Malaysia's first with MARSYA – the nation's maiden mobile Water Injection Facility (WIF). This mobile, self-elevated WIF is on the right track of being delivered just within 11 months and Uzma is very proud to be involved in such a novel facility at an expedited time line. The fact that we won this massive contract in June 2015, right in the middle of the gloomy industry is a testament to our cost effective solutions and historical quality deliverables which clients have grown to be accustomed to.

While we had to be in the same ship with our competitors who went on "right-sizing" exercise by relieving a few extra headcounts from our Bangkok-based MMSVS in 2015, we did go into the opposite direction by adding a few headcounts in our Malaysian and Indonesian operations. A significant addition to the Uzma family in Drilling and Well Services (DWS) division is the Uzma Directional Drilling Services (UDS), which

is operating out of Jakarta. You'll hear more of this exciting new competency as we go along penetrating this new business competency in 2016.

SAILING INTO 2016

At the center of the concern when we sail into the open sea of 2016 is the steep increase in staffs costs, which grew by 18% compared to 2014. What is more worrying is the fact that the ratio of Staffs Costs over Revenue had also increased to 8.9% in 2015, compared to about 8.0% in 2014. On a bright side for the clients, this stands to show that we hired a lot of expensive talents in 2015 to deliver high quality, safe and timely deliverables to our clients and still met their cost effectiveness requirements. However, to remain competitive and sustainable, the main theme of executing the operations in 2016 will definitely be cost management.

Fully aware of what could be in store for us in 2016 and beyond, we have embarked on company-wide quality improvement, productivity enhancement and cost optimization projects to effectively minimize the impact of the current turmoil. This will also help us to put our footing firmly in the ground, ready to rebound and seize all the opportunities once the industry regain its stability and healthy demand. Improvement projects following the Six Sigma approach have been in full swing to ensure that we operate at the most efficient and effective setup, with no waste and zero non-value-added processes.

Realizing that we need to be more efficient, we have restructured the organization in early 2016. The three main divisions spanning our exploration, drilling and production sectors of the industry have been restructured and rearranged to synergize and seamlessly share strategic resources, technology and common strengths. As such, our "find" division which was referred to as "Geoscience and Petroleum Engineering Services" (GPE) has been appropriately renamed "Technology Solutions", and it now comprises of study centers (Seismic Acquisition & Processing, Subsurface Studies), Tracer Reservoir Characterization, Laboratory, Sample Cuttings Preparation, Software Integrated Solutions and High Performance Computing Algorithm.

Our "connect" division which was known as "Drilling and Well Services" (DWS) has been appropriately renamed "Well Solutions" and houses competencies like Drilling Project Management, Directional Drilling, Hydraulic Workover and Rigless Marine System. While our biggest division, "produce" which was known as "Production Optimization and Operations Services" (POOS) has been renamed simply as "Production Solutions". It is now comprising of the Low Pressure System – the uzmaPRES™, Portable Water Injection – the uzmaPWIM, Well Testing Solution, Early Production System, Chemical Solutions, Production Equipment Supply, Wireline/ Slickline, Coiled Tubing & Pumping and Cementing. Spanning all the three sectors are our Manpower Consultancy and Engineering Procurement. With the restructuring

of our three main divisions, we hope to be able to position ourselves better so that we could focus on clients operational and business needs through each of the divisions.

LIVING THE UZMAWAY

With so many uncertainty weighing our people down in 2015, there is no better time to roll out the **uzmaWAY**, which sets our 5 corporate core values as the foundation of what this company shall be built on for generations to come. The five core values are: health & safety, people, quality, integrity and environment. I am proud that even in tough times like this, the management has invested significantly, through **uzmaWAY** programs, to develop our **people** to their full potential. In the first half of 2016, programs and training classes will be conducted to induct all staffs into the **uzmaWAY**, ensuring that everybody understand what it is and how it will be adopted throughout the organization. Beyond that, all our practices, processes and competency trainings shall be ran based on and in promoting of the principles and values of the **uzmaWAY**, so that everybody believes in it and adopt it as our corporate culture. We must live the **uzmaWAY**.

With strong fundamentals and effective execution, Uzma has been on track to move towards its long term vision of becoming a world class integrated reservoir company. We are fully aware that 2016 will definitely be another challenging year not only for us, but for the entire oil and gas industry, but with our tested capability and efficient execution, we are confident that we will be triumphant getting out of this rough water. Stay **healthy and safe**. Make sure we uphold our **integrity** in delivering the best **quality** and make sure we do not harm the **environment** while we are at it.

THANK YOU FOR YOUR CONTINUING SUPPORT

Dato' Kamarul Redzuan bin Muhamed
Managing Director/ Chief Executive officer

BOARD OF DIRECTORS

ADDITIONAL INFORMATION

BOARD OF DIRECTORS

- 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 whose relationship is husband and wife.
- None of the directors have any conviction for offences, other than traffic offences, within the past 10 years.
- With the exception of Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee, Dato' Dr. (H) Ab Wahab bin Haji Ibrahim and Dato' Hajjah Zurainah binti Musa, none of the directors hold any directorship in other public companies.
- The Director's holdings in shares of the Company are disclosed in the Analysis of Shareholding section of the Annual Report.



Standing from left to right:

Dato' Che Nazahatussamudin bin Che Haron, Yahya bin Razali, Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee, Dato' Kamarul Redzuan bin Muhamed & Dato' Dr. (H) Ab Wahab bin Haji Ibrahim

Sitting from left to right:

Dato' Hajjah Zurainah binti Musa & Datin Rozita binti Mat Shah @ Hassan

Note : Peter Angus Knowles was absent.

DIRECTORS' PROFILE





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

**Datuk Seri Syed Ali bin
Tan Sri Syed Abbas Alhabshee**

Malaysian, aged 54

Independent Non-Executive Chairman

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 the corporate world in the early 1980s and held directorships in several private and public corporations involved in a diverse range of businesses. He is currently the director of Asia Media Group Berhad, Perbadanan Nasional 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 of Yayasan Wilayah Persekutuan.

DIRECTORS'

PROFILE



Dato' Kamarul Redzuan bin Muhamed

Malaysian, aged 43

Managing Director/ Chief Executive Officer

Dato' Kamarul's vision of having a truly Malaysian company to take away some of the industry's market share from the hands of the traditional foreign domination, had successfully moulded Uzma Berhad into what it is today.

A hands-on chief executive who has been instrumental in building and reinventing the company, Dato' Kamarul has been recognized by friends, emulated by competitors and has been trusted with leadership roles by the private sectors and public sectors alike. This is so evident when Enterprise Asia, a non-governmental organization promoting entrepreneurship across the Asia Pacific, named Dato' Kamarul as Malaysia's Most Promising Entrepreneur at its Asia Pacific Entrepreneurship Award.

With his technical sophistication, Dato' Kamarul has been named as one of the Industry Advisory Panel (IAP) by the Malaysia Petroleum Resources Corporation (MPRC) in 2015. With this, Dato' Kamarul hopes to share his vast knowledge and provide insights to assist the nation to be a hub for the oil and gas industry in the region. A long time and active member of the Society of Petroleum Engineers (SPE), Dato' Kamarul has been generous to share his technical knowledge within the circle particularly in the topic of delivering quality in a safe and environmentally responsible way.

With his sharp business acumen, Dato' Kamarul has been serving as director of a handful of companies, namely Uzma Engineering Sdn. Bhd., SAZMA Aviation Sdn. Bhd., Malaysian Energy and Chemical Services Sdn. Bhd. (MECAS), Setegap Ventures Petroleum Sdn. Bhd. (SVP), Transocean Drilling Sdn. Bhd., Uzma Energy Venture Sdn. Bhd. (UEV) and RockWash Prep and Store Ltd.

In the educational scene, Dato' Kamarul, who graduated from the prestigious Colorado School of Mines (CSM) after being one of the pioneers in the American Top Universities (ATU) program in the early 90's, is currently a member of the Research Advisory Council (RAC) to Malaysia's own Universiti Teknologi Petronas (UTP). In this capacity, Dato' Kamarul hopes to be able to bring his industry expertise in working hand in hand with the academicians to steer the direction and development of the university's research activities. With his vast multi-national corporation's oil and gas experience in his younger days with well-known giants like Esso Production Malaysia Inc. and specialty experts like Sedco Forex, Smedvig Technologies Sdn. Bhd. and Roxar ASA, Dato' Kamarul has gained a wide exposure in the international oil and gas industry. Displaying his leadership attributes and entrepreneurial talents everywhere he was attached to, it is very easy to see how Dato' Kamarul has been able to gain respect from his peers and gained trust from his management. Setting up and helming a capable Malaysian oil and gas reservoir company is just a natural progression for an ambitious high achiever with substance like Dato' Kamarul.

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

Dato' Che Nazahatuhisamudin bin Che Haron

Malaysian, aged 43

Executive Director

Dato' Naza graduated from Valparaiso University, Indiana, USA in 1996 with a Bachelor of Science in Electrical Engineering. He started his career as a Development Engineer with Pernec Sdn. Bhd. and later 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 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 Sdn. Bhd. (MECAS) and TransOcean Drilling Sdn. Bhd.

He was appointed to our Board on
21st May 2008



DIRECTORS' PROFILE

Datin Rozita binti Mat Shah @ Hassan

Malaysian, aged 46

Executive Director

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 6 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., 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 good business acumen, people skills and strong management techniques have won her respect from the staffs, 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 2 separate departments: the Human Resources and Corporate Relations & Administration.

She was appointed to the Board on
21st May 2008



Peter Angus Knowles

British, aged 59

Executive Director

A "Scot" 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"), as a graduate trainee in 1981. 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 35 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. In addition to his role as SVP International Business, Angus plays an important role in ensuring Safety is of the highest standard in Uzma, particularly process safety.

He was appointed to the Board on
21st May 2008



DIRECTORS' PROFILE



Yahya Bin Razali

Malaysian, aged 60

Independent Non-Executive Director

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

Dato' Dr. (H) Ab Wahab bin Haji Ibrahim

Malaysian, aged 64

Independent Non-Executive Director

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 honored 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. He also serves as the Audit Committee Chairman of Alam Maritim Resources Berhad.

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





DIRECTORS' PROFILE

Dato' Hajjah Zurainah binti Musa

Malaysian, aged 54

Independent Non-Executive Director

Dato' Hajjah Zurainah obtained her Post Graduate 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 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 is currently an Executive Director of Berjaya Corporation Berhad and Berjaya Times Square Sdn. Bhd. She also holds directorships on various subsidiaries of Berjaya Assets Berhad. Apart from that, she is also a Director of Berjaya Food Berhad and Tioman Island Resort Berhad.

She was appointed to our
Board on the
13th May 2015

KEY LEADERS OF UZMA

Ahmad Yunus bin Abdul Talib

Year joined: 2008

Senior Vice President

Production Optimization & Operation Services

Yunus graduated from University of Wisconsin, 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 Production Optimization & Operation Services and later led the acquisition of MECAS and seconded as a Managing Director. He served as the Deputy Project Manager for the Tanjung Baram Risk Services Contract (RSC) Project.



Bong Leong Sung

Year joined: 2007

Chief Financial Officer / Chief Executive Officer

MMSVS Group Holding Co., Ltd.

Bong graduated from the University of Malaya, Kuala Lumpur in 1999 where he obtained his Bachelor's Degree in Accounting. 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 as the Chief Financial Officer of the Company. He plays a vital role in ensuring Uzma's financial management complies with the highest global standards. He is currently managing the entirety of MMSVS Group Holding Co., Ltd.



KEY LEADERS OF UZMA



Rizal bin Mohd Arifin

Year joined: 2011

Senior Vice President

Geoscience & Petroleum Engineering Services

Rizal graduated from Marquette University, USA, 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 numerous awards 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 certified member of Society of Petroleum Engineers (SPE).



Kenneth John Muir

Year joined: 2014

Senior Vice President

Drilling & Well Services

Ken graduated from RGIT University, Aberdeen, United Kingdom, and has over 30 years of drilling experience. He started as Project Manager and Drilling Superintendent in 1996 with Smedvig, and continued with Secure Drilling, Senergy, and with PTTEPI in Myanmar as Head of Drilling Engineering and Drilling Superintendent for their first deepwater well. 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.

Under Ken's direction, his team was responsible for all aspects of the Uzma/EnQuest Tanjong Baram small field development operations, which completed in mid-2015. They are now engaged on a leaking well re-abandonment project in Sarawak. He is also focused on integrating Uzma HWU, Rigless P&A and Directional Drilling services into a cohesive business unit, supported by their in-house project management expertise.

KEY LEADERS OF UZMA

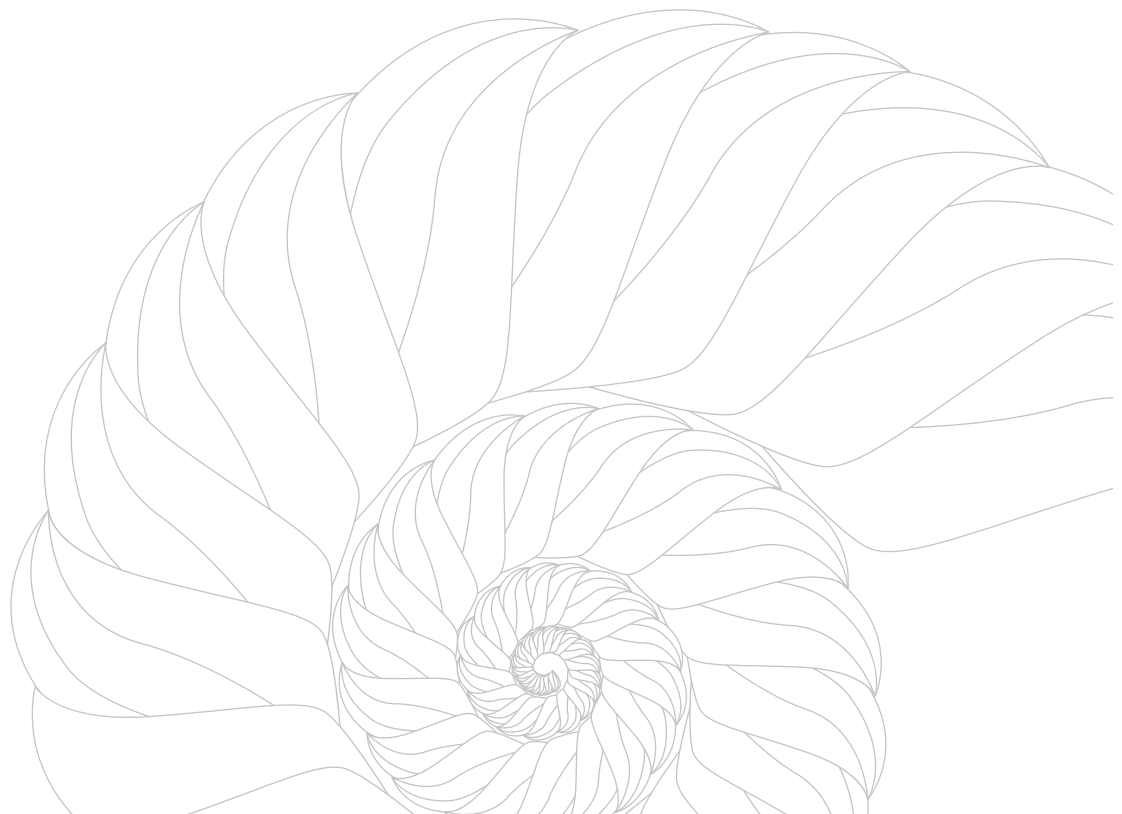
Noor Hakimi bin Mohd Nasir

Year joined: 2011

Senior General Manager

QHSE, Corporate Quality & Business Improvement

Hakimi graduated from the University of Michigan, Ann Arbor, USA majoring in Mechanical Engineering. Prior to joining Uzma, 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 (CQE) by the American Society for Quality (ASQ), a qualified Lead Auditor for ISO9001/ OHSAS18001/ ISO14001 and a six sigma black belt. He currently oversees Business Integration, Quality Assurance, HSE, Supply Chain Management, IT, Integrated Management System and Organizational Improvement.



CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("the Board") is committed to ensure the highest standards of corporate governance are practiced throughout Uzma Berhad Group of Companies ("Uzma Group" or "the 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 experiences range 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 fulfillment of its roles,

duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter provides guidance for the Directors and the 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 behavioral 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 two (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 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 the Management and the Executive Directors, who is 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 is 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.

At the time of the issuance of this Annual Report, 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 every 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. The 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 finalized and confirmed. The Company Secretary organizes 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 31st December 2015 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	4/ 5
Peter Angus Knowles	Executive Director	5/ 5
Dato' Che Nazahatuhisamudin bin Che Haron	Executive Director	5/ 5
Dato' Dr. (H) Ab Wahab bin Haji Ibrahim	Independent Non-Executive Director	5/ 5
Yahya bin Razali	Independent Non-Executive Director	5/ 5
Dato' Hajjah Zurainah binti Musa (Appointed on 13.05.2015)	Independent Non-Executive Director	3/ 3

1.4 Qualified Company Secretary

The Board is ensure the Company supported by a qualified and competent company secretary. The Company Secretary is capable as official liaison party to Uzma Group to communicate, prepare, and submit on Statutory Returns with the Companies Commission of Malaysia in compliance with Statutory Requirements under the Malaysia's Companies Act 1965.

The Company Secretary is also participating in Uzma Board Meeting and giving general advice on company secretarial matters. The Company Secretary is also preparing and filing of Annual Returns of Uzma Group to the Companies Commission of Malaysia.

1.5 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.

1.6 Directors' Training

The Directors recognize the importance and value of attending programs, 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 31st December 2015, the following Directors after assessing their own training needs, have attended the following programs, 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 31 st December 2015.
Dato' Kamarul Redzuan bin Muhamed	Oil & Gas Conference by Credit Suisse EMEPMI Safety Award & 1H Senior Contractor Management Forum Identify Strategic Acquisition and Structuring Successful M&A Deals OWI 2015 Workshop (Offshore Well Intervention Asia Pacific) MPRC - ASEAN Pathfinder Initiative for the OGSE (Oil & Gas Services and Equipment) Sector Macquarie - Real Malaysia Corporate Day MARA - 21 st Century Educator : Leadership, Education & Entrepreneurship Asia Petroleum Geoscience Conference & Exhibition (APGCE) 2015 SPE Enhanced Oil Recovery Conference & Exhibition Asia Pacific
Datin Rozita binti Mat Shah @ Hassan	SPE Enhanced Oil Recovery Conference & Exhibition Asia Pacific Board Reward & Recognition Asia Petroleum Geoscience Conference & Exhibition (APGCE) 2015
Peter Angus Knowles	Asia Petroleum Geoscience Conference & Exhibition (APGCE) 2015
Dato' Che Nazahatuhisamudin bin Che Haron	SPE Enhanced Oil Recovery Conference & Exhibition Asia Pacific Asia Petroleum Geoscience Conference & Exhibition (APGCE) 2015
Dato' Dr. (H) Ab Wahab bin Haji Ibrahim	Qualified Risk Director Program: White Belt Qualified Risk Director Program: Yellow Belt Qualified Risk Director Program: Brown Belt Qualified Risk Director Program: Green Belt Qualified Risk Director Program: Black Belt The Audit Oversight Board Conversation with Audit Committee National Seminar on Trans-Pacific Partnership Agreement (TPPA) Corporate Board Leadership Symposium 2015
Yahya bin Razali	Board Reward & Recognition
Dato' Hajjah Zurainah binti Musa	Luncheon Meeting Asean Conference On Women In Politics CG Breakfast Series – Future of Auditor Reporting – The Game Changer For Boardroom Developing An Outward Mindset Konvesyen Kesejahteraan Sosial Komuniti Bandar Women Power Talk – Commitment To Action

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 43 to 44 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 organization 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.

The Nominating Committee will review and assess the mix of skills expertise, composition, size and experience of the Board directors. The Nominating Committee will also review and assess the performance of each individual director, the effectiveness of the Board and the Board Committees.

During the meeting held in April 2016, the Nominating Committee reviewed and assessed the mix of skills expertise, composition, size and experience of the Board, the performance of each individual Director, effectiveness of the Board and the Board Committees.

• **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.

• **Tenure of Independent Directors**

Recommendation 3.2 of the Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the re-designation of the Independent Director as a Non-Independent Director.

Recommendation 3.3 of the Code also recommends that the Board must justify and seek shareholders' approval in the event it retains an Independent Director, a person who has served in that capacity for more than nine (9) years.

The Board does not have term limit for its Independent Directors and is of the view that the independence of the Independent Directors should not be determined solely or arbitrary by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. The caliber, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director.

The Board is also confident that the Independent Directors themselves, after having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgment on Board

deliberations and decision making.

The Independent Director of the Company who will served for a cumulative period of nine (9) years after the 9th AGM is Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee ("Datuk Seri Syed Ali").

The Board has decided to retain Datuk Seri Syed Ali as Independent Director notwithstanding his service for a cumulative period of nine (9) years after the 9th AGM as Independent Director after assessment and recommendation by the Nominating Committee.

Nevertheless, in line with the Recommendation 3.3 of the Code, the Board will seek approval from the shareholders of the Company at the forthcoming 9th AGM to support the Board's decision to retain Datuk Seri Syed Ali as Independent Director based on the following justifications:-

- (a) He has fulfilled the criteria under the definition of Independent Director as stated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements and thus he would be able to bring an element of objectivity to the Board;
- (b) He has vast and diverse range of experiences and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;
- (c) He has continued to exercise his independence and due care during his tenure of service; and
- (d) He has shown great integrity and independence, and had not entered into any related party transactions with the Group

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 31st December 2015 whose remuneration and fees received/ receivable from the Group falls into the following bands: -

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
< RM50,000	-	1
RM50,001 – RM100,000	-	2
RM100,001 – RM150,000	-	1
RM350,001 – RM400,000	-	-
RM450,001 – RM500,000	1	-
RM550,001 – RM600,000	1	-
RM1,000,001 – RM1,500,000	1	-
RM1,500,001 – RM2,000,000	1	-
Total	4	4

RM'000	Executive	Non-Executive
Salaries and Other Emoluments	3,802	-
Benefits-in-Kind	-	-
Fees	-	273
Meeting Fees	-	17

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 does not participate in the discussions and decisions of 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 Remuneration Committee 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 Remuneration Committee 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 recognizes 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)
Tel: 03-7611 4000
Fax: 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 recognizes 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 external auditors would be re-appointed annually subject to annual evaluation by the Audit Committee. As part of the evaluation process, the Audit Committee will obtain feedback from the management team on the quality of the audit service of the external auditors. Audit partner in-charge of a public listed company should be rotated (within the audit firm) every five years to ensure independence of audit.

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 Group outsourced its internal audit function to an external professional firm, as part of its efforts in ensuring that the Group's system of internal control is adequate and effective. The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified.

The Statement on Risk Management and Internal Control set out on page 41 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 41 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 organizational endeavour. As a conscientious organization aspiring to be an exemplary corporate citizen, we are committed to sustainable development and co-existence with the community and environment. We ensure 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 shareholder 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. CSR is undertaken at many levels including Group corporate office, regional and representative offices.

THE INDUSTRY

Staying true to its passion and core competency in the oil and gas industry, Uzma has grown to be a competitive service contractor to the regional scene. Being a truly Malaysian success story persevering all the challenges and hurdles of building a capable and competitive organization from scratch, Uzma knows what it takes to walk with the giants of the industry. Celebrating our 15th year anniversary in 2015, Uzma looked back at the winding roads, and feels the need to give back to the industry in the form of assisting the government to develop the local vendors and guide them to explore their potential and capability. With such strong passion to contribute to nation-building, Uzma has, in 2015 initiated a "Program Pembangunan Vendor" (Vendor Development Program) under the Ministry of International Trade and Industry (MITI). A project undertaken by the Corporate Department and Supply Chain Management (SCM), Uzma has successfully inducted two local start-up companies into the program by giving them an opportunity to supply to Uzma's vast operations. We expect more local start-up to be registered under this program in coming years.

THE EDUCATION

On top of giving opportunities to university students to experience real life working environment and enhance their skills via our internship program, Uzma has also been a very active participant in the strategic development of the nation's tertiary education enhancement, specifically in the field related to Oil and Gas. Our CEO, Dato' Kamarul Redzuan Muhamed, sits in the Research Advisory Council for University Technology PETRONAS (UTP), a role which he has been actively involved with for a few years now.

Following the lead of the CEO, our Senior General Manager for Uzma Integrated Solutions (UIS), Encik Mohd Asrul Abdul Aziz, has been a seasoned and active participant in the local varsities, having been UTP's external examiner for IT/ IS courses since 2009. He also doubles up as UTP's adjunct lecturer and a member of the Expert Panel Workshop (EPW) which looks into new courses development for both Bachelor's and Master's degree programs. Encik Asrul is also a member of UNITEN's Industrial Advisory Panel since 2012. Uzma is proud to be able to contribute to the betterment of the nation's educational advancement.

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 spill over into the daily lives of our employees and their families.

Uzma was one of the key contributor and participant to the Society of Petroleum Engineers (SPE) CSR program in Kerteh in 2015. We helped in the program to release hundreds of turtles into the sea to help in its survival. We also participated in the beach cleaning program in Kerteh by sending off two busses loaded with our eager staff-volunteers to support the 2015 CSR program held by SPE.

THE WORKPLACE

We recognize 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 and a balanced passion towards life and work leads to a healthy organization. With this in mind, our Uzma Recreational Committee (URC), a multi-functional arm of the Uzma Health, Safety & Environment (HSE) organization has been given the task of planning and executing health and safety programs and activities throughout the company. Among the regular activities done by URC in 2015 were the weekly Zumba workout, fortnightly futsal and monthly badminton games which were all opened and free for all staffs. Through its monthly HSE corporate-wide meetings, the HSE department has ran health talks and free health checks for employees. To ensure that our people stay focused and possess positive team dynamics, team building sessions have been ran by a few strategic operations such as Production Optimization and Operations Services.

To ensure that mental health and personal integrity of our employees stay positive, Corporate Services and Human Resources department organized a few sessions of inspirational talks (ceramah), especially during Ramadhan. With personal and professional self-development at the heart of our people policy, Uzma Training department has ensured that continuous education focused on building employees competency and capability were effectively executed in 2015.

THE COMMUNITY

With the move to our new home, the Uzma Tower, in a new development in Empire Damansara, Uzma has quickly adapted to the new immediate community comprising of commercial and residential stakeholders within the mixed developments of Empire Damansara and the greater Damansara Perdana. Being a key member of the Joint Management Committee (JMC), Uzma has shared its health, safety, security and environmental care expertise with its neighbours and community, leading in positive processes and governance of the community and visitors to the development.

Outside from the immediate community we live in, Uzma has traditionally been a generous contributor to the underprivileged community. On top of ad-hoc contributions to several orphanages, Uzma also ensure that these underprivileged children were not left out during the festivities. Uzma has always been bringing festive cheers to the orphans from a number of orphanages, such as the Rumah Permata Hatiku and a group of underprivileged students from SK Taman Seri Gombak who were celebrated during Uzma's Annual Iftar 2015. Uzma generously gave out contributions to the underprivileged children and we do not see this practice will ever stop.

Joining the other caring citizen in Malaysia, the Group together with ANSARAKB - (MRSM KB Alumni Association) volunteered to help the flood victims in Kelantan during the flood of 2014 which spilled over into January 2015. Uzma provided a few units of internally designed, developed and fabricated water purification system and deployed them at the affected areas in Kuala Krai and Bachok. Uzma also despatched staff-volunteers to help with the cleaning and rebuilding mission to Kelantan and Kemaman, on top of our food and necessity donations.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Uzma Berhad ("Board") recognizes 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 ("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 joint arrangements) during the financial year ended 31st December 2015. 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 recognizes 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 joint arrangement as Uzma Group does not have full management control over these companies.

The internal audit function practiced by Uzma is a hybrid of internal QHSE audit per the ISO9001 standards as well as the clients' HSE requirements, and an internal audit carried out by externally sourced consultants. The internal QHSE audits reported their findings to the Head of QHSE who is also the Management Representative (MR) for Uzma (under the definition of the ISO9001), while the external audit consultants report directly to the Audit Committee.

During the financial year ended 31st December 2015, 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 31st December 2015 were

RM57,000.

OTHER KEY ELEMENTS OF INTERNAL CONTROLS

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

- An organization structure, which clearly defines the lines of responsibilities, proper segregation of duties and delegation of authority;
- Relevant training and development programs 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 31st December 2015 in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE3000 (Revised), assurance Engagements Other Than Audit or Reviews of Historical Financial Information and Recommended Practice Guide 5 (RPG) (Revised), Guidance for auditors on engagements 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 paragraphs 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 31st December 2015 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 06th April 2016.

AUDIT COMMITTEE REPORT

The Audit Committee of Uzma Berhad is pleased to present the Audit Committee Report for the financial year ended 31st December 2015.

1 COMPOSITION

The Audit Committee comprises the following Board members:-

Chairman

Dato' Dr. (H) 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 31st December 2015. Details of attendance of each member at the Audit Committee Meeting held during the financial year ended 31st December 2015 are as follows:

Members of the Audit Committee	Total Meeting Attended
Dato' Dr. (H) Ab Wahab bin Haji Ibrahim	5/ 5
Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee	5/ 5
Yahya bin Razali	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 fulfills 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 program 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 31st December 2015 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 favorable 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 31st December 2015 is RM57,000.

OTHER COMPLIANCE INFORMATION

1 Utilization of proceeds

(a) Right Issue in 2014

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 21st July 2014. The status of the utilization of the proceeds raised as at 31st December 2015 is set out below:-

Purpose	Proposed Utilization	Actual Utilization up to 31 December 2015	Intended Time Frame For Utilization	Deviations	Explanation
	RM'000	RM'000	Months	RM'000	%
Capital Expenditure	78'000	78,000	24	-	-
Working Capital	8,000	8,000	12	-	-
High Performance Computing	4,500	1,512	24*	2,988	66.4
Renovation of Office Premise	7,500	7,500	24*	-	-
Defraying	1,000	1,000	Immediate	-	-
Estimate Expenses	99,000	96,012		2988	

*As announced on 7th August 2015, the Company has resolved to extend the timeframe for the utilization of the remaining proceeds for another 12 months until 21st July 2016.

(b) Private Placement in 2015

The total proceeds raised from the Private Placement was RM53,962,500. The proceeds from the Private Placement had been fully utilized as at 30th September 2015.

2 Share buy-back

The Company did not purchase any of its own shares during the financial year ended 31st December 2015.

3 Options, warrants or convertibles securities

The Company did not issue any options, warrants or convertibles securities during the financial year ended 31st December 2015.

4 American Depositary Receipts ("ADR") of Global Depositary Receipts

The Company did not issue any ADR or GDR programme during the financial year ended 31st December 2015.

5 Imposition of Sanctions and/ or Penalties

During the financial year ended 31st December 2015, 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 31st December 2015 and there was no material variation between the audited results for the financial year ended 31st December 2015 and the unaudited results previously announced.

7 Profit Guarantee

No profit guarantee was provided by the Company during the financial year ended 31st December 2015.

8 Non-audit Fees

Total non-audit fees paid/ payable to the external auditors during the financial year ended 31st December 2015 amounted to RM6,000.00

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 31st December 2015.

ANALYSIS OF SHAREHOLDING

AS AT 28TH MARCH 2016

As at 28th March 2016

Authorized Share Capital : RM250,000,000.00

Paid-up Share Capital : RM145,467,500.00

Class of Shares : Ordinary Shares of RM0.50 each

Voting Rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	27	1.32	572	0.00
100 to 1,000	678	33.19	286,605	0.10
1,001 to 10,000	914	44.74	4,376,759	1.51
10,001 to 100,000	272	13.31	9,060,250	3.11
100,001 to less than 5% of issued shares	138	6.75	107,608,240	36.99
5% and above of issued shares	14	0.69	169,602,574	58.29
Total	2,043	100.00	290,935,000	100.00

THIRTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
1.	KAMARUL REDZUAN BIN MUHAMED	58,074,874	19.96
2.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ROZITA BINTI MAT SHAH @ HASSAN	26,400,000	9.07
3.	KENANGAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KAMARUL REDZUAN BIN MUHAMED	26,400,000	9.07
4.	LEMBAGA TABUNG HAJI	26,263,200	9.03
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	12,641,900	4.35
6.	ROZITA BINTI MAT SHAH @ HASSAN	10,023,200	3.45
7.	MAYBANK SECURITIES NOMINESS (ASING) SDN. BHD. MAYBANK KIM ENG SECURITIES PTE. LTD. FOR ROTATING OFFSHORE SOLUTIONS PTE. LTD.	10,000,000	3.44
8.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHUA SAI MEN	7,463,200	2.57
9.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	4,789,800	1.65
10.	NASRI BIN NASRUN	4,350,000	1.50
11.	PETER ANGUS KNOWLES	3,500,000	1.20
12.	CIMSEC NOMINESS (TEMPATAN) SDN. BHD. CIMB BANK FOR CHAN CHEE BENG (PBCL-oG0078)	3,035,100	1.04

NO.	NAME	NO. OF SHARES	% OF ISSUED SHARE CAPITAL
13.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	2,731,200	0.94
14.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK TRUSTEE BERHAD FOR RHB CAPITAL FUND (200189)	2,553,800	0.88
15.	TENGKU AB MALEK BIN TENGKU MOHAMED	2,484,800	0.85
16.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (RHB INV)	2,360,000	0.81
17.	MOHD ZULHAIZAN BIN MOHD NOOR	2,235,000	0.77
18.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR RHB GROWTH AND INCOME FOCUS TRUST	2,203,200	0.76
19.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHE NAZAHATUHHISAMUDIN	2,119,780	0.73
20.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (KIB)	2,023,900	0.70
21.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR AIA BHD	2,003,000	0.69
22.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHONG KHENG TING	1,805,400	0.62
23.	HSBC NOMINEES (ASING) SDN. BHD. BBH AND CO BOSTON FOR GRANDEUR PEAK INTERNATIONAL OPPORTUNITIES FUND	1,786,600	0.61
24.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)	1,777,000	0.61
25.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. KUMPULAN WANG PERSARAAN (DEPERBADANKAN) (KNGA SML CAP FD)	1,761,700	0.61
26.	HSBC NOMINEES (TEMPATAN) SDN. BHD. HSBC (M) TRUSTEE BHD FOR RHB SMART TREASURE FUND	1,702,500	0.59
27.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR CITIGROUP NEW YORK (NORGES BANK 14)	1,557,700	0.54
28.	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. CIMB COMMERCE TRUSTEE BERHAD – KENANGA GROWTH FUND	1,476,000	0.51
29.	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOK CHEW LENG	1,425,000	0.49
30.	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	1,422,700	0.49
TOTAL		228,370,554	78.50

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares held			
	Direct	%	Indirect	%
Dato' Kamarul Redzuan bin Muhamed	84,474,874	29.04	36,700,200 ⁽¹⁾	12.61
Datin Rozita binti Mat Shah @ Hassan	36,700,200	12.61	84,474,874 ⁽²⁾	29.04
Lembaga Tabung Haji	27,010,800	9.28	-	-
Kumpulan Wang Persaraan (Diperbadankan)	12,641,900	4.34	8,774,800 ⁽³⁾	3.01

Notes :

⁽¹⁾ Deemed interested by virtue of his Spouse, Datin Rozita binti Mat Shah @ Hassan 's interest.⁽²⁾ Deemed interested by virtue of her Spouse, Dato' Kamarul Redzuan bin Muhamed's interest.⁽³⁾ Shares held by Fund Managers.**DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS**

Name	No. of Shares held			
	Direct	%	Indirect	%
Dato' Kamarul Redzuan bin Muhamed	84,474,874	29.04	36,700,200 ⁽¹⁾	12.61
Datin Rozita binti Mat Shah @ Hassan	36,700,200	12.61	84,474,874 ⁽²⁾	29.04
Datuk Seri Syed Ali bin Tan Sri Syed Abbas Alhabshee	111,450	0.04	-	-
Peter Angus Knowles	3,650,000	1.25	-	-
Dato' Che Nazahatuhisamudin bin Che Haron	2,419,780	0.83	-	-
Dato' Dr. (H) Ab Wahab bin Haji Ibrahim	-	-	-	-
Yahya bin Razali	-	-	-	-
Dato' Hajjah Zurainah binti Musa	-	-	-	-

Notes :

⁽¹⁾ Deemed interested by virtue of his Spouse, Datin Rozita binti Mat Shah @ Hassan's interest.⁽²⁾ 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 31.12.2015 (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.	9 years	1,722sq ft/ 8,034 sq ft per multi storey lot	Freehold	5,510	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.	16 years	892 Sq.M or 9601.49 sq ft	Freehold	3,366	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 47820 Petaling Jaya Selangor Darul Ehsan	12-Storey commercial building for use as office premises	Uzma Engineering Sdn. Bhd.	2 years	21,495.1 Sq.M or 38,901 sq ft	Leasehold 99 years	23,722	24,000

LIST OF PROPERTIES

Title/ Location	Description/ Existing Use	Registered Owner	Age of Building (Years)	Land/ Built-Up Area	Tenure	Net Book Value as at 31.12.2015 (THB)	Original Cost (THB)
H-Cape Biz Sector @ On-Nut Sukhaphiban 2 Rd., Prawet, Prawet, Bangkok, Thailand.	Commercial Building 3 and half floor		1 year		UZMA Consulting Limited		
Room No. 22/ 30		UOB Bank		115.20Sq.M. or 250.80Sq.M		2,304,000.00 6,882,769.36	2,304,000.00 6,931,766.50
Room No. 22/ 31		UOB Bank		115.20Sq.M. or 250.80Sq.M		2,304,000.00 6,882,769.36	2,304,000.00 6,931,766.50
Room No. 22/ 32		UOB Bank		116.00Sq.M. or 250.80Sq.M		2,320,000.00 6,866,882.44	2,320,000.00 6,915,766.48
Room No. 22/ 33		TMB Bank		158.00Sq.M. or 250.80Sq.M.		3,160,000.00 7,089,193.52	3,160,000.00 7,139,660.16

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 2015.

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	11,297	5,379
Attributable to:-		
Owners of the Company	5,261	5,379
Non-controlling interests	6,036	-
	11,297	5,379

DIVIDENDS

Since the end of the previous financial year, the Company paid a single tier interim dividend of 3.78 sen per ordinary share amounting to RM9,979,000 which was declared in the financial year ended 31 December 2014.

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the authorized share capital of the Company;
- (b) the Company increased its paid-up share capital from RM132,000,000 to RM145,467,500 as follows:
 - (i) the issuance of 5,350,000 new ordinary shares of RM0.50 each at an issue price of approximately RM2.1495 per share as consideration shares to part settle the purchase consideration payable by Tenggara Analisis Sdn. Bhd. ("TA"), a wholly-owned subsidiary of the Company to the vendors of Setegap Ventures Petroleum Sdn. Bhd. ("SVP") in relation to the proposed acquisition of 271,210 ordinary shares of RM1.00 each of SVP by TA. The new shares were listed and quoted on the Main Market of Bursa Securities on 29 January 2015;
 - (ii) private placement exercise by the issuance of 21,585,000 new ordinary shares of RM0.50 each at an issue price of RM2.50 per share. The funds raised from this exercise was used to finance capital expenditure and for working capital purposes. The new shares were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 29 July 2015;

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 all known bad debts had been written off 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 further 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 realized 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 realize.

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 date 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 NAZAHATUHHISAMUDIN BIN CHE HARON

DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM

YAHYA BIN RAZALI

DATO' HAJJAH ZURAINAH BINTI MUSA (APPOINTED ON 13.5.2015)

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 1.1.2015	BOUGHT	SOLD	AT 31.12.2015
THE COMPANY				
DIRECT INTERESTS IN THE COMPANY				
DATO' KAMARUL REDZUAN BIN MUHAMED	85,974,874	-	-	85,974,874
DATIN ROZITA BINTI MAT SHAH @ HASSAN	43,200,200	-	(6,500,000)	36,700,200
DATUK SERI SYED ALI BIN TAN SRI SYED ABBAS ALHABSHEE	111,450	-	-	111,450
PETER ANGUS KNOWLES	150,000	3,500,000	-	3,650,000
DATO' CHE NAZAHATUHSAMUDIN BIN CHE HARON	2,400,580	19,200	-	2,419,780
DEEMED INTERESTS IN THE COMPANY				
DATO' KAMARUL REDZUAN BIN MUHAMED ^	43,200,200	-	(6,500,000)	36,700,200
DATIN ROZITA BINTI MAT SHAH @ HASSAN *	85,974,874	-	-	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 its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 6A of the Companies Act 1965.

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.

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 DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 52 to the financial statements.

AUDITORS

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 06 APRIL 2016

Dato' Kamarul Redzuan bin Muhamed

Dato' Che Nazahatuhisamudin bin Che Haron

FINANCIAL STATEMENTS

STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

STATUTORY DECLARATION PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT 1965

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 56 to 122 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 as of 31 December 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 53, 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 Realized and Unrealized 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 6 APRIL 2016**

Dato' Kamarul Redzuan bin Muhamed

Dato' Che Nazahatuhisamudin bin Che Haron

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT 1965

I, Gan Shang Jye, 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 56 to 122 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 Gan Shang Jye,
at Kuala Lumpur in the Federal Territory on this 6 April 2016

Before me

Gan Shang Jye

Datin Hajah Raihela Wanchik (W-275)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD

(Incorporated in Malaysia) Company No : 769866 - V

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 2015 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 56 to 122.

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 judgment, 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 2015 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 53 on page 122 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 Realized and Unrealized 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

6 April 2016
Kuala Lumpur

Chua Wai Hong

Approval No: 2974/09/17 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2015

		THE GROUP		THE COMPANY	
	NOTE	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	65,461	65,461
Investments in associates	6	4,479	-	4,154	-
Investments in a joint venture	7	51,613	17,580	-	-
Other investment		11	11	-	-
Property, plant and equipment	8	251,769	127,479	-	-
Development expenditure	9	151,478	31,058	-	-
Intangible asset	10	1,992	2,391	-	-
Deferred tax assets	11	112	112	-	-
Goodwill on consolidation	12	61,368	61,368	-	-
		522,822	239,999	69,615	65,461
CURRENT ASSETS					
Inventories	13	16,767	13,500	-	-
Trade receivables	14	161,321	160,817	-	-
Other receivables, deposits and prepayments	15	31,327	20,667	1,963	18
Amount owing by contract customers	16	4,515	14,203	-	-
Amount owing by subsidiaries	17	-	-	171,791	124,216
Amount owing by an associate	18	5,209	2,857	-	-
Short-term investments	19	39	37	35	33
Current tax assets		11,305	3,708	19	3
Fixed deposits with licensed banks	20	23,912	19,034	-	-
Cash and bank balances		45,404	33,808	292	421
		299,799	268,631	174,100	124,691
TOTAL ASSETS		822,621	508,630	243,715	190,152

		THE GROUP		THE COMPANY	
	NOTE	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21	145,468	132,000	145,468	132,000
Share premium	22	95,853	44,247	95,853	44,247
Merger deficit	23	(29,700)	(29,700)	-	-
Capital reserve	24	76	51	-	-
Foreign exchange translation reserve	25	32,863	1,576	-	-
Retained profits/(Accumulated losses)	26	111,592	106,356	216	(5,163)
Equity attributable to owners of the Company		356,152	254,530	241,537	171,084
Non-controlling interests	5	15,150	9,136	-	-
TOTAL EQUITY		371,302	263,666	241,537	171,084
NON-CURRENT LIABILITIES					
Deferred tax liabilities	11	7,471	4,309	-	-
Long-term borrowings	27	101,892	29,820	-	-
Deferred liability	28	-	17,157	-	1,878
		109,363	51,286	-	1,878
CURRENT LIABILITIES					
Trade payables	29	81,190	111,630	-	-
Other payables and accruals	30	49,589	8,564	2,172	52
Amount owing to a subsidiary	17	-	-	6	7,159
Current tax liabilities		2,169	2,523	-	-
Short-term borrowings	31	191,277	42,451	-	-
Dividend payable	34	-	9,979	-	9,979
Bank overdrafts	35	17,731	18,531	-	-
		341,956	193,678	2,178	17,190
TOTAL LIABILITIES		451,319	244,964	2,178	19,068
TOTAL EQUITY AND LIABILITIES		822,621	508,630	243,715	190,152
NET ASSETS PER ORDINARY SHARE (SEN)	36	122	96		

FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	NOTE	THE GROUP		THE COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
REVENUE	37	510,772	473,425	7,370	11,434
COST OF SALES		(394,613)	(362,753)	-	-
GROSS PROFIT		116,159	110,672	7,370	11,434
OTHER INCOME		19,549	3,011	5	6
		135,708	113,683	7,375	11,440
ADMINISTRATIVE EXPENSES		(61,581)	(55,090)	(1,804)	(1,370)
OPERATING EXPENSES		(49,641)	(7,654)	-	-
FINANCE COSTS		(8,547)	(4,049)	(113)	-
SHARE OF RESULTS IN ASSOCIATES, NET OF TAX		325	(325)	-	-
SHARE OF RESULTS IN A JOINT VENTURE, NET OF TAX		6,421	4,772	-	-
PROFIT BEFORE TAXATION	38	22,685	51,337	5,458	10,070
INCOME TAX EXPENSE	39	(11,388)	(10,949)	(79)	(19)
PROFIT AFTER TAXATION		11,297	40,388	5,379	10,051
OTHER COMPREHENSIVE INCOME, NET OF TAX					
<u>Item that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		31,463	1,798	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		42,760	42,186	5,379	10,051

	NOTE	THE GROUP		THE COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		5,261	36,007	5,379	10,051
Non-controlling interests		6,036	4,381	-	-
		11,297	40,388	5,379	10,051
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		36,548	37,718	5,379	10,051
Non-controlling interests		6,212	4,468	-	-
		42,760	42,186	5,379	10,051
EARNINGS PER SHARE					
- Basic (Sen)	40	1.89	18.6		
- Diluted (Sen)	40	N/A	N/A		

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

<-----NON-DISTRIBUTABLE-----> DISTRIBUTABLE

THE GROUP

	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
Balance at 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	-	-	-	-	-	(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 2015 (CONT'D)

	NON-DISTRIBUTABLE					DISTRIBUTABLE				
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	MERGER DEFICIT RM'000	CAPITAL RESERVE RM'000	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 31.12.2014/1.1.2015	132,000	44,247	1,576	(29,700)	51	106,356	254,530	9,136	263,666	
Profit after taxation for the financial year	-	-	-	-	-	5,261	5,261	6,036	11,297	
Other comprehensive income for the financial year, net of tax:										
- Foreign currency translation differences	-	-	31,287	-	-	-	31,287	176	31,463	
Total comprehensive income for the financial year	-	-	31,287	-	-	5,261	36,548	6,212	42,760	
Contributions by and distributions to owners of the Company:										
- Issuance of shares	13,468	51,995	-	-	-	-	65,463	-	65,463	
- Share issuance expenses	-	(389)	-	-	-	-	(389)	-	(389)	
- Dividend:										
- by the subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(198)	(198)	
- Transfer to capital reserve	-	-	-	-	25	(25)	-	-	-	
Total transaction with owners	13,468	51,606	-	-	25	(25)	65,074	(198)	64,876	
Balance at 31.12.2015	145,468	95,853	32,863	(29,700)	76	111,592	356,152	15,150	371,302	

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 (CONT'D)

THE COMPANY	NOTE	< -NON-DISTRIBUTABLE->		DISTRIBUTABLE (ACCUMULATED LOSSES)/	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	RETAINED PROFITS RM'000	
Balance at 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 31.12.2014/1.1.2015		132,000	44,247	(5,163)	171,084
Profit after taxation/Total comprehensive income for the financial year		-	-	5,379	5,379
Contributions by and distribution to owners of the Company:					
- Issuance of shares		13,468	51,995	-	65,463
- Share issuance expenses		-	(389)	-	(389)
Total transactions with owners		13,468	51,606	-	65,074
Balance at 31.12.2015		145,468	95,853	216	241,537

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	NOTE	THE GROUP		THE COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		22,685	51,336	5,458	10,070
Adjustments for:-					
Allowance for impairment losses on receivables		458	47	-	-
Amortization of intangible asset		399	398	-	-
Depreciation of property, plant and equipment		14,316	7,369	-	-
Interest expense		8,436	3,846	113	-
Inventories written off		227	-	-	-
Investment written off		46	-	-	-
(Gain)/Loss on disposal of property, plant and equipment		(5)	67	-	-
Property, plant and equipment written off		65	9	-	-
Share of profit, net of tax in:					
- joint ventures		(6,421)	(4,772)	-	-
- associate		(325)	325	-	-
Dividend income		-	-	(7,060)	(11,254)
Gain on disposal of a joint venture		-	(305)	-	-
Interest income		(11,273)	(970)	(5)	(6)
Net loss on foreign exchange - unrealized		33,583	978	-	-
Reversal of impairment losses on trade receivables		-	(183)	-	-
Operating profit/(loss) before working capital changes		62,191	58,145	(1,494)	(1,190)
Increase in amount owing by contract customers		9,688	335	-	-
Increase in trade and other receivables		(8,901)	(45,233)	(1,945)	-
Increase/(Decrease) in trade and other payables		5,893	38,119	129	(24)
Increase in inventories		(3,494)	(7,048)	-	-
CASH FROM/(FOR) OPERATIONS		65,377	44,318	(3,310)	(1,214)
Interest paid		(7,291)	(3,846)	-	-
Income tax paid		(16,177)	(10,172)	(95)	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		41,909	30,300	(3,405)	(1,214)

	NOTE	THE GROUP		THE COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash and cash equivalents acquired	42	-	(91,111)	-	-
Investment in:					
- subsidiaries		-	-	-	(18,703)
- an associate		(4,154)	-	(4,154)	-
- a joint venture		(30,068)	-	-	-
Dividend received		-	-	-	5,354
Interest received		574	741	5	6
Proceeds from disposal of:					
- a joint venture		-	2,500	-	-
- property, plant and equipment		487	528	-	-
- short-term investments		-	495	-	495
Purchase of property, plant and equipment	44	(132,541)	(48,812)	-	-
Development expenditure incurred		(100,712)	(31,058)	-	-
Purchase of short-term investment		(2)	-	(2)	-
(Placement)/withdrawal of deposits pledged with licensed banks		(8,053)	1,366	-	-
(Advances to)/Repayment to an associate		(2,199)	30	-	-
Advances to subsidiaries		-	-	(47,385)	(97,206)
NET CASH FOR INVESTING ACTIVITIES		(276,668)	(165,321)	(51,536)	(110,054)

	NOTE	THE GROUP		THE COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
(Repayment to)/Advances from a subsidiary		-	-	(283)	13,059
Proceeds from issuance of shares		65,074	99,000	65,463	99,000
Share issuance expenses		-	(674)	(389)	(674)
Dividend paid		(9,979)	-	(9,979)	-
Dividend paid to minority shareholders by a subsidiary		(198)	(2,375)	-	-
Drawdown of term loans		86,058	25,731	-	-
Repayment of term loans		(17,734)	(10,352)	-	-
Repayment of lease and hire purchase obligations		(41)	(290)	-	-
Net drawdown of bills payable		117,845	32,872	-	-
NET CASH FROM FINANCING ACTIVITIES		241,025	143,912	54,812	111,385
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,266	8,891	(129)	117
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		23,080	14,029	421	304
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		2,955	160	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	45	32,301	23,080	292	421

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

Uzma Tower, No. 2, Jalan PJU8/ 8A
Damansara Perdana, 47820 Petaling Jaya
Selangor Darul Ehsan.

The financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors dated 6 April 2016.

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 119: Defined Benefits Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) 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 & Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
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 Amortization	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:-

- (a) MFRS 9 (IFRS 9 issued by IASB in July 2015) 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. Therefore, it is expected that the Group's investments in unquoted shares that are currently stated at cost less accumulated impairment losses will be measured at fair value through other comprehensive income upon the adoption of MFRS 9. The Group is currently assessing the financial impact of adopting MFRS 9.
- (b) The amendments to MFRS 116 and MFRS 138 prohibit revenue-based amortization because revenue does not, as a matter of principle, reflect the way in which an item of intangible assets is used or consumed. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
- (c) The amendments to MFRS 127 allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
- (d) 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 JUDGMENTS

Estimates and judgments 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 judgments 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.

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 recognizes 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 recognized, such difference will impact the income tax expense and deferred tax balances 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 recognized 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 recognized 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 judgment 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 recognized 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 judgment 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONT'D)

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

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgment. 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 and has been rounded to the nearest thousand, unless otherwise stated.

(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 recognized 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. Income, expenses and other comprehensive income 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, attributed to the owners of the Company and non-controlling interests, as appropriate.

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 at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of interest in associates and joint ventures that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognized but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognized in profit or loss. When the Group disposes of only part of its investment in associates and joint ventures that includes foreign operation while retaining significant influence and joint control, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

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, if any) 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 BASIS OF CONSOLIDATION (CONT'D)

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. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. 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 recognized 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 recognized 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 recognized in profit or loss.

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.

(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 recognized directly in equity of the Group.

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognizes 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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 BASIS OF CONSOLIDATION (CONT'D)

(e) Loss of Control (cont'd)

- (iii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognized 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 recognized immediately in profit or loss. An impairment loss recognized 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 recognized 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 recognized as a gain in profit or loss.

In respect of equity-accounted associates and joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint ventures.

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are 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 recognized in profit or loss.

4.6 INVESTMENTS IN ASSOCIATES

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

Investments in associates are 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 the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investments in associates is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December 2015. 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.

Unrealized gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealized 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 recognized in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

4 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 financial statements using the equity method, based on the financial statements of the joint venture made up to 31 December 2015. 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, from the date that joint control commences 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.

Unrealized gains on transactions between the Group and the joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealized 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 recognized 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. Under such change in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognized 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 recognized in profit or loss.

4.8 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized 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 financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. 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 realize the asset and settle the liability simultaneously.

A financial instrument is recognized 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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 FINANCIAL INSTRUMENTS (CONT'D)

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 recognized immediately in profit or loss.

Financial instruments recognized 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. Fair value through profit or loss category also comprises contingent consideration in a business combination.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement are recognized in profit or loss. Dividend income from this category of financial assets is recognized 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 assets or non-current assets. Financial assets that are held primarily for trading purposes are presented as current assets whereas financial assets that are not held primarily for trading purposes are presented as current assets or non-current assets 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 amortized cost using the effective interest

method less any impairment loss, with interest income recognized 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 amortized cost using the effective interest method, less any impairment loss. Interest income is recognized 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.

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 recognized 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 recognized 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 acquired within 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest method other than those categorized 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. Fair value through profit or loss category also comprises contingent consideration in a business combination.

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

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

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

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

(d) Derecognition

A financial asset or part of it is derecognized 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 recognized in equity is recognized in profit or loss.

A financial liability or a part of it is derecognized 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 recognized 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:-

Freehold buildings	2%
Leasehold building	Over the lease period of 94 years
Leasehold improvement	5% - 20%
Laboratory equipment	10% - 33 1/3%
Wireline equipment	10%
uzmAPRES™ 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% - 33 1/3%
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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 PROPERTY, PLANT AND EQUIPMENT

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized. The costs of the day-to day servicing of property, plant and equipment are recognized 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.

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use. Cost of capital work-in-progress includes direct costs, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognized 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 amortized 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 categorized 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 an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognized 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 recognized in profit or loss and is measured as the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the fair value reserve. In addition, the cumulative loss recognized in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity into profit or loss.

With the exception of available-for-sale debt 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 recognized, the previously recognized 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 amortized cost would have been had the impairment not been recognized. In respect of available-for-sale equity instruments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognized in other comprehensive income.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognized in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 IMPAIRMENT (CONT'D)

(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 an annual impairment assessment is compulsory or 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. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognized. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value in use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognized 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 recognized revaluation surplus for the same asset. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

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 recognized 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 recognized. The reversal is recognized 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 capitalized in the financial statements as property, plant and equipment and the correspondence obligations are treated as hire purchase payables. The assets capitalized are measured at the lower of the fair value of the leased assets and the present value of

the minimum lease payments and are depreciated on the same basis as owned assets. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of charge on the hire purchase outstanding. Finance charges are recognized 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 recognized 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 amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortization period and the amortization 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 amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized 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 realizable value. Cost of raw materials comprises costs of purchase. Cost of finished goods includes direct materials, direct labour, and appropriate production overheads.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 INVENTORIES (CONT'D)

Net realizable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

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 reporting period comprises current tax 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 liabilities are recognized 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 acquire'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 recognized 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 utilized. 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 utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized 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 taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquire'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, 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. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.19 PROVISIONS

Provisions are recognized when the Group has a present obligation (legal or constructive) 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 recognized 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 capitalized as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalization of borrowing costs is suspended during extended periods in which active development is interrupted.

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

4.21 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 EMPLOYEE BENEFITS (CONT'D)

(a) Short-term Benefits (cont'd)

are measured on an undiscounted basis and are recognized 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 recognized 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.

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 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).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including its director (whether executive or otherwise) of that entity.

4.23 REVENUE AND OTHER INCOME

(a) Contract Income

Revenue on contracts is recognized on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognized 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 recognized upon delivery of goods and customers' acceptance and where applicable, net of goods and services tax, returns, cash and trade discounts.

(c) Services

Revenue is recognized upon rendering of services and when the outcome of the transaction can be estimated reliably by reference to the stage of completion at the end of the reporting period. The stage of completion is determined by reference to the proportion of costs incurred for work performed to date bear to the estimated total costs. In the event the outcome of the transaction could not be estimated reliably, revenue is

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.23 REVENUE AND OTHER INCOME (CONT'D)

(c) Services (cont'd)

recognized to the extent of the expenses incurred that are recoverable.

(d) Interest Income

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

(e) Dividend Income

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

(f) Rental Income

Rental income is accounted for on a straight-line method over the lease term.

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 recognized 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 recognized 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 recognized as a provision.

4.26 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted

average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

4.27 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 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 analyzed 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	
	2015 RM'000	2014 RM'000
Unquoted shares in Malaysia, at cost:-		
At 1 January	64,786	44,205
Addition during the financial year	-	20,581
At 31 December	64,786	64,786
Unquoted shares outside Malaysia, at cost	675	675
	65,461	65,461

The details of the subsidiaries are as follows:-

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2015 %	2014 %	
DIRECT SUBSIDIARIES:-				
Uzma Engineering Sdn. Bhd.	Malaysia	100	100	Provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialized 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.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME OF SUBSIDIARY	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2015 %	2014 %	
DIRECT SUBSIDIARIES:-				
Premier Enterprise Corporation (M) Sdn. Bhd.	Malaysia	100	100	Trading of hardware and equipment for oil refinery.
Uzma (Labuan) Ltd. @	Labuan	100	-	Leasing business and other services to oil and gas companies.
Uzma Teluk Kalong Sdn. Bhd.	Malaysia	100	-	Dormant.
Held by Uzma Engineering Sdn. Bhd.:				
PT Uzma	Indonesia	95	95	Dormant.
Uzma Tracer Sdn. Bhd.	Malaysia	70	70	Provision for chemical tracer services for oil and gas sector.
Uzma Integrated Solution Sdn. Bhd.	Malaysia	60	60	Provision of geocomputing and geophysical software development, testing and maintenance services.
SVJ Holding Limited ^	British Virgin Island	100	100	Investment holding.
Uzma Well Services (Thailand) Co., Ltd. # *	Thailand	49	49	Investment holding.
Held by SVJ Holding Limited and Uzma Well Services (Thailand) Co., Ltd.:				
MMSVS Group Holding Co., Ltd. *	Thailand	100	100	Investment holding and provides repair and maintenance petroleum exploration and production wells.

-Uzma Consulting Limited and Uzma Well Services (Thailand) Co., 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.

* -These subsidiaries were audited by other firms of chartered accountants.

@ -This subsidiary was audited by member firms of Crowe Horwath International of which Crowe Horwath is a member.

^ -Not required to be audited under the laws of the country of incorporation.

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	
	2015 %	2014 %	2015 RM'000	2014 RM'000
Uzma Consulting Limited	51	51	1,659	1,416
Malaysian Energy Chemical & Services Sdn. Bhd.	30	30	11,768	7,604
Other individually immaterial subsidiaries:-				
PT Uzma	5	5	(14)	(2)
Uzma Tracer Sdn. Bhd.	30	30	205	(97)
Uzma Integrated Solution Sdn. Bhd.	40	40	1,532	215
			15,150	9,136

The summarized 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	
	2015 RM'000	2014 RM'000
<u>At 31 December</u>		
Non-current assets	7,047	143
Current assets	6,543	4,464
Non-current liabilities	(2,952)	-
Current liabilities	(7,347)	(1,794)
NET ASSETS	3,291	2,813
<u>Financial Year Ended 31 December</u>		
Revenue	17,440	12,135
Profit for the financial year	518	686
Total comprehensive income	866	857
Dividends paid to non-controlling interests	198	125
Total comprehensive income attributable to non-controlling interests	441	437
Net cash flows (for)/from operating activities	(1,041)	525
Net cash flows for investing activities	(1,775)	(81)
Net cash flows from/(for) financing activities	3,461	(919)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	MALAYSIAN ENERGY CHEMICAL & SERVICES SDN. BHD.	
	2015 RM'000	2014 RM'000
At 31 December		
Non-current assets	5,689	6,147
Current assets	48,916	37,305
Current liabilities	(15,379)	(18,104)
NET ASSETS	39,226	25,348
Financial Year Ended 31 December		
Revenue	93,074	71,468
Profit for the financial year	13,878	13,293
Total comprehensive income	13,878	13,293
Dividends paid to non-controlling interests	-	2,250
Total comprehensive income attributable to non-controlling interests	4,164	3,988
Net cash flows from operating activities	9,200	7,822
Net cash flows for investing activities	(6,489)	(5,865)
Net cash flows (for)/from financing activities	(7,564)	238

6. INVESTMENTS IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares, at cost:				
- in Malaysia	200	200	-	-
- outside Malaysia	4,154	-	4,154	-
Share of post acquisition profits/(losses)	125	(200)	-	-
	4,479	-	4,154	-

6. INVESTMENTS IN ASSOCIATES (CONT'D)

The details of the associates are as follows:-

NAME OF ASSOCIATE	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2015 %	2014 %	
Sazma Aviation Sdn. Bhd. *	Malaysia	40	40	Provision of professional aviation services, trading, ground handling services, general merchant agent, carrier and air transportation.
Rockwash Prep And Store Limited ^	United Kingdom	30	-	Rock sample preparation, storage and support for oil and gas industry.

* - This associate was audited by other firms of chartered accountants.

^ - Not required to be audited under the laws of the country of incorporation.

(a) Share of results in the associates are based on unaudited financial statements of the associates.

(b) The Group has not recognized losses relating to Sazma Aviation Sdn. Bhd., where its share of losses exceeded the Group's interest in this associate. The Group's cumulative share of unrecognized losses at the end of the reporting period amounted to RM3,502,000 (2014 : RM4,592,000). The Group has no obligation in respect of these losses.

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

	SAZMA AVIATION SDN BHD	
	2015 RM'000	2014 RM'000
At 31 December		
Non-current assets	1,287	752
Current assets	9,007	11,269
Non-current liabilities	(13,033)	(50)
Current liabilities	(6,252)	(23,686)
	(8,991)	(11,715)
Financial Year Ended 31 December		
Revenue	34,775	23,969
Profit for the financial year	2,724	(12,221)
Total comprehensive income	2,724	(12,221)
Group's share of loss for the financial year	-	(325)
Group's share of total comprehensive expenses	-	(325)
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	(3,596)	(4,686)
Goodwill	94	94
Unrecognized losses	3,502	4,592
Carrying amount of the Group's interests in this associate	-	-

6. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	ROCKWASH PREP AND STORE LIMITED	
	2015 RM'000	2014 RM'000
At 31 December		
Non-current assets	1,655	-
Current assets	2,588	-
Non-current liabilities	(197)	-
Current liabilities	(1,022)	-
	3,024	-
Financial Year Ended 31 December		
Revenue	7,542	-
Profit for the financial year	1,081	-
Total comprehensive income	1,081	-
Group's share of profit for the financial year	325	-
Group's share of total comprehensive income	325	-
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	908	-
Goodwill	3,571	-
Carrying amount of the Group's interests in this associate	4,479	-

7 INVESTMENT IN A JOINT VENTURE

	THE GROUP	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost:-		
At 1 January	7,500	11,500
Addition during the financial year	30,068	-
Disposal during the financial year	-	(4,000)
At 31 December	37,568	7,500
Allowance for impairment loss:-		
At 1 January	-	(1,500)
Disposal during the financial year	-	1,500
At 31 December	-	-
	37,568	7,500
Share of post acquisition profits	14,045	10,080
	51,613	17,580

The details of the joint venture are as follows:-

NAME OF JOINT VENTURE	PRINCIPAL PLACE OF BUSINESS	EFFECTIVE EQUITY INTEREST		PRINCIPAL ACTIVITIES
		2015 %	2014 %	
Setegap Ventures Petroleum Sdn. Bhd.	Malaysia	49	30	Provision of oil and gas services.

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

	SETEGAP VENTURES PETROLEUM SDN. BHD.	
	2015 RM'000	2014 RM'000
At 31 December		
Non-current assets	32,677	27,810
Current assets	60,892	46,331
Non-current liabilities	(14,628)	(9,397)
Current liabilities	(23,991)	(21,612)
	54,950	43,132
Financial Year Ended 31 December		
Revenue	84,693	88,535
Profit for the financial year	13,632	16,717
Total comprehensive income	13,632	16,717
Group's share of profit for the financial year	6,421	4,779
Group's share of total comprehensive income	6,421	4,779
Dividend received	2,456	751
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	26,926	12,948
Goodwill on acquisition	24,687	4,632
Carrying amount of the Group's interests in this joint venture	51,613	17,580

8. PROPERTY, PLANT AND EQUIPMENT

	AT 1.1.2015 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	WRITTEN OFF RM'000	EXCHANGE DIFFERENCES RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2015 RM'000
THE GROUP							
NET BOOK VALUE							
Freehold land	5,740	1,152	-	-	51	-	6,943
Freehold buildings	3,211	3,189	-	-	140	(98)	6,442
Leasehold building	23,979	-	-	-	-	(257)	23,722
Leasehold improvement	1,002	-	(27)	-	112	(194)	893
Laboratory equipment	1,571	82	(18)	-	-	(321)	1,314
Wireline equipment	6,914	826	-	-	-	(975)	6,765
uzmAPRES™ equipment	19,537	11,530	-	-	-	(2,881)	28,186
Hydraulic Workover Units	47,262	877	(408)	-	4,467	(4,729)	47,469
Computers, EDP and software	1,419	897	-	(6)	10	(535)	1,785
Furniture, fittings and renovation	7,977	2,050	(2)	(59)	83	(1,911)	8,138
Motor vehicles	4,951	1,688	-	-	472	(1,491)	5,620
Plant and office equipment	3,120	1,568	(18)	-	90	(830)	3,930
Returnable shipping containers	796	109	(9)	-	-	(94)	802
Capital work-in-progress	-	109,760	-	-	-	-	109,760
	127,479	133,728	(482)	(65)	5,425	(14,316)	251,769

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

	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 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
uzmAPRES™ 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

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

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
THE GROUP			
AT 31.12.2015			
Freehold land	6,943	-	6,943
Freehold buildings	7,075	(633)	6,442
Leasehold building	24,000	(278)	23,722
Leasehold improvement	1,468	(575)	893
Laboratory equipment	3,084	(1,770)	1,314
Wireline equipment	9,852	(3,087)	6,765
uzmAPRES™ equipment	37,221	(9,035)	28,186
Hydraulic Workover Units	79,353	(31,884)	47,469
Computers, EDP and software	7,236	(5,451)	1,785
Furniture, fittings and renovation	13,190	(5,052)	8,138
Motor vehicles	9,331	(3,711)	5,620
Plant and office equipment	6,389	(2,459)	3,930
Returnable shipping containers	956	(154)	802
Capital work-in-progress	109,760	-	109,760
	315,858	(64,089)	251,769
AT 31.12.2014			
Freehold land	5,740	-	5,740
Freehold buildings	3,745	(534)	3,211
Leasehold 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
uzmAPRES™ 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

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

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 RM1,882,000 (2014 : RM702,000).

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	
	2015 RM'000	2014 RM'000
Freehold land	6,943	5,740
Freehold buildings	6,442	3,211
Leasehold building	23,722	23,979
uzmAPRES™ equipment	28,084	19,424
	65,191	52,354

9. DEVELOPMENT EXPENDITURE

	THE GROUP	
	2015 RM'000	2014 RM'000
At 1 January	31,058	-
Addition during the financial year	100,712	31,058
Exchange differences	19,708	-
At 31 December	151,478	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	
	2015 RM'000	2014 RM'000
Customer base, at cost:-		
At 1 January	2,789	-
Addition during the financial year	-	2,789
At 31 December	2,789	2,789
Amortization of intangible asset:-		
At 1 January	(398)	-
Amortization during the financial year	(399)	(398)
At 31 December	(797)	(398)
	1,992	2,391

The amortization charges are recognized in profit or loss under the "Operating Expenses" line item.

11. DEFERRED TAX ASSETS/ (LIABILITIES)

	THE GROUP	
	2015 RM'000	2014 RM'000
At 1 January	(4,197)	(2,339)
Recognized in profit or loss (Note 39)	(3,162)	(1,765)
Acquisition of subsidiaries (Note 42)	-	(49)
Exchange differences	-	(44)
At 31 December	(7,359)	(4,197)
Presented as follows:-		
Deferred tax assets	112	112
Deferred tax liabilities	(7,471)	(4,309)
	(7,359)	(4,197)

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

	THE GROUP	
	2015 RM'000	2014 RM'000
Deferred tax assets:-		
Allowance for impairment losses on receivables	18	898
Provisions	112	242
	130	1,140
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(7,251)	(5,225)
Others	(238)	(112)
	(7,489)	(5,337)
	(7,359)	(4,197)

At the end of the reporting period, the Group has tax losses of approximately RM2,298,000 (2014 : RM916,000) that are available for offset against future taxable profits of the subsidiaries in which the losses arose. No deferred tax assets are recognized 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 utilized.

12. GOODWILL ON CONSOLIDATION

	2015 RM'000	THE GROUP 2014 RM'000
At 1 January	61,368	1,653
Acquisition of subsidiaries	-	59,715
At 31 December	61,368	61,368

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

	2015 RM'000	THE GROUP 2014 RM'000
Services	51,095	51,095
Trading	10,273	10,273
	61,368	61,368

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 each cash-generating unit 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	
	2015	2014	2015	2014	2015	2014
Services	35%	36%	10%	10%	13.7%	16.3%
Trading	17% - 21%	15% - 32%	10%	6%	13.7%	16.3%

- | | |
|-------------------------------|---|
| (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 cash- generating unit. |

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

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	
	2015 RM'000	2014 RM'000
Raw materials	5,887	6,262
Finished goods	8,320	6,667
Trading goods	-	82
Wireline consumables	2,560	489
	16,767	13,500
<u>Recognized in profit or loss</u>		
Inventories recognized as cost of sales	72,438	50,122

None of the inventories is carried at net realizable value.

14. TRADE RECEIVABLES

	THE GROUP	
	2015 RM'000	2014 RM'000
Trade receivables	125,497	67,670
Allowance for impairment losses:-		
At 1 January	(3,637)	(3,773)
Addition during the financial year	(75)	(47)
Reversal during the financial year	-	183
Writeoff during the financial year	3,591	-
At 31 December	(121)	(3,637)
	125,376	64,033
Accrued billings	35,945	96,784
	161,321	160,817

Included in the trade receivables of the Group at the end of the reporting period were the amount owing by related parties of RM1,082,000 and the amount owing by a joint venture amounting to RM387,000.

The Group's normal trade credit terms range from 30 to 120 (2014 : 30 to 90) days.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables	16,319	10,474	145	-
Deposits	9,860	6,123	1,808	3
Prepayments	5,858	4,397	10	15
	32,037	20,994	1,963	18
Less: Allowance for impairment losses:-	(710)	(327)	-	-
	31,327	20,667	1,963	18
Allowance for impairment losses:-				
At 1 January	(327)	(327)	-	-
Addition during the financial year	(383)	-	-	-
At 31 December	(710)	(327)	-	-

Included in other receivables of the Group was an amount of approximately RM7,900,000 (2014 : Nil) claimable from EQ Petroleum Developments Malaysia Sdn. Bhd., the operator of a joint operation.

Included in deposits of the Group was an amount of RM6,300,000 (2014 : Nil) being deposit paid for the proposed acquisition of 3,636 ordinary shares of USD1.00 each, representing 36.36% equity interest in Pumptek Holdings (BVI) Ltd.. This acquisition has not been completed as at the end of the reporting period.

16. AMOUNT OWING BY CONTRACT CUSTOMERS

	THE GROUP	
	2015 RM'000	2014 RM'000
Contract costs incurred to-date	8,813	41,640
Attributable profits	4,961	22,383
	13,774	64,023
Progress billings	(9,259)	(49,820)
	4,515	14,203

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 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Quoted unit trusts in Malaysia:-				
At fair value	39	37	35	33

20. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of RM19,284,000 (2014 : RM11,231,000) 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 0.90% to 3.45% (2014 : 1.20% to 3.45%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2014 : 1 to 18) months.

21. SHARE CAPITAL

	THE GROUP/ THE COMPANY			
	2015 NUMBER OF SHARE ('000)	2014 NUMBER OF SHARE ('000)	2015 RM'000	2014 RM'000
ORDINARY SHARES OF RM0.50 EACH				
AUTHORIZED				
At 1 January	500,000	200,000	250,000	100,000
Creation during the year	-	300,000	-	150,000
At 31 December	500,000	500,000	250,000	250,000
ISSUED AND FULLY PAID-UP				
At 1 January	264,000	132,000	132,000	66,000
Issuance of new shares	26,936	-	13,468	-
Rights Issue	-	132,000	-	66,000
At 31 December	290,936	264,000	145,468	132,000

22. SHARE PREMIUM

The share premium reserve represents the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs. The share premium reserve is not distributable by way of dividends and may be utilized 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 RM29,700,000 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 authorized 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 the Group's share of joint operation's foreign currency translation differences.

26. RETAINED PROFITS

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	
	2015 RM'000	2014 RM'000
Lease and hire purchase payables (Note 32)	1,521	552
Term loans (Note 33)	100,371	29,268
	101,892	29,820

28. DEFERRED LIABILITY

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

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current (Note 30)				
- not later than 1 year	11,179	-	1,991	-
Non-current				
- Later than one year but not later than 2 years	-	17,157	-	1,878
	11,179	17,157	1,991	1,878

29. TRADE PAYABLES

	THE GROUP	
	2015 RM'000	2014 RM'000
Trade payables	27,864	36,808
Amount owing to related parties	6,858	8,082
Accrued contract costs	46,468	66,740
	81,190	111,630

The normal trade credit terms granted to the Group range from 7 to 120 (2014 : 7 to 120) days.

The amount owing to related parties is trade-in-nature and subject to normal trade credit terms ranging from 30 to 45 (2014 : 30 to 45) days.

30. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other payables	32,720	7,000	60	-
Accruals	5,690	1,564	121	52
Deferred liability (Note 28)	11,179	-	1,991	-
	49,589	8,564	2,172	52

Included in the other payables of the Group are construction costs payable for capital work-in-progress amounting to approximately RM26,819,000 (2014 : Nil).

31. SHORT-TERM BORROWINGS

	THE GROUP	
	2015 RM'000	2014 RM'000
Lease and hire purchase payables (Note 32)	343	166
Term loans (Note 33)	15,501	7,632
Revolving credit	173,493	30,504
Invoice financing	1,940	4,149
	191,277	42,451

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	
	2015 %	2014 %
Revolving credit	2.60 - 5.71	2.50 - 2.79
Invoice financing	2.15 - 5.41	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 RM 2,146,750 of a subsidiary.

32. LEASE AND HIRE PURCHASE PAYABLES

	THE GROUP	
	2015 RM'000	2014 RM'000
Future minimum lease and hire purchase payments:		
- not later than 1 year	439	198
- later than 1 year but not later than 5 years	1,652	604
- later than 5 years	58	30
	2,149	832
Less: Future finance charges	(285)	(114)
Present value of lease and hire purchase payables	1,864	718
Current (Note 31):		
- not later than 1 year	343	166
Non-current (Note 27):		
- later than 1 year but not later than 5 years	1,465	527
- later than 5 years	56	25
	1,521	552
	1,864	718

The lease and hire purchase payables of the Group bore effective interest rates ranging from 4.65% to 11.31% (2014 : 4.65% to 10.88%) per annum at the end of the reporting period.

33. TERM LOANS

	THE GROUP	
	2015 RM'000	2014 RM'000
Current (Note 31):		
- not later than 1 year	15,501	7,632
Non-current (Note 27):		
- later than 1 year but not later than 2 years	13,850	6,597
- later than 2 years but not later than 5 years	71,846	7,446
- later than 5 years	14,675	15,225
Total non-current	100,371	29,268
	115,872	36,900

33. TERM LOANS (CONT'D)

Details of the term loans are as follows:-

TERM LOAN	MONTHLY INSTALLMENT	INTEREST RATE PER ANNUM	NUMBER OF MONTHLY INSTALLMENTS	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	1,152
2	Year 1 to 4 - RM416,667	COF + 2.25%	48	5 March 2013	5,768
3	Year 1 to 4 - RM416,667	COF + 2.25%	48	7 March 2016	8,462
4	Year 1 to 7 - RM32,896	COF + 2.25%	84	21 February 2015	2,006
5	Year 1 to 15 - RM161,947	BLR - 2.40%	180	1 April 2014	19,886
6	Quarterly payment Year 2 to 3 - USD500,000 Year 4 - USD750,000 Year 5 - USD1,200,000 Year 6 - USD2,250,000	COF +1.25%	60	1 April 2016	75,136
7	Year 1 to 7 - THB20,261,657	5.75%	84	1 April 2015	2,417
8	Year 1 to 7 - THB8,762,572	MLR + 0.5%	84	1 April 2015	1,045
					115,872

The term loans bore a weighted average effective interest rate of 3.61% (2014 : 4.94%) 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 uzMAPRES™ equipment of a subsidiary;
- (iii) a fixed deposit of RM2,572,582 of a subsidiary; and
- (iv) a corporate guarantee of RM90,000,000 by the Company.

(c) Term loan 5 is secured by:-

- (i) a first legal charge over the leasehold buildings of a subsidiary; and
- (ii) a corporate guarantee of RM28,600,000 by the Company.

(d) Term loan 6 is secured by:-

- (i) corporate guarantee of RM5,000,000 and USD20,800,000; and
- (ii) a pledge or charge over shares of MMSVS.

(e) Term loans 7 and 8 are secured by:-

- (i) a charge over freehold land and buildings of a subsidiary; and
- (ii) a joint and several guarantee of one of the directors of the Company.

34. DIVIDEND PAYABLE

	2015 RM'000	THE GROUP 2014 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

35. BANK OVERDRAFTS

The bank overdrafts bore a weighted effective interest rate of 8.02% (2014 : 8.23%) 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 RM28,000,000 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 RM356,152,000 (2014 : RM254,530,000) divided by the number of ordinary shares at the end of the reporting period of 290,936,000 (2014 : 264,000,000) shares.

37. REVENUE

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Services rendered	397,590	373,804	-	-
Contract revenue	5,591	21,952	-	-
Sales of goods	107,591	77,669	-	-
Dividend income	-	-	7,060	11,254
Management fee	-	-	310	180
	510,772	473,425	7,370	11,434

38. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before taxation is arrived at after charging/ (crediting):-				
Statutory audit fee:				
- for the financial year	323	301	58	55
- underprovision in the previous financial year	2	2	-	4
Non-statutory audit fee	6	86	6	86
Allowance for impairment losses on receivables	458	47	-	-
Amortization of intangible asset	399	398	-	-
Depreciation of property, plant and equipment	14,316	7,369	-	-
Directors' fee	273	185	273	185
Directors' non-fee emoluments:				
- salaries, allowances and other benefits	3,478	3,408	17	8
- defined contribution benefit expenses	341	336	-	-
Interest expense:				
- bank overdrafts	876	563	-	-
- bank guarantee	625	375	-	-
- imputed interest on deferred liability	1,145	-	113	-
- invoice financing	185	479	-	-
- lease and hire purchase	224	124	-	-
- revolving credit	1,864	97	-	-
- term loans	3,517	2,208	-	-
Loss on disposal of property, plant and equipment	-	67	-	-
Loss on foreign exchange:				
- realized	3,141	443	-	-
- unrealized	34,959	1,486	-	-
Property, plant and equipment written off	65	9	-	-
Inventories written off	227	-	-	-
Investment written off	46	-	-	-
Rental of premises	-	340	-	-
Rental of office	821	491	-	-
Rental of office equipment	543	229	-	-
Rental of forklift and cranes	238	304	-	-
Rental of warehouse	575	270	-	-
Share of results in associates	(325)	325	-	-

38. PROFIT BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Staff costs:				
- salaries, wages, bonuses, allowances and other benefits	50,763	37,613	-	-
- defined contribution plan	3,663	2,767	-	-
Dividend income from subsidiaries	-	-	(7,060)	(11,254)
Gain on foreign exchange:				
- realized	(10,268)	(648)	-	-
- unrealized	(1,376)	(508)	-	-
Gain on disposal of a joint venture	-	(305)	-	-
Gain on disposal of property, plant and equipment	(5)	-	-	-
Interest income on financial assets not at fair value through profit or loss:				
- bank	(424)	(741)	(5)	(6)
- imputed interest on trade receivables	(150)	(229)	-	-
- imputed interest on deferred liability	(10,699)	-	-	-
Rental income	(52)	(24)	-	-
Reversal of impairment losses on trade receivables	-	(183)	-	-
Share of results in a joint venture	(6,421)	(4,772)	-	-

39. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income tax:				
- for the current financial year	7,956	9,414	78	43
- under/ (over)provision in the previous financial year	270	(230)	1	(24)
	8,226	9,184	79	19
Deferred tax (Note 11):				
- originating and recognition of temporary differences	2,326	1,545	-	-
- underprovision in the previous financial year	836	220	-	-
	3,162	1,765	-	-
	11,388	10,949	79	19

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		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before taxation	22,685	51,337	5,458	10,070
Tax at the statutory tax rate of 25% (2014 : 25%)	5,671	12,833	1,365	2,518
Tax effects of:-				
Non-deductible expenses	14,135	3,304	474	340
Non-taxable gains	(2,692)	(164)	(1,761)	(2,815)
Deduction for cost on acquisition of a foreign owned company	(4,229)	(4,101)	-	-
Deferred tax assets not recognized during the financial year	1,066	210	-	-
Share of results in associates	(81)	81	-	-
Utilization of deferred tax assets not recognized	(1,739)	-	-	-
Share of results in a joint venture	(1,605)	(1,193)	-	-
Under/ (Over)provision in the previous financial year:				
- current tax	270	(230)	1	(24)
- deferred tax	836	220	-	-
Differential in tax rates	(25)	-	-	-
Different tax rates in other countries	(84)	(11)	-	-
Other	(135)	-	-	-
Income tax expense for the financial year	11,388	10,949	79	19

40. EARNINGS PER SHARE

	THE GROUP	
	2015	2014
Profit attributable to owners of the Company (RM'000)	5,261	36,007
Weighted average number of ordinary shares		
in issued ('000):-		
Ordinary shares at 1 January	264,000	132,000
Effect of new ordinary shares issued during the financial year	4,969	-
Effect of private placement	9,344	-
Effect of rights issue	-	61,118
Weighted average number of ordinary shares at 31 December ('000)	278,313	193,118
Basic earnings per share (sen)	1.89	18.6

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	
	2015 RM'000	2014 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

42. ACQUISITION OF SUBSIDIARIES

In the previous 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 the entire preferred shares in MMSVS comprising 100,999 preferred shares of Thai Baht 100 each.

The acquisition was completed on 23 July 2015;

- (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.

42. ACQUISITION OF SUBSIDIARIES (CONT'D)

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

	FAIR VALUE RECOGNIZED AT DATE OF ACQUISITION	
	2015 RM'000	2014 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	
	2015 RM'000	2014 RM'000
Revenue	-	22,190
Profit after taxation	-	6,107

43. INTEREST IN JOINT OPERATIONS

The Group has a 30% (2014 : 30%) 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	
	2015 RM'000	2014 RM'000
Cost of property, plant and equipment purchased	133,728	49,211
Amount financed through hire purchase	(1,187)	(399)
Cash disbursed for purchase of property, plant and equipment	132,541	48,812

45. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Fixed deposits with licensed banks (Note 20)	23,912	19,034	-	-
Cash and bank balances	45,404	33,808	292	421
Bank overdrafts (Note 35)	(17,731)	(18,531)	-	-
	51,585	34,311	292	421
Less: Fixed deposits pledged with licensed banks (Note 20)	(19,284)	(11,231)	-	-
	32,301	23,080	292	421

46. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors of the Company				
Executive Directors:				
- salaries and other emoluments	3,802	3,706	-	-
- benefits-in-kind	-	30	-	-
Non-executive Directors:				
- fee	273	185	273	185
- other emoluments	17	8	17	8
	4,092	3,929	290	193

46. KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

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

	THE COMPANY	
	2015 No. of Directors	2014 No. of Directors
Executive Director		
- RM1,500,001 – RM2,000,000	1	-
- RM1,000,001 – RM1,500,000	1	2
- RM950,001 – RM1,000,000	-	-
- RM900,001 – RM950,000	-	-
- RM850,001 – RM900,000	-	-
- RM800,001 – RM850,000	-	-
- RM750,001 – RM800,000	-	-
- RM700,001 – RM750,000	-	-
- RM650,001 – RM700,000	-	-
- RM600,001 – RM650,000	-	-
- RM550,001 – RM600,000	1	1
- RM500,001 – RM550,000	-	1
- RM450,001 – RM500,000	1	-
- RM400,001 – RM450,000	-	-
- RM350,001 – RM400,000	-	-
- RM300,001 – RM350,000	-	-
- RM250,001 – RM300,000	-	-
- RM200,001 – RM250,000	-	-
- RM150,001 – RM200,000	-	-
Non-executive Directors		
- RM100,001 – RM150,000	1	-
- RM50,001 – RM100,000	2	2
- Below RM50,000	1	1
	8	7

47. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Authorized and contracted for:				
- property, plant and equipment	193,156	2,002	4,201	-
- investment in a joint venture	-	27,075	-	-
	193,156	29,077	4,201	-

48. CONTINGENT LIABILITY

	THE GROUP	
	2015 RM'000	2014 RM'000
Secured:-		
Corporate guarantees given to licensed banks		
for banking facilities granted to subsidiaries	357,084	125,696

49. OPERATING SEGMENTS

The Group is organized into 3 main reportable segments as follows:-

- (i) Services Segment - involved in the provision of geoscience and reservoir, engineering, drilling, project and operations services, and other specialized 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

Borrowings and investment-related activities are managed on a group basis by the central treasury function and are not allocated to operating reportable segments.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

49. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

THE GROUP	SERVICES RM'000	TRADING RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	THE GROUP RM'000
2015					
REVENUE					
External revenue	398,115	112,657	-	-	510,772
Inter-segment revenue	2,794	461	310	(3,565)	-
Total revenue	400,909	113,118	310	(3,565)	510,772
RESULTS					
Segment results	13,082	21,274	7,885	(17,755)	24,486
Finance costs	(9,642)	(53)	(1,198)	2,346	(8,547)
Share of results in associates					325
Share of results in a joint venture					6,421
Profit from ordinary activities before taxation					22,685
Income tax expense					(11,388)
Profit from ordinary activities after taxation					11,297
Non-controlling interests					(6,036)
Net profit attributable to owners of the Company					5,261
ASSETS					
Segment assets	599,810	61,779	248,376	(98,761)	811,204
Unallocated assets					11,417
					822,621
LIABILITIES					
Segment liabilities	(469,289)	(17,610)	(3,385)	48,605	(441,679)
Unallocated liabilities					(9,640)
					(451,319)
Depreciation					14,316
Capital expenditure					133,728

49. OPERATING SEGMENTS (CONT'D) BUSINESS SEGMENTS (CONT'D)

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
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

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:-

Group	REVENUE		NON-CURRENT ASSETS	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Malaysia	459,016	447,969	471,447	195,740
Thailand	51,670	25,106	51,372	44,256
Australia	86	350	3	3
	510,772	473,425	522,822	239,999

MAJOR CUSTOMERS

Revenue from a major customer, with revenue equal to or more than 10% of the Group's total revenue amounting to RM325,895,000 (2014 : RM314,837,000) arose from sales in the services segment.

50. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(i) Subsidiaries				
Management fees	-	-	310	180
Dividend income	-	-	7,060	5,354
(ii) Key management personnel (exclude directors' remuneration)				
Short-term employee benefits	7,155	4,111	290	193

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 minimize 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 denominated in currencies other than the respective functional currencies of entities within the Group.

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	UNITED STATES DOLLAR RM'000	AUSTRALIAN DOLLAR RM'000	OTHERS RM'000	TOTAL RM'000
2015				
Financial Assets				
Trade receivables	36,508	981	13,208	50,697
Other receivables and deposit	1,081	-	2,279	3,360
Amount owing by an associate	1,073	-	-	1,073
Fixed deposits with licensed banks	2,147	-	628	2,775
Cash and bank balances	20,775	823	5,892	27,490
	61,584	1,804	22,007	85,395
Financial Liabilities				
Trade payables	23,727	97	3,932	27,756
Other payables and accruals	27,416	52	2,426	2,478
Lease and hire purchase payables	-	-	147,849	147,849
Term loans	75,136	-	3,462	78,598
Revolving credit	139,817	-	-	139,817
Invoice financing	1,334	-	-	1,334
	276,618	149	157,669	434,436
Net financial liabilities/ assets	(215,034)	1,655	(135,662)	(346,041)
Less: Net financial liabilities/ assets denominated in the respective entities functional currencies	45	(282)	(11,249)	(11,486)
Currency Exposure	(214,989)	1,373	(146,911)	(360,527)

51. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Market Risk (cont'd)

(j) Foreign Currency Risk (cont'd)

THE GROUP	UNITE 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	(8,036)	28,014

51. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (cont'd)****(i) Market Risk (cont'd)****(i) Foreign Currency Risk (cont'd)****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	
	2015 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000	2015 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000
Effects on Profit After Taxation/ Other Comprehensive Income				
United States Dollar:				
- strengthened by 10%	(15,435)	2,703	-	-
- weakened by 10%	15,435	(2,703)	-	-
Australian Dollar:				
- strengthened by 10%	103	2	-	-
- weakened by 10%	(103)	(2)	-	-

(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 long-term borrowings with variable rates. The Group's policy is to obtain the most favorable interest rates available and by maintaining a balanced portfolio of mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings are carried at amortized cost. Therefore, they are not subject to interest rate risk as defined MFRS7 since neither they carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk that based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 33 and 35 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	
	2015 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000	2015 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000
Effects on Profit After Taxation/ Other Comprehensive Income				
Increase of 100 basis points (bp)	(984)	(537)	-	-
Decrease of 100 bp	984	537	-	-

(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.

51. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (cont'd)****(i) Market Risk (cont'd)****(iii) Equity Price Risk (cont'd)****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	
	2015 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000	2015 Increase/ (Decrease) RM'000	2014 Increase/ (Decrease) RM'000
Effects on Profit After Taxation/ Other Comprehensive Income				
Increase of 5%	2	2	2	2
Decrease of 5%	(2)	(2)	(2)	(2)

(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 minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an 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 (where applicable). Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers which constituted approximately 40% of its trade receivables (including related parties) 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Yemen	187	254	-	-
Thailand	12,727	11,873	-	-
Malaysia	146,290	146,444	-	-
Other	2,117	2,246	-	-
	161,321	160,817	-	-

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

51. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Policies (cont'd)****(ii) Credit Risk (cont'd)****Ageing Analysis**

The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
2015				
Not past due	102,237	-	-	102,237
Past due:				
- less than 3 months	32,072	-	-	32,072
- 3 to 6 months	12,750	-	-	12,750
- over 6 months	14,262	(121)	-	14,262
	161,321	(121)	-	161,321
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

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 Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(iii) Liquidity Risk

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

Maturity Analysis

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):-

51. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Policies (cont'd)****(iii) Liquidity Risk (cont'd)****Maturity Analysis (cont'd)**

THE GROUP	CONTRACTUAL INTEREST RATE	CARRYING AMOUNT	CONTRACTUAL UNDISCOUNTED CASH FLOWS	WITHIN 1 YEAR	1 - 5 YEARS	OVER 5 YEARS
		RM'000	RM'000	RM'000	RM'000	RM'000
	%					
2015						
<u>Non-derivative Financial Liabilities</u>						
Lease and hire purchase payables	5.89	1,864	2,149	439	1,652	58
Revolving credit	3.27	173,493	173,493	173,493	-	-
Invoice financing	3.11	1,940	1,940	1,940	-	-
Term loans	3.61	115,872	123,008	19,198	86,064	17,746
Trade payables	-	81,190	81,190	81,190	-	-
Other payables and accruals	-	49,589	49,589	49,589	-	-
Bank overdrafts	8.02	17,731	17,731	17,731	-	-
		441,679	449,100	343,580	87,716	17,804

51. FINANCIAL INSTRUMENTS**(a) Financial Risk Management Policies (cont'd)****(iii) Liquidity Risk (cont'd)****Maturity Analysis (cont'd)**

THE GROUP	CONTRACTUAL INTEREST RATE	CARRYING AMOUNT	CONTRACTUAL UNDISCOUNTED CASH FLOWS	WITHIN 1 YEAR	1 – 5 YEARS	OVER 5 YEARS
	%	RM'000	RM'000	RM'000	RM'000	RM'000
2014						
<u>Non-derivative Financial Liabilities</u>						
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

THE COMPANY	CONTRACTUAL INTEREST RATE	CARRYING AMOUNT	CONTRACTUAL UNDISCOUNTED CASH FLOWS	WITHIN 1 YEAR	1 – 5 YEARS	OVER 5 YEARS
	%	RM'000	RM'000	RM'000	RM'000	RM'000
2015						
<u>Non-derivative Financial Liabilities</u>						
Other payables and accruals	-	2,172	2,172	2,172	-	-
Amount owing to a subsidiary	-	6	6	6	-	-
		2,178	2,178	2,178	-	-

51. FINANCIAL INSTRUMENTS

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

(iii) Liquidity Risk (cont'd)

Maturity Analysis (cont'd)

THE COMPANY	CONTRACTUAL INTEREST RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
2014						
<u>Non-derivative Financial Liabilities</u>						
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	-	-

51. FINANCIAL INSTRUMENTS (CONT'D)**(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 its businesses and maximize 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. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	THE GROUP	
	2015 RM'000	2014 RM'000
Lease and hire purchase payables (Note 32)	1,864	718
Term loans (Note 33)	115,872	36,900
Revolving credit (Note 31)	173,493	30,504
Invoice financing (Note 31)	1,940	4,149
Bank overdrafts (Note 35)	17,731	18,531
	310,900	90,802
Less: Short-term investments (Note 19)	(39)	(37)
Less: Fixed deposits with licensed banks (Note 20)	(23,912)	(19,034)
Less: Cash and bank balances	(45,404)	(33,808)
Net debt	241,545	37,923
Total equity	371,302	263,666
Debt-to-equity ratio	0.65	0.14

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

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) more 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		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Financial Assets				
<u>Available-for-sale Financial Asset</u>				
Other investment	11	11	-	-
<u>Loans and Receivables Financial Assets</u>				
Trade receivables (Note 14)	161,321	160,817	-	-
Other receivables and deposits (Note 15)	25,469	16,270	1,953	3
Amount owing by subsidiaries (Note 17)	-	-	171,791	124,216
Fixed deposits with licensed banks (Note 20)	23,912	19,034	-	-
Cash and bank balances	45,404	33,808	292	421
	256,106	229,929	174,036	124,640
<u>Fair Value through Profit or Loss: Held-for-trading</u>				
Short-term investments (Note 19)	39	37	35	33
Financial Liabilities				
<u>Other Financial Liabilities</u>				
Lease and hire purchase payables (Note 32)	1,864	718	-	-
Term loans (Note 33)	115,872	36,900	-	-
Revolving credit (Note 31)	173,493	30,504	-	-
Invoice financing (Note 31)	1,940	4,149	-	-
Trade payables (Note 29)	81,190	111,630	-	-
Other payables and accruals (Note 30)	44,589	8,564	2,172	52
Amount owing to a subsidiary (Note 17)	-	-	6	7,159
Dividend payable (Note 34)	-	9,979	-	9,979
Bank overdrafts (Note 35)	17,731	18,531	-	-
	436,679	220,975	2,178	17,190

51. FINANCIAL INSTRUMENTS (CONT'D)**d) Fair Value Information**

The fair values of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	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								
2015								
<u>Financial Assets</u>								
Short-term investments:								
- quoted investments	39	-	-	-	-	-	39	39
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	115,872	-	115,872	115,872
Lease and hire purchase payables	-	-	-	-	1,864	-	1,864	1,864
2014								
<u>Financial Assets</u>								
Short-term investments:								
- quoted investments	37	-	-	-	-	-	37	37
<u>Financial Liabilities</u>								
Term loans	-	-	-	-	36,900	-	36,900	36,900
Lease and hire purchase payables	-	-	-	-	718	-	718	718
THE COMPANY								
2015								
<u>Financial Asset</u>								
Short-term investments:								
- quoted investments	35	-	-	-	-	-	35	35
2014								
<u>Financial Asset</u>								
Short-term investments:								
- quoted investments	33	-	-	-	-	-	33	33

51. FINANCIAL INSTRUMENTS (CONT'D)**d) Fair Value Information (cont'd)**

(i) The fair values above have been determined using the following basis:-

- (aa) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.
- (bb) 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	
	2015	2014
	%	%
Lease and hire purchase payables	5.89	5.63
Term loans	3.61	4.94

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

	THE GROUP	
	2015	2014
	%	%
Trade receivables	6	6

(iii) 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 16 January 2015, the Company announced that Uzma Engineering Sdn. Bhd. ("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 Setegap Ventures Petroleum Sdn. Bhd. 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 Perforation 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.

(iv) On 25 May 2015, the Company announced that on 21 May 2015, its associate company, Sazma Aviation Sdn. Bhd. was awarded by PCSB two following contracts:-

(a) Contract for the provision of helicopter services for PCSB well drilling campaign at the East Coast of Sabah (Contract A); and

(b) Contract for the provision of aviation services for PETRONAS Sabah Operations (Contract B).

The Contract A is valued at approximately RM112.5 million. The duration of the contract is for 6 months effective from 15 May 2015 to 14 November 2015, with the option to extend for an addition of 3 months period, until 14 February 2016 whereas the Contract B is valued at RM154 million. The duration of the contract is for 5 years effective from 23 March 2015 to 22 March 2020, with the option to extend for an addition of 1 year period, until 22 March 2021.

52. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (v) On 10 July 2015, the Company announced that UESB was awarded by PCSB, a contract for leasing, operation and maintenance of the D18 Water Injection Facility. The contract period will be for 5 years which is effective from 31 March 2016. The value of the contract is estimated at RM350 million to RM400 million.
- (vi) On 14 July 2015, the Company announced that the incorporation the wholly- owned subsidiary, Uzma (Labuan) Ltd..
- (vii) On 29 July 2015, the Company completed a private placement of 21,585,000 new ordinary shares of RM0.50 each in the Company following the listing and quotation for the said new shares on the Main Market of Bursa Malaysia Securities Berhad which were issued and allotted on 29 July 2015 at an issue price of RM2.50 per share.
- (viii) On 13 August 2015, the Company announced that UESB entered into a Memorandum of Understanding with East Coast Economic Region Development Council.
- (ix) On 15 October 2015, the Company announced that it has acquired a 30.04% stake in Rockwash Prep and Store Limited, a company based in the United Kingdom.
- (x) On 2 December 2015, the Company announced that the incorporation the wholly-owned subsidiary, Uzma Teluk Kalong Sdn. Bhd.

53. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALIZED AND UNREALIZED 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 realized and unrealized profits/ (losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No.1, Determination of Realized and Unrealized 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained profits/(accumulated losses):				
- realized	142,564	104,292	216	(5,163)
- unrealized	(40,942)	(5,175)	-	-
	101,622	99,117	216	(5,163)
Total share of retained profits of a joint venture:				
- realized	14,045	10,080	-	-
Total share of retained profits/ (accumulated losses) of associates:				
- realized	125	(200)	-	-
Less: Consolidation adjustments	(4,200)	(2,641)	-	-
At 31 December	111,592	106,356	216	(5,163)

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 _____

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

of _____
(ADDRESS)

of failing him/ her _____
(FULL NAME IN CAPITAL LETTERS AND I/C NO.)

_____ (ADDRESS)
or failing him, the Chairman of Meeting, as *my/ our proxy, to vote for *me/ us and on *my/ our behalf at the Ninth Annual General Meeting (“AGM”) of the Company to be held at **Damansara Performing Arts Centre (DPAC) Hall, Level G, Empire Damansara, Jalan PJU8/ 8A, Damansara Perdana, 47820 Petaling Jaya, Selangor Darul Ehsan** on Wednesday, 25th May 2016 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		

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 _____ 2016

No. of ordinary shares held

Signature of Member/ Common Seal

Notes:

- Only depositors whose names appear in the Record of Depositors as at 18th May 2016 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- 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.
- 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.
- Where a member of the Company is an authorized 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.
- Where a member of the Company is an Exempt Authorized 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 Authorized Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorized.
- 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.

Please fold here to seal

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

Please fold here to seal