

Unless otherwise stated, all abbreviations contained in this Abridged Prospectus are defined in the "Definitions" section of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. If you have sold or transferred all your Shares, you should at once hand this Abridged Prospectus together with the NPA and RSF (collectively the "Documents") to the agent / broker through whom you effected the sale or transfer for onward transmission to the purchaser or transferee. All enquiries concerning the Rights Issue should be addressed to our share registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

A copy of this Abridged Prospectus has been registered with the Securities Commission Malaysia ("SC"). The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issue or assumes responsibility for the correctness of any statement made or opinion or report expressed in this Abridged Prospectus. The SC has not, in any way, considered the merits of the securities being offered for investment. Copies of the Documents have also been lodged with the Registrar of Companies who takes no responsibility for the contents.

Approvals for the Rights Issue has been obtained from our shareholders at our Company's EGM held on 10 June 2014. Approval has also been obtained from Bursa Securities vide its letter dated 8 May 2014 for the listing of and quotation for the Rights Shares on the Official List of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Rights Issue. The listing of and quotation for the Rights Shares will commence, amongst others, upon the receipt of confirmation from Bursa Depository that all the CDS accounts of the Entitled Shareholders and/ or their renounce(s) (if applicable) have been duly credited and notices of allotment have been despatched to them. Admission to the Official List of Bursa Securities and the listing of and quotation for the Rights Shares are in no way reflective of the merits of the Rights Issue.

Our Board has seen and approved the Documents and they collectively and individually accept full responsibility for the accuracy, correctness and completeness of the information contained in the Documents and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make the statements in the Documents false or misleading.

The Documents are only despatched to the Entitled Shareholders who have a registered address in Malaysia in our Record of Depositors as at 5.00 p.m. on 26 June 2014 ("**Entitlement Date**") or who have provided our Share Registrar with a registered address in Malaysia in writing prior to the Entitlement Date. The Documents are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue is not intended to be (and will not be) made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than, nor under or in accordance with any laws other than that of, nor lodged, registered or approved by any regulatory authority or relevant body other than those in Malaysia. No action has been or will be taken to ensure that the Rights Issue and the Documents comply with the laws of any country or jurisdiction other than the laws of Malaysia. It shall be the sole responsibilities of the Entitled Shareholders and/or their renouncee(s) (if applicable) who are or may be subject to the laws of country or jurisdiction other than Malaysia to consult their legal and/or other professional adviser and to satisfy themselves as to whether the acceptance or renunciation (as the case may be) of all or part of their entitlements to the Rights Issue would result in the contravention of the laws of such country or jurisdiction. Such shareholders should also refer to Section 9.6 of this Abridged Prospectus for further information. Neither Uzma nor KIBB, being the Principal Adviser, shall accept any responsibility or liability in the event that any acceptance or renunciation of the Rights Shares made by the Entitled Shareholders and/or their renouncee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

KIBB, being the Principal Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO THE "RISK FACTORS" AS SET OUT IN SECTION 5 HEREIN.



UZMA BERHAD

(Company No. 769866-V)

(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE RIGHTS ISSUE OF 132,000,000 NEW ORDINARY SHARES OF RM0.50 EACH ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.75 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.50 EACH HELD IN UZMA BERHAD AT 5.00 P.M. ON 26 JUNE 2014

Principal Adviser

kenanga

KENANGA INVESTMENT BANK BERHAD

(Company No. 15678-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES:

Entitlement Date.....	:	Thursday, 26 June 2014 at 5.00 p.m.
Last date and time for sale of Provisional Rights Shares.....	:	Thursday, 3 July 2014 at 5.00 p.m.
Last date and time for transfer of Provisional Rights Shares.....	:	Tuesday, 8 July 2014 at 4.00 p.m.
Last date and time for acceptance and payment.....	:	Friday, 11 July 2014 at 5.00 p.m.*
Last date and time for excess application and payment.....	:	Friday, 11 July 2014 at 5.00 p.m.*

* or such later date and time as the Board of Directors of Uzma in their absolute discretion may decide and announce not less than two (2) market days before the closing date

This Abridged Prospectus is dated 26 June 2014

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

THE SECURITIES COMMISSION MALAYSIA IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF OUR COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS ABRIDGED PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS ABRIDGED PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN THE RIGHTS SHARES. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS ABRIDGED PROSPECTUS ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

DEFINITIONS

Unless the context otherwise requires or where otherwise defined herein, the following definitions shall apply throughout this Abridged Prospectus, the NPA and the RSF.

Abridged Prospectus	: This Abridged Prospectus dated 26 June 2014 in relation to the Rights Issue
Announcement	: Initial announcement of the Rights Issue dated 18 March 2014
Board	: Board of Directors of Uzma
Bursa Depository	: Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	: Bursa Malaysia Securities Berhad (635998-W)
CDS Accounts	: Accounts established by Bursa Depository for the recording of deposit and withdrawal of securities and for dealings in such securities by that depository of securities
Central Depositories Act	: Securities Industry (Central Depositories) Act, 1991 as may be amended from time to time and any re-enactment thereof
CMSA	: Capital Markets and Services Act, 2007 as may be amended from time to time and any re-enactment thereof
Code	: Malaysian Code on Take-Overs and Mergers, 2010
Corporate Exercises	: The Rights Issue and the Increase in Authorised Share Capital
DKRM	: Dato' Kamarul Redzuan Bin Muhamed
DRMS	: Datin Rozita Binti Mat Shah @ Hassan
DCNCH	: Dato' Che Nazahatuhisamudin Bin Che Haron
EGM	: Extraordinary general meeting
Entitled Shareholders	: Shareholders of Uzma whose names appear in the Record of Depositors on the Entitlement Date, who shall be entitled to participate in the Rights Issue
Entitlement Date	: 26 June 2014, at 5.00 p.m., being the date on which shareholders' names must appear in Uzma's Record of Depositors in order to participate in the Rights Issue
EPS	: Earnings per share
Excess Rights Shares	: The Rights Share(s) which are not taken up or not validly taken up by the Entitled Shareholders and/or their renounee(s) prior to the Excess Rights Shares Application(s)
Excess Rights Shares Application(s)	: Application(s) for Excess Rights Shares in excess of an Entitled Shareholder's entitlement under the Rights Issue as set out in Section 9.4 of this Abridged Prospectus
Foreign Shareholders	: Entitled Shareholders having an address outside Malaysia and/or are subject to the laws or jurisdiction of any country other than Malaysia (whether in substitution of and/or in conjunction with the laws and jurisdiction of Malaysia)
FPE	: Financial period ended or financial period ending

DEFINITIONS (Cont'd)

FYE	:	Financial year ended or financial year ending
Increase in Authorised Share Capital	:	Increase in the authorised share capital of Uzma from RM100,000,000 comprising 200,000,000 Shares to RM250,000,000 comprising 500,000,000 Shares
KIBB or Principal Adviser	:	Kenanga Investment Bank Berhad (15678-H)
KKT	:	Mr. Khong Kheng Ting
Listing Requirements	:	Main Market Listing Requirements issued by Bursa Securities and all amendments thereto
LPD	:	10 June 2014, being the latest practicable date prior to the issuance of this Abridged Prospectus
LTH	:	Lembaga Tabung Haji
Market Day	:	Any day between Monday and Friday (both inclusive) which is not a market holiday or a public holiday and on which Bursa Securities is open for the trading of securities
Maximum Scenario	:	Assuming all the Entitled Shareholders of Uzma subscribe for their respective entitlements
MECAS	:	Malaysian Energy Chemical & Services Sdn. Bhd (210065-H)
Minimum Scenario	:	Assuming the Rights Issue will be subscribed based on the Minimum Subscription Level
Minimum Subscription Level	:	Minimum level of subscription for the Rights Issue of 78,838,695 Rights Shares
NA	:	Net asset
NPA	:	Notice of Provisional Allotment of Rights Shares
OASB or Financial Adviser	:	OCBC Advisers (Malaysia) Sdn Bhd (743738-A). OASB is the financial adviser for Uzma to assist the Group with its financing requirements, particularly in relation to the financing of the Group's capital expenditure activities via non-equity sources
Official List	:	A list specifying all securities listed on the Main Market of Bursa Securities
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PETRONAS Carigali	:	PETRONAS Carigali Sdn Bhd (39275-U)
PETRONAS	:	Petroleum Nasional Berhad (20076-K)
Provisional Rights Shares	:	Rights Shares provisionally allotted to the Entitled Shareholders
Rights Issue	:	Renounceable rights issue of 132,000,000 Rights Shares at an issue price of RM0.75 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held at the Entitlement Date

DEFINITIONS (Cont'd)

Rights Share(s)	:	132,000,000 new Uzma Shares to be issued pursuant to the Rights Issue
Record of Depositors	:	The record of securities holders established under the provisions of the Rules of Bursa Depository
RM and sen	:	Ringgit Malaysia and sen respectively
RSF	:	Rights Subscription Form
Rules of Bursa Depository	:	Rules of Bursa Depository issued pursuant to the Central Depositories Act
SC	:	Securities Commission Malaysia
TERP	:	Theoretical ex-rights price
THB	:	Thai Baht
Undertakings	:	The written irrevocable and unconditional undertakings by the Undertaking Shareholders
UESB	:	Uzma Engineering Sdn. Bhd (514669-P)
USD	:	United States Dollars
Uzma or Company	:	Uzma Berhad (769866-V)
Uzma Group or Group	:	Uzma and its subsidiaries
Uzma Shares or Shares	:	Ordinary shares of RM0.50 each in Uzma
Undertaking Shareholders	:	Collectively, DKRM, DRMS, LTH, DCNCH and KKT
USD	:	United States Dollar
VWAMP	:	Volume weighted average market price
WST	:	Well Services (Thailand) Ltd. (0105557073131)

In this Abridged Prospectus, all references to "our Company" are to Uzma and references to "our Group" are to Uzma Group. References to "we", "us", "our", "ourselves" are to our Company or, where the context requires, our Group. References to "you" in this Abridged Prospectus are references to our Shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Abridged Prospectus to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time and date in this Abridged Prospectus shall be a reference to Malaysian time and date respectively, unless otherwise specified.

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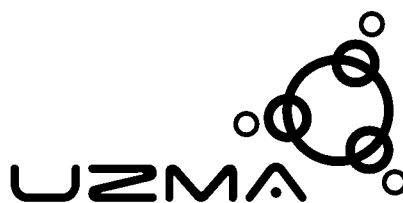
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CORPORATE INFORMATION**UZMA BERHAD**

(Company No.: 769866-V)

(Incorporated in Malaysia under the Companies Act, 1965)

BOARD OF DIRECTORS

Name / Designation	Age	Address	Profession	Nationality
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee (Independent Non-Executive Chairman)	52	No. 32, Jalan 1 Taman Tun Abdul Razak 68000 Ampang Selangor Darul Ehsan	Company Director	Malaysian
Dato' Kamarul Redzuan Bin Muhamed (Managing Director / Chief Executive Officer)	41	No. 11, Jalan Kelab Golf 13/7 Greenville (KGSAAS) 40100 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Datin Rozita Binti Mat Shah @ Hassan (Executive Director)	44	No. 11, Jalan Kelab Golf 13/7 Greenville (KGSAAS) 40100 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Peter Angus Knowles (Executive Director)	57	111/63 Perfect Place Onnut-Lat Klabang Latkabang Soi 20/3 Ratchatewa, Thailand	Company Director	British
Dato' Che Nazahatuhisamudin Bin Che Haron (Executive Director)	41	No. 59, Jalan Kelab Golf 13/6 Section 13 40100 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim (Independent Non-Executive Director)	62	No. 7, Jalan 3/69G Kawasan Melayu 46000 Petaling Jaya Selangor Darul Ehsan	Company Director	Malaysian
Yahya Bin Razali (Independent Non-Executive Director)	58	No. 4, SS18/2C Subang Jaya 47500 Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Directorship	Designation
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	Independent Non-Executive Director	Chairman
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee	Independent Non-Executive Chairman	Member
Yahya Bin Razali	Independent Non-Executive Director	Member

CORPORATE INFORMATION (Cont'd)

COMPANY SECRETARIES

Kang Shew Meng (MAICSA 0778565)
23 Jalan Tiara Kemensah 1
Tiara Kemensah
Saujana Melawati
53100 Kuala Lumpur

Seow Fei San (MAICSA 7009732)
A-17-16, Block A
Kondominium Sterling
No.3, Jalan SS7/19
47301 Petaling Jaya
Selangor Darul Ehsan

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

CORPORATE OFFICE

UZMA HOUSE
No. 68 & 70, Fraser Business Park
Jalan Metro Pudu 2
Off Jalan Yew
55200 Kuala Lumpur
Tel: 03-9232 1000
Fax: 03-9232 1032
Website: www.uzmagroup.com

**AUDITORS AND REPORTING
ACCOUNTANTS**

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

SOLICITORS

Cheang & Ariff
39 Court@Loke Mansion
273A, Jalan Medan Tuanku
50300 Kuala Lumpur
Tel: 03-2691 0803
Fax: 03-2693 4475

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: 03-7849 0777 (Helpdesk)
Fax: 03-7841 8151/ 8152

FINANCIAL ADVISER

OCBC Advisers (Malaysia) Sdn Bhd
13th Floor, Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
Tel: 03-2034 5627
Fax: 03-2691 6616

CORPORATE INFORMATION (Cont'd)

PRINCIPAL BANKERS

HSBC Amanah Malaysia Berhad (807705-X)
No. 2 Leboh Ampang
50100 Kuala Lumpur
Tel: 03-2075 3000
Fax: 03-2070 1146

Citibank Berhad (297089-M)
Menara Citibank
165 Jalan Ampang
50450 Kuala Lumpur
Tel: 03-2383 8585
Fax: 03-2383 6666

Alliance Bank Malaysia Berhad (88103-W)
Menara Multi-Purpose
Capital Square, 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel: 03-2694 8800
Fax: 03-2694 6727

Standard Chartered Bank Malaysia Berhad (115793-P)
Level 21, Menara Standard Chartered
30, Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 1 300 888 111
Fax: 03-2142 8933

Amlslamic Bank Berhad (295576-U)
Level 45, Menara AmBank
No. 8, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 1 300 808 888
Fax: 03-2026 6855

RHB Bank Berhad (6171-M)
Commercial Banking Business Centre
Level 8, Tower 2, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel: 03-9280 6209
Fax: 03-9287 4251

PRINCIPAL ADVISER

Kenanga Investment Bank Berhad
8th Floor Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2164 9080
Fax: 03-2161 4990

STOCK EXCHANGE LISTING

Main Market of Bursa Securities



UZMA BERHAD
(Company No.: 769866-V)
(Incorporated in Malaysia under the Companies Act, 1965)

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

26 June 2014

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*)

Mr 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*)

Encik Yahya bin Razali (*Independent Non-Executive Director*)

To the shareholders of Uzma Berhad

Dear Sir/Madam,

RENOUNCEABLE RIGHTS ISSUE OF 132,000,000 RIGHTS SHARES AT AN ISSUE PRICE OF RM0.75 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD IN UZMA AT 5.00 P.M. ON 26 JUNE 2014

1. INTRODUCTION

On 18 March 2014, KIBB, on behalf of the Board, announced that the Company proposed to undertake the Rights Issue.

On 25 April 2014, KIBB, on behalf of the Board, announced that the Company had on 24 April 2014 procured irrevocable and unconditional written undertakings from LTH, DCNCH and KKT to subscribe in full for their respective entitlements to the Rights Shares at the Entitlement Date. The Company had also, on 24 April 2014, procured the irrevocable and unconditional written undertakings from DKRM and DRMS to subscribe in full for their respective subscriptions at the Entitlement Date.

On 9 May 2014, KIBB, on behalf of the Board, announced that Bursa Securities has vide its letter dated 8 May 2014, approved the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities.

Bursa Securities' approval is subject to, *inter-alia* the following conditions:

Condition	Status of compliance
(a) Uzma and KIBB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue.	Noted and to be complied
(b) Uzma and KIBB to inform Bursa Securities upon the completion of the Rights Issue.	To be complied
(c) Uzma to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue is completed.	To be complied

Save for the approvals obtained by the Company stated in this section, the Rights Issue is not subject to any other approval.

On 10 June 2014, the shareholders of Uzma had approved, amongst others, the Rights Issue at the EGM. A certified true extract of the resolutions pertaining to the Corporate Exercises passed at the EGM is set out in **Appendix I** of this Abridged Prospectus.

On 11 June 2014, KIBB, on behalf of the Board, announced that the Entitlement Date has been fixed on 26 June 2014 at 5.00 p.m.

No person is authorised to give any information or to make any representation not contained herein in connection with the Rights Issue, and if given or made, such information or representation must not be relied upon as having been authorised by us or KIBB in connection with the Rights Issue.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

2. DETAILS OF THE RIGHTS ISSUE

2.1 Basis and quantum of the Rights Shares

The Rights Issue will involve the issuance and allotment of 132,000,000 Rights Shares at an issue price of RM0.75 per Rights Share on a renounceable basis for subscription by Entitled Shareholders, on the basis of one (1) Rights Share for every one (1) existing Share held at the Entitlement Date.

As you are an Entitled Shareholder, you will find enclosed with this Abridged Prospectus, the RSF and the NPA in respect of the number of Rights Shares for which you are entitled to subscribe under the terms of this Rights Issue. However, only Entitled Shareholders who have an address in Malaysia as stated in our Record of Depositors or who have provided our Share Registrar with an address in Malaysia in writing by the Entitlement Date will receive this Abridged Prospectus, together with the RSF and NPA.

Any dealing in Uzma securities will be subject to, *inter alia*, the provisions of the *Securities Industry (Central Depositories) (Amendment) Act, 1998*, the *Rules of Bursa Depository* and any other relevant legislation. Accordingly, upon subscription, the Rights Shares will be credited directly into the respective CDS Accounts of the successful applicants. No physical share certificate will be issued but notices of allotment will be despatched to the successful applicants.

As at the date of this Abridged Prospectus, the Rights Shares have been provisionally allotted to the Entitled Shareholders. Accordingly, the Entitled Shareholders can renounce or subscribe for their entitlements to the Rights Shares in full or in part. Any Rights Share which is not taken up or allotted for any reason will be made available for application under the Excess Rights Shares Application(s) by the Entitled Shareholders and/or their renounee(s) (if applicable).

For the allocation of Excess Rights Shares applied for, if any, it is the intention of the Board to allocate the Excess Rights Shares in a fair and equitable manner in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on their respective shareholdings in the Company at the Entitlement Date; and
- (iii) thirdly, for allocation to the Entitled Shareholders who have accepted the Rights Shares based on (ii) above, who have applied for the Excess Rights Shares, on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares application; and
- (iv) fourthly, for allocation to the renounee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares application.

Nevertheless, the Board reserves the right to allot the Excess Rights Shares in such manner as they deem fit and expedient and in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in (i) to (iv) above is achieved.

The procedures for acceptance, application and payment for the Rights Shares are set out in Section 9 of this Abridged Prospectus.

Within eight (8) Market Days after the last day of acceptance and payment for the Rights Shares, or such other period as may be prescribed or allowed by Bursa Securities, we will:

- (a) allot the Rights Shares;
- (b) despatch notices of allotment to the allottees; and
- (c) make an application for the quotation of the Rights Shares on the Main Market of Bursa Securities.

The Rights Shares will be listed and quoted on the Main Market of Bursa Securities two (2) Market Days after the application for quotation is made to Bursa Securities.

2.2 Basis and justification of determining the issue price of the Rights Shares

The Rights Shares shall be issued at RM0.75, which represents a discount of approximately 76.71% to the TERP of Uzma Shares of RM3.22, calculated based on the five (5)-day VWAMP of Uzma Shares up to and including 14 March 2014, being the last practicable day prior to the Announcement, of RM5.69.

For a more recent illustration, based on the closing price of the Shares on the LPD of RM6.28, the TERP of the Shares, based on the issue price of RM0.75 per Rights Share is RM3.25. The issue price of RM0.75 per Rights Share, thus, represents a discount of 76.92% from the abovementioned TERP of RM3.25.

The issue price and discount given were arrived at to entice the shareholders of Uzma to subscribe for the Rights Shares after taking into consideration the following:

- (i) the quantum of the gross proceeds to be raised for the operational funding requirements of Uzma Group as set out under Section 4 of this Abridged Prospectus;
- (ii) the prevailing market price of Uzma Shares; and
- (iii) the par value of Uzma Shares.

The Board is of the view that the issue price will provide all existing shareholders with an attractive opportunity to further increase their equity participation in the Company at a discount to the prevailing market price of the Shares.

2.3 Ranking of the Rights Shares

The Rights Shares will, upon allotment and issuance, rank *pari passu* in all respects with the then existing issued and fully paid-up Uzma Shares, save and except that the Rights Shares will not be entitled to any dividends, rights, allotments and/or any other forms of distributions that may be declared, made or paid to the Entitled Shareholders, prior to the relevant date of allotment and issuance of the Rights Shares.

2.4 Minimum Subscription Level and shareholders' undertakings

The Rights Issue will be undertaken based on the Minimum Subscription Level via the issuance of 78,838,695 Rights Shares, which was determined after taking into consideration the minimum level of funds that the Company wishes to raise from the Rights Issue for the purposes stated in Section 4 of this Abridged Prospectus. The Minimum Subscription Level will be achieved via the undertakings of certain shareholders and key management of the Group as set out below.

As at the LPD, the substantial shareholders of Uzma, namely DKRM, DRMS and LTH collectively hold 77,069,095 Uzma Shares, representing approximately 58.39% of the total issued and paid-up share capital of the Company. As part of the Rights Issue, DKRM proposes to transfer 18,000,000 of his entitlement to the Rights Shares to DRMS, to realign their shareholding structure post the Rights Issue exercise and to ensure compliance with the Code at all times.

As at the LPD, DCNCH, being the Executive Director and shareholder of Uzma, and KKT, being the Chief Operating Officer and shareholder of Uzma, collectively hold 1,769,600 Uzma Shares.

DKRM, DRMS, LTH, DCNCH and KKT are collectively the Undertaking Shareholders. The Company had on 24 April 2014 procured irrevocable and unconditional written undertakings from the Undertaking Shareholders to subscribe in full for their respective subscriptions at the Entitlement Date ("**Shareholders Undertakings**"). Accordingly, the number of Rights Shares to be subscribed by the Undertaking Shareholders is set out in the table below:

Undertaking Shareholders	Shareholdings as at the LPD		Entitlement to Rights Shares		No. of Rights Shares to be subscribed pursuant to the Shareholders Undertakings	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
DKRM	54,549,937	41.33	54,549,937	69.19	^(a) 36,549,937	46.36
DRMS	12,600,058	9.55	12,600,058	15.98	^(a) 30,600,058	38.81
LTH	9,919,100	7.51	9,919,100	12.58	9,919,100	12.58
DCNCH	1,000,000	0.76	1,000,000	1.27	1,000,000	1.27
KKT	769,600	0.58	769,600	0.98	769,600	0.98
Total number of Rights Shares	78,838,695	59.73	78,838,695	100.00	78,838,695	100.00

Note:

^(a) Pursuant to the proposed transfer by DKRM of 18,000,000 of his entitlement to the Rights Shares to DRMS.

Based on the issue price of RM0.75 per Rights Share, the funding requirement for the Undertaking Shareholders pursuant to their respective undertakings is approximately RM59.13 million. The Undertaking Shareholders have provided confirmations that they have sufficient financial resources to take up their respective rights portions as mentioned above and the said confirmations have been verified by KIBB in its capacity as the Principal Adviser for the Rights Issue.

The Shareholders Undertakings will not give any rise to any consequence of mandatory general offer obligation pursuant to the Code.

In view that the Minimum Subscription Level can be achieved via the Shareholders Undertakings, there will be no underwriting arrangement for the remaining portion of 53,161,305 Rights Shares representing approximately 40.27% of the total issued and paid-up share capital of the Company.

2.5 Details of other intended corporate exercise which has been approved

As at the LPD, save for the Corporate Exercises, the Board confirms that there is no other intended corporate exercise which has been approved by the regulatory authorities but not completed.

3. RATIONALE FOR THE RIGHTS ISSUE

After due consideration of various methods of fund raising, the Board is of the opinion that raising funds by way of a rights issue of Uzma Shares is the most appropriate avenue in the long-term interest of Uzma as it will:

- (i) provide the shareholders of Uzma with an opportunity to further participate in the equity of the Company without diluting the existing shareholders' equity interest, assuming all the Entitled Shareholders fully subscribe for their respective entitlements under the Rights Issue; and
- (ii) enable the Company to raise funds without incurring additional interest costs as compared to bank borrowings, thereby minimising any potential cash outflow in respect of interest servicing; and
- (iii) improve liquidity and financial flexibility as well as to optimise the Group's capital structure by strengthening its financial position.

The Rights Issue will enable the Group to raise funds for its operational funding requirements as set out under Section 4 below, which is expected to contribute positively to the earnings potential of the Group in the future and to defray estimated expenses for the Rights Issue.

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4. UTILISATION OF PROCEEDS

The utilisation of proceeds from the Rights Issue is set out hereunder based on the Minimum Scenario and Maximum Scenario and at the issue price of RM0.75 per Rights Share.

Accordingly, based on the issue price of RM0.75 per Rights Share, the total gross proceeds that are expected to be raised from the Rights Issue under the Minimum Scenario and Maximum Scenario shall be utilised in the following manner:

Proposed utilisation of proceeds	Indicative gross proceeds		Expected timeframe for utilisation of proceeds from the date of the listing of the Rights Shares
	Minimum Scenario	Maximum Scenario	
	(RM'000)	(RM'000)	
Capital expenditure	38,129	78,000	Twenty-four (24) months
Working capital	8,000	8,000	Twelve (12) months
High performance computing	4,500	4,500	Twelve (12) months
Renovation of office premises	7,500	7,500	Twelve (12) months
Defraying estimated expenses	1,000	1,000	Immediate
	⁽¹⁾ 59,129	99,000	

Note:

(1) Any additional proceeds raised from the Rights Issue above the proceeds under the Minimum Scenario will be allocated to fund the capital expenditures of the Group.

The details of the expected utilisation of proceeds are as follows:

(a) Capital expenditure

The Uzma Group is primarily engaged in the business of providing oil and gas geoscience and reservoir engineering services, oil and gas drilling services, oil and gas project and operation services, oil and gas engineer and personnel placement and management systems. The Company intends to utilise part of the proceeds to be raised from the Rights Issue to capitalise on investment opportunities that may arise to expand its core businesses and facilitate its existing operations including drilling, project and oilfield operations services and wireline services. This may include investing in equipment to service some of the contracts secured by the Group, including but not limited to the following:

- (i) As announced on 26 July 2011, UESB, a wholly-owned subsidiary Uzma, was awarded a contract by PETRONAS Carigali for the provision of integrated equipment and services for idle well reactivation project. The value of the contract is estimated at RM170.0 million for three (3) years effective from 25 July 2011 to 24 July 2014. Uzma will make the appropriate announcement on the extension of the contract once they obtain the approval.
- (ii) As announced on 16 February 2012, UESB was awarded a contract by PETRONAS Carigali to provide well testing equipment and services for PETRONAS Drilling Programmes – West Region. The contract value is estimated at RM350.0 million for a contract period of five (5) years effective from 1 April 2012 to 31 March 2017.
- (iii) The Company had also announced on 11 October 2013, that UESB had received a Letter of Award from PETRONAS Carigali for the provision of drilling project management team for Petroleum Management Unit wells. The total value of the contract is dependent on the actual works issued by the Company during the contract period and cannot be ascertained at the date of this Abridged Prospectus. The contract is for a period of one (1) year commencing from 17 September 2013 to 16 September 2014 with an extension option for one (1) year. Uzma will make the appropriate announcement on the extension of the contract once they obtain the approval.

The works in relation to the abovementioned contracts are currently ongoing. The proceeds from the Rights Issue will be used for, but not limited to, investment in slickline, wireline, well testing equipment and ancillary tools and UzmaPRES system, amongst others. The number of units for the equipment is dependent on, inter-alia, the operating demands and criticality of the contracts and therefore cannot be determined at this juncture as it will be incurred progressively over the contract period.

(b) Working capital

The portion of Rights Issue proceeds allocated for the working capital requirements is to fund Uzma's day-to-day operations in respect of drilling services and/or operational expenses to be incurred. As at the LPD, the Group has identified the following costs for the utilisation of the proceeds to be allocated for working capital purposes:

	RM'000
(a) Operating and personnel expenses (including salaries)	4,500.0
(b) Insurance costs	1,400.0
(c) Utilities cost	500.0
(d) Training costs	240.0
(e) Other costs	1,360.0
	8,000.0

(c) High performance computing

The Company intends to invest in high performance computing utilising a portion of the proceeds raised from the Rights Issue. The high performance computing includes multiple graphic processing units for parallel computing, servers, information technology infrastructure backbone, advanced storage and backup system. The Company intends to buy, amongst others, ninety-six (96) servers with multiple graphic processing units accelerator for parallel computing. The high performance computing is of paramount importance for imaging underground geological structures to search for petroleum deposits and to probe the deeper portions of the earth. Advances in data acquisitions have increased the data volume by several folds. Processing methods have also changed to high resolution, leading to an increase in computational effort which is beyond today's computing facility. This large data volume can only be processed with complex mathematical algorithms that require parallel processing on fast, networked computers with sizeable storage. The total cost of investment in the high performance computing is RM4.50 million and will be funded via the Rights Issue. The suppliers for the high performance computing have been identified but they are yet to be awarded the contract.

(d) Renovation of office premises

As announced on 22 November 2013, the Company had acquired a 12-storey commercial building with a total built-up area of approximately 38,901 square feet to serve as our new corporate office ("**New Corporate Office**"). The Company intends to utilise a portion of the proceeds raised towards the renovation of its New Corporate Office which is located at Block Empire Pejabat, Empire Damansara, No.2, Jalan PJU 8/81, Damansara Perdana, PJU 8, Petaling Jaya.

The renovation works are on-going, having commenced on 12 May 2014 and is scheduled to be completed by the fourth (4th) quarter of 2014. The total cost of renovation is approximately RM7.50 million and will be entirely funded from the proceeds raised from the Rights Issue.

The entire staff and operations from our current office at Fraser Business Park, Kuala Lumpur will be relocated to the New Corporate Office by the fourth quarter of 2014, upon completion of the renovation works.

(e) Defraying estimated expenses

The estimated expenses relating to the Corporate Exercises of RM1.0 million comprise of, inter-alia, professional fees, fees payable to the relevant authorities, printing, advertisement, expenses to convene the EGM and other ancillary expenses. If the actual expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual expenses are lower than budgeted, the excess will be utilised for working capital purposes.

Pending utilisation of the proceeds from the Rights Issue for the above purposes, the proceeds will be placed in deposits with financial institutions or short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used as additional working capital of the Group.

5. RISK FACTORS

5.1 Risks relating to the Uzma Group's business and industry

(i) Dependence on directors, key management and skilled workforce

Being in a highly specialised industry, the Group's continued success depends upon the abilities and continued efforts of its Directors, key management personnel and skilled workforce. Currently, the Uzma Group is led by experienced Directors and managed by a team of qualified key personnel who have extensive knowledge and experience in the oil and gas industry. This is well demonstrated by our Group's established track records for serving multinational oil and gas industry operators in Malaysia and overseas with specialised services.

The continued success and future performance depends to a large extent upon the skills, abilities, experience, competency and continuous efforts of the existing directors and key management and on the Group's ability to hire and retain qualified and competent personnel. While effort has been made to nurture and maintain good relationships, there can be no assurance that the loss of any key personnel can be avoided and would not materially affect the Group's business, operating results and financial conditions.

The Company seeks to mitigate this risk by incorporating effective human resource management and development, which includes competitive compensation packages, training and personnel development programmes to attract and retain skilled personnel. The Group's management recognises the importance of succession planning for business continuity, and maintaining the level of its competencies and competitiveness in the industry. In view thereof, the Group has taken the appropriate steps to ensure the implementation of succession planning in every department and every effort is made to attract, groom and retain the key management and technical personnel for succession planning to ensure smooth transition in management should changes occur.

However, there can be no assurance that the above measures will always be successful in retaining the Directors, key management personnel and skilled workforce or in ensuring a smooth transition or management succession plan should such key personnel are no longer able to serve the Group.

(ii) Licences and registrations

The Group's qualification to tender for and secure various oil and gas business in Malaysia is dependent on licences and registrations. All licences and registrations are valid for certain periods of time with the renewal based on the Group's compliance with requirements and conditions imposed by the relevant authorities. Failure by the Group to renew, maintain or obtain the required licences and registration may have an adverse effect on the Group's operations, financial condition and prospects.

There is no assurance that the licences and registrations will be renewed, or if they are renewed, that such renewal would be affected within the anticipated time frame or without any new terms and conditions imposed, which may materially affect the operations of the Group.

However, the Group will continue to ensure that it is in compliance with the requirements of all licenses and registrations at all times and the Directors are confident of the on-going renewals of the licenses and registrations as the Group has no instances of failure to obtain the renewals of all licenses and registrations in the past.

(iii) Delay in completion of projects

Completion of a project on time is dependent on many external factors which may fall beyond the control of the Group. Any delay caused by any of these factors may have a direct impact on the Group's profitability.

Nevertheless, the Group has an experienced and capable project management team as well as a management system in place to supervise and manage the projects as the Group acknowledges that proper planning is essential for all projects.

(iv) Material litigation, claim or arbitration and legal uncertainties

As at LPD, the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, which has or may have a material effect on our financial position or the financial position of our subsidiaries and the Group's Directors do not know any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the Group's position or business or the position or business of Uzma's subsidiaries.

However, there can be no assurance that there would be no proceedings in the future that could adversely affect the position or business of the Group in the future.

(v) Level of oil and gas activity

Hydrocarbons, including crude petroleum and natural gas, are internationally traded commodities whose price fluctuates with the constant interaction between supply and demand for hydrocarbons.

Activity in the oil and gas Industry is, to some degree, affected by fluctuations in the market price of hydrocarbons:

- (a) Activity tends to increase during periods of sustained high hydrocarbon prices. This is due to elevated production activity, as well as increased activity to bring reserves into production, and to explore for new hydrocarbon reserves;
- (b) Activity tends to decline during periods of sustained low hydrocarbon prices. This is due to lower production activity, as well as temporary reduction or shutting down of production from reserves that are no longer commercially viable. Nevertheless, exploration activity still continues.

There is a risk that sustained lower price of hydrocarbons will negatively affect activity in the oil and gas Industry, leading to lower demand for supporting products and services, including oil and gas geoscience and reservoir engineering and drilling services.

However, the continuing development of the oil and gas industry through growth in export of crude oil, natural gas and refined petroleum products will create and stimulate demand for oil and gas geoscience and reservoir engineering and drilling services.

(vi) Changes to Existing Terms of Petroleum Development Act 1974

PETRONAS is the sole entity with ownership to the Malaysian Crude oil and gas deposits under the Petroleum Development Act 1974 and governs and oversees the licensing, safety, contractual and work scope of oil and gas service providers that are operating in Malaysia. A fundamental change in PETRONAS policy with regards to regulating the oil and gas industry in Malaysia may come about through the liberalisation of the oil and gas industry.

PETRONAS may liberalise the oil and gas industry by:

- (a) removing licensing requirements for the provision of all supporting products and services;
- (b) loosening licensing requirements such that it becomes easier to obtain a license; and
- (c) allowing foreign suppliers to operate in Malaysia without restrictions and the need to operate with a local partner.

Liberalising the oil and gas industry in this manner will negatively impact incumbent service providers by increasing competition in the industry. Currently, despite the restriction of licensing and registration, competition is intense. In the event of any liberalisation, existing service providers would not be significantly worse off as they have been operating in a very competitive environment already. On the contrary, the liberalisation of the oil and gas industry may also benefit existing service providers, as they may be able to enter new segments of the industry that leverage on their existing strengths and customer base.

The Group has been expanding our overseas activities in order to reduce dependency on any geographical market. Our Group has been constantly seeking overseas opportunities and currently has operational subsidiaries in Indonesia, Australia and Thailand.

(vii) Risk relating to the Small Field Risk Service Contract

Risk factors affecting the Small Field Risk Service Contract (“SFRSC”) include but are not limited to execution risks such as availability of skilled manpower, technical expertise and materials, changes in prices of materials, and changes in political, economic and regulatory conditions. Uzma will undertake all the necessary efforts to mitigate the various risk factors identified.

5.2 Risks relating to the Rights Issue

(i) Market price of the Rights Shares

The market price of the Shares and the performance of the local stock market is dependent on external factors such as, amongst others, the performance of the world bourses, flows of foreign funds and prices of commodities. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country, foreign exchange policies as well as the growth potential. These factors invariably contribute to the volatility of the liquidity on Bursa Securities, thus adding risk to the market price of the Shares.

In view of the aforesaid, there can be no assurance that the Rights Share will trade at or above the issue price from the date of this Abridged Prospectus and upon or subsequent to the listing of and quotation for the Rights Shares on the Main Market.

Notwithstanding the above, it should be noted that the Group’s financial performance is not dependent on the performance of the Shares.

(ii) Delay in or abortion of the Rights Issue

There is a risk that may cause a delay in the listing of and quotation for the Rights Shares or the abortion thereof. These may happen upon the occurrence of any one or more of the following events

- (a) force majeure events or events/circumstances, which are beyond the control of the Group, arising prior to the completion of the Rights Issue; or
- (b) the Undertaking Shareholders, who have provided the irrevocable Undertakings as set out in Section 2.4 of this Abridged Prospectus, fail to fulfil their obligation.

In the event that the Rights Issue is aborted, we will return in full, without interest, all monies received by us in respect of any application for subscription of the Rights Shares, within fourteen (14) days after it becomes liable. Section 243(2) of the CMSA dictates that if such monies are not repaid within fourteen (14) days after it becomes liable, such monies must be repaid with interest in accordance with the provisions of Section 243(2) of the CMSA.

In the event that the Rights Shares have been allotted to the successful Entitled Shareholders and/or their renounees (if applicable) and the Rights Issue is subsequently aborted or terminated, a return of subscription monies to all holders of the Rights Shares would be achievable by way of cancellation of the share capital of the Company as provided for under the Act and its related regulations. Such cancellation requires the approval of the shareholders of the Company by way of a special resolution in a general meeting, consent of the Company's creditors (unless dispensation with such consent has been granted by the High Court of Malaysia) and the confirmation of the High Court of Malaysia. In such an event, there is no assurance that such monies can be returned within a short period of time or at all.

The Group will exercise its best endeavour to ensure that the Rights Issue is successfully implemented. However, there can be no assurance that the above events will not occur and cause the delay or abortion of the Rights Issue.

5.3 General considerations

(i) Economic, political and regulatory risks

The financial and business prospects of the Group and the industry in which it operates may depend to some degree on the developments in the political, economic and regulatory factors in Malaysia and other countries in which we operate. Any adverse developments of such factors may materially and adversely affect the financial prospects of the Group and the industry in which we operate in.

The political and regulatory uncertainties include, amongst others, the risks of war, riots, changes in political leadership, expropriation, nationalism, interest, liquidity and credit conditions, exchange control rules and policies on repatriation of profits, tax, employment and industrial regulations and disruption to supplies and production due to labour issues.

As such, there is no guarantee that there will not be any changes in economic and business environment, Government policies or regulations that may have an adverse impact on the Group.

(ii) Disclosure on forward looking statements

All statements contained in this Abridged Prospectus, statements made in press releases and oral statements that may be made by the Company or the Directors or employees acting on the Group's behalf, that are not statements of historical fact, constitute "forward-looking statements". Investors can identify some of these statements by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would", and "could" or similar words as they relate to the Group or the Group's business. However, investors should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding the Group's

expected financial position, business strategy, plans and prospects are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Certain statements in this Abridged Prospectus are based on historical data, which may not be reflective of the future results, and any statements which are forward-looking in nature are subject to uncertainties and contingencies. All forward-looking statements are based on forecasts and assumptions made by the Group, and although believed to be reasonable, are subject to unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially for the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, inter alia, general economic and business conditions, competition and the impact of new laws and regulations affecting the Group. In light of these risks and other uncertainties, the inclusion of any forward-looking statements in this Abridged Prospectus should not imply that the plans and objectives of the Group (where applicable) will be fully implemented and satisfied.

6. INDUSTRY OVERVIEW AND OUTLOOK AND FUTURE PROSPECTS

6.1 Overview and outlook of the Malaysian economy

Global economic activity expanded at a moderate pace in the first quarter. The US economy experienced a slower growth, mainly due to unusually adverse weather conditions. In the euro area, the recovery was supported by modest improvements in exports, while domestic demand remained sluggish due to structural constraints. Growth in several Asian economies expanded at a slower pace as domestic demand was affected by country specific developments. The Malaysian economy registered a strong growth of 6.2% in the first quarter of 2014 (4Q 2013: 5.1%), driven by a stronger expansion in domestic demand and a turnaround in net exports. On the supply side, the major economic sectors grew further, supported by both domestic and trade activities. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.8% (4Q 2013: 1.9%).

Private consumption growth remained strong at 7.1% (4Q 2013: 7.4%) in the first quarter, supported by stable employment conditions and continued wage growth. Growth in public consumption increased to 11.2% (4Q 2013: 5.2%), reflecting higher Government spending on supplies and services. Gross fixed capital formation grew by 6.3% (4Q 2013: 6.5%), driven by robust private sector capital spending amidst a decline in public investment growth. Growth in private investment remained strong at 14.1% (4Q 2013: 16.6%), underpinned by capital spending in the manufacturing and services sectors. Public investment declined by 6.4% (4Q 2013: -1.4%), reflecting the contraction in capital spending by both the Federal Government and the public enterprises.

Going forward, recovery in the global economy is expected to continue. International trade will be supported by the continued recovery in the advanced economies. In Asia, while domestic demand is expected to moderate, it will continue to underpin the overall performance of these economies, with additional support coming from the improving external conditions. Continued uncertainty over the monetary policy in key advanced economies, economic developments in both the advanced and emerging market economies, as well as geopolitical developments, are likely to generate continued volatility in the global financial markets.

For the Malaysian economy, growth will remain anchored by domestic demand, with additional support from the improvement in the external environment. Exports will continue to benefit from the recovery in the advanced economies while private domestic demand is expected to remain the key driver of the overall growth. Going forward, the Malaysian economy is therefore expected to remain on a steady growth path.

(Source: Economic and Financial Developments Malaysia in the First Quarter of 2014, Bank Negara Malaysia)

6.2 Outlook of the oil and gas industry

Domestic investments are expected to accelerate further in 2013 and 2014. Major domestic investments will be in the oil and gas sector, including exploration and development of oil and gas fields as well as petrochemical projects. In 2013, PETRONAS has allocated RM50.0 billion for capital expenditure.

In 2013, domestic investment activity was boosted by the launch of the Refinery and Petrochemical Integrated Development (“**RAPID**”) project in Pengerang, Johor under the Economic Transformation Plan. The RAPID project will enable Malaysia to become a major global player in the oil and gas downstream industry as well as create various economic opportunities for the local community. Small businesses have also benefited from the 2013 budget, particularly through Tabung Ekonomi Kumpulan Usaha Niaga which was provided an allocation of RM180.0 million in 2013.

As at end of June 2013, four new oil wells have been discovered which include Adong Kecil West in offshore Sarawak and Ara fields in offshore Peninsular Malaysia. In addition six new fields are expected to be brought on stream, increasing the total number of Malaysia’s producing fields to 143, comprising 82 oil and 61 gas fields (2012: 77 oil fields; 55 gas fields). As a result, crude oil reserves stood at 5.85 billion barrels as at 1 January 2013 and are estimated to last 27 years, while gas reserves stood at 98.3 trillion cubic feet, sufficient to last 43 years.

(Source: Economic Report 2013/2014, Ministry of Finance Malaysia)

The Oil, Gas and Energy (OGE) sector constitutes roughly 20 per cent of the Malaysian economy. In order to add further value, the Oil, Gas and Energy National Key Economic Areas (“**NKEA**”) focusses on three areas – expanding the downstream sector, lifting domestic production and pushing into renewable energy.

Thirteen Entry Point Projects (“**EPP**”) will deliver this NKEA’s target of generating Gross National Income (GNI) of RM131.4 billion and creating an additional 52,300 jobs by 2020. These projects include transforming Malaysia into an oil and gas hub and offering tax incentives to explore and develop marginal fields, adding more heft to the country’s status as the second-largest oil producer in Southeast Asia. Coupled with building a sustainable energy platform that includes fuel subsidy rationalisation and a greater push for renewable energy, this NKEA also targets to achieve five per cent growth in the sector annually up until 2020.

As Malaysia’s national oil company, PETRONAS will lead the charge in this NKEA, supported by major industry players such as Shell, ExxonMobil and Royal Vopak which have contributed to considerable investments in this sector. Government ministries and agencies such as the Ministry of Energy, Green Technology and Water (KeTTHA), Ministry of International Trade and Industry (MITI), Malaysian Petroleum Resources Corp (MPRC) and Sustainable Energy Development Authority (SEDA) also play key roles in developing this NKEA.

As Malaysia moves closer to 2020, the public and private sectors will come closer together to create more value for the oil and gas industry. The natural evolution of any extractive industry is to add more value to the products and derive sustainable economic returns. At the same time, energy has to be used efficiently to power industries and continue Malaysia’s strong growth rates.

Initiatives under the Encouraging Investments in the Oil & Gas Services and Equipment (OGSE) Industry EPP target to transform Malaysia into an Asia-Pacific hub for oil and gas services and equipment (OGSE) activities by encouraging domestic and foreign direct investments. This move will help transform the country into a cost-efficient base for engineering, procurement, installation and commissioning activities in the Asia-Pacific region. As such, this EPP focusses on attracting international major firms, especially technology-based companies, to use Malaysia as a base for their regional operations as well as encourage domestic direct investments to acquire proprietary technology and capital intensive assets.

(Source: Economic Transformation Programme Annual Report 2013, Prime Minister’s Department, Malaysia)

6.3 Prospects of the Uzma Group

Based on the positive developments within the oil and gas industry and the Company specific in the year 2013, the directors remain optimistic with the Group's prospects for the remaining FYE 31 December 2014. The following contracts/projects secured by the Company are expected to contribute positively to the earnings of the Group for the FYE 31 December 2014:

- (i) On 2 March 2011, UESB a wholly-owned subsidiary of the Company was awarded by PETRONAS, a long term service agreement to provide a low pressure system for its domestic upstream operations. The contract value is estimated to be RM200.0 million for three (3) years, effective from 18 February 2011, with an option to extend the contract for a further two (2) years. Uzma will make the appropriate announcement on the extension of the contract once they obtain the approval.
- (ii) As announced on 26 July 2011, UESB, a wholly-owned subsidiary of Uzma, was awarded a contract by PETRONAS Carigali for the provision of integrated equipment and services for idle well reactivation project. The value of the contract is estimated at RM170.0 million for three (3) years effective from 25 July 2011. Uzma will make the appropriate announcement on the extension of the contract once they obtain the approval.
- (iii) As announced on 20 September 2011, UESB was awarded a contract by PETRONAS Carigali to provide marine 2D and 3D seismic data acquisition services ("**Umbrella Contract**"). The Umbrella Contract period shall be effective from 18 August 2011 and shall continue for a primary period of three (3) years with an extension option of two (2) years. Uzma is currently negotiating for an extension to the contract and any extension will be announced in due course
- (iv) As announced on 16 February 2012, UESB was awarded a contract by PETRONAS Carigali to provide well testing equipment and services for PETRONAS Drilling Programmes – West Region. The contract value is estimated at RM350.0 million for a period of five (5) years effective from 1 April 2012.
- (v) As announced on 11 June 2012, UESB was awarded a contract by PETRONAS Carigali for the provision of integrated water injection studies. The contract value is estimated at RM36.0 million for a contract period of three (3) years effective from 14 May 2012, with an extension option of one (1) year from 14 May 2015 to 13 May 2016.
- (vi) As announced on 6 August 2012, MECAS, a 70% owned subsidiary of the Company was awarded a contract by Talisman Malaysia Limited for the supply of chemical and related services. The contract value is estimated at RM62.0 million for contract period of five (5) years effective from 6 July 2012 with four (4) extension options of one (1) year each.
- (vii) As announced on 19 April 2013, MECAS received a Letter of Award from ExxonMobil Exploration and Production Malaysia Inc. for the provision of oilfield chemicals and associated services. The contract period is for five (5) years (primary term) from 1 April 2013 with an extension option of two (2) years. The value for the primary term is estimated at RM238.0 million.
- (viii) The Company had also announced on 11 October 2013, that UESB had received a Letter of Award from PETRONAS Carigali for the provision of drilling project management team for petroleum management unit wells. The total value of the contract is dependent on the actual works issued by the Company during the contract period and cannot be ascertained at the date of this Circular. The contract is for a period of one (1) year from 17 September 2013 with an extension option for one (1) year.
- (ix) As announced on 1 April 2014, a contractor group that includes Uzma's wholly owned subsidiary, Uzma Energy Venture (Sarawak) Sdn Bhd ("**UEVS**") and EQ Petroleum Developments Malaysia Sdn Bhd ("**EQ**") ("**Contractor Group**") has on 27th March 2014 signed a SFRSC with PETRONAS.

Under the SFRSC, the Contractor Group shall be jointly responsible for the development and the production of hydrocarbon from the Tanjong Baram Field, located offshore Lutong, Sarawak ("**Tanjong Baram Project**"). The Contractor Group shall be responsible to implement the approved Field Development Plan ("**FDP**") with planned development activities of which include the drilling of wells, the installation of platforms, topsides and pipelines, and the tie-in of the new facilities to existing PETRONAS Carigali infrastructure as appropriate. The total cost of the development phase is estimated to be USD100.0 million. Uzma will fund its portion of the total cost of development of USD30.0 million from its internally generated funds, bank borrowings and/or proceeds from equity/debt fund raising exercise. The breakdown of the funding is pending finalization.

The development phase of the SFRSC is expected to be completed and the first oil is anticipated to occur in 2015. The SFRSC shall be for a period of nine (9) years.

The participating interests of the Contractor Group are EQ (70%) and UEVS (30%). The SFRSC shall be managed by an unincorporated joint venture ("**JV**"). EQ has been designated as the operator to execute the rights, duties and obligations of an operator, on behalf of the JV to carry out the operations and development of the Tanjong Baram Project as per the terms and conditions of the SFRSC. EQ is the Malaysian subsidiary of EnQuest Plc. EnQuest Plc is an independent United Kingdom-based petroleum exploration and production company which operates exclusively in the United Kingdom Continental Shelf.

This SFRSC marks a new milestone and a new beginning in the Uzma's service offerings in the upstream segment. It furthers augments Uzma's three core capabilities, namely geoscience and petroleum engineering, drilling and well services and projects oilfield and operations services.

7. FINANCIAL EFFECTS

The financial effects of the Rights Issue are set out hereunder based on the Minimum Scenario and Maximum Scenario and based on the issue price of RM0.75 per Rights Share.

7.1 Share Capital

The proforma effects of the Rights Issue on the issued and paid-up share capital of Uzma are as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares ('000)	RM ('000)	No. of Shares ('000)	RM ('000)
Issued and paid-up share capital as at the LPD	132,000	66,000	132,000	66,000
To be issued pursuant to the Rights Issue	78,839	39,419	132,000	66,000
Enlarged issued and paid-up share capital	210,839	105,419	264,000	132,000

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7.2 Earnings and EPS

The Rights Issue is not expected to have any material effect on the earnings of the Group for the FYE 31 December 2014, as the Rights Issue is only expected to be completed in the third (3rd) quarter of 2014.

However, the EPS of the Group will be diluted as a result of the increase in the number of Uzma Shares pursuant to the issuance of the Rights Shares under the Rights Issue.

Notwithstanding the above, the Rights Issue is expected to contribute positively to the earnings of the Group for the ensuing financial years, when the benefits of the utilisation of proceeds are realised.

7.3 NA and gearing

The effects of the Rights Issue on the NA and gearing of the Uzma Group are set out below:

	Audited as at 31 December 2013 (RM'000)	After the Rights Issue	
		Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
Share capital	66,000	105,419	132,000
Share premium	11,921	^(a) 30,631	^(a) 43,921
Merger deficit	(29,700)	(29,700)	(29,700)
Capital reserve	51	51	51
Foreign exchange translation reserve	(135)	(135)	(135)
Retained profits	80,328	80,328	80,328
Total equity attributable to the owners of the Company/NA	128,465	186,594	226,465
No. of Shares outstanding ('000)	132,000	210,839	264,000
NA per Share (RM)	0.97	0.89	0.86
Cash and bank balances	24,381	^(a) 82,510	^(a) 122,381
Total borrowings	32,482	32,482	32,482
Gearing (times)	0.25	0.17	0.14

Note:

(a) After netting off estimated expenses in relation to the Rights Issue of approximately RM1.0 million.

7.4 Convertible securities

As at the LPD, the Company does not have any convertible securities.

8. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

8.1 Working capital

The Board is of the opinion that after taking into account the amount to be raised from the Rights Issue, the banking facilities available to the Group and current funds available, the Group will have sufficient working capital for a period of twelve (12) months from the date of this Abridged Prospectus to meet its present and foreseeable future working capital requirements.

8.2 Borrowings

As at the LPD, the Group has total outstanding borrowings, all of which are interest bearing, as follows:

Interest-bearing borrowings	RM'000
Short-term (due within 12 months)	
- Hire purchase payables	73
- Term loans	5,179
- Bank overdrafts	4,865
	10,117
Long-term (due after 12 months)	
- Hire purchase payables	494
- Term loans	34,148
	34,642
Total	44,759

After having made all reasonable enquiries, there has been no event of default in respect of any borrowings from financial institutions pertaining to payments of either interest or principal sum throughout the past one (1) financial year and the subsequent financial period thereof up to the LPD.

8.3 Contingent liabilities

Save for the corporate guarantees given to licensed banks for banking facilities granted to subsidiaries amounting to RM98.91 million, as at the LPD, there are no contingent liabilities which upon becoming enforceable may have a material impact on the financial results/position of the Group.

8.4 Material commitments

As at the LPD, save for the purchase consideration of USD29.70 million arising from a proposed acquisition as disclosed below, there are no material commitments which may have a material impact on the financial results/position of the Group:

On 30 May 2014, KIBB, on behalf of the Board, had announced that Uzma, via UESB and WST, had on even date entered into the following conditional agreements for the proposed acquisition of MMSVS Group Holding Co., Ltd. ("**MMSVS**"):

- (a) Share sale and purchase agreement between UESB, a wholly-owned subsidiary of Uzma, and Mr Pornsak Visitpong for the proposed acquisition by UESB of the entire equity interest in SVJ Holding Limited ("**SVJ**") comprising 50,000 ordinary shares of USD1.00 each. SVJ is, on or before the completion of the proposed acquisition, the holder of 100,000 ordinary shares of THB100 each representing approximately 49.75% of all the authorised and issued shares in MMSVS. Upon completion, UESB shall indirectly own 49.75% of all the authorised and issued shares in MMSVS; and
- (b) Share sale and purchase agreement between WST, a 49%-owned subsidiary of UESB, and Mr Pornsak Visitpong for the proposed acquisition by WST of 100,999 preferred shares of THB100 each in MMSVS representing approximately 50.25% of all the authorised and issued shares in MMSVS.

for an aggregate cash consideration of USD29.70 million.

9. INSTRUCTIONS FOR ACCEPTANCE, EXCESS RIGHTS SHARES APPLICATION AND PAYMENT

FULL INSTRUCTIONS FOR THE ACCEPTANCE AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES, EXCESS RIGHTS SHARES APPLICATION AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/OR YOUR RENOUNCEE(S) WISH TO DISPOSE OF ALL OR ANY PART OF YOUR ENTITLEMENTS ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF.

YOU ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE RSF AND THE NOTES AND THE INSTRUCTIONS THEREIN CAREFULLY. THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THIS ABRIDGED PROSPECTUS.

9.1 General

If you are an Entitled Shareholder, your CDS account will be duly credited with the number of Provisional Rights Shares, which you are entitled to subscribe for in full or in part under the terms and conditions of the Rights Issue. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS account and the RSF to enable you to subscribe for Provisional Rights Shares provisionally allotted to you, as well as apply for any Excess Rights Shares if you so choose to do so.

This Abridged Prospectus and RSF are also available on the website of Bursa Securities (<http://www.bursamalaysia.com>).

9.2 Procedures for Acceptance, Application and Payment

If you wish to accept the Provisional Rights Shares either in full or in part, please complete Part I(A) and Part II of the RSF in accordance with the notes and instructions contained in the RSF and submit it together with the appropriate remittance, to our Share Registrar at the following address:

For delivery by hand and/ or courier:-

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 : +603 - 7841 8000
Helpdesk Tel : +603 - 7849 0777
Fax : +603 - 7841 8151/ 8152

For ordinary post:-

Symphony Share Registrars Sdn. Bhd. (378993-D)
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan,
Malaysia

not later than 5.00 p.m. on **11 July 2014**, being the last date and time for the acceptance and payment for the Rights Shares or such later date and time as our Board may decide and announce not less than two (2) Market Days before the original closing date.

If you do not wish to accept the Provisional Rights Shares in full, you are entitled to accept part of your entitlements. The minimum number of Rights Shares that can be accepted is one (1) Rights Share. Applicants should take note that a trading board lot of the Shares comprise one hundred (100) Shares. You have to complete Part I(A) and Part II of the RSF by specifying the number of Provisional Rights Share(s) which you are accepting. The portion of the Provisional Rights Share(s) that has not been accepted will be allotted to applicants applying for Excess Rights Shares in the manner set out in Section 9.4 of this Abridged Prospectus.

Acceptance, application and payment for the Provisional Rights Shares must be made on the RSF and must be completed in accordance with the notes and instructions therein.

Acceptances which do not conform with the terms and conditions of this Abridged Prospectus or the RSF together with the notes and instructions therein or which are illegible may not be accepted at the absolute discretion of our Board.

All acceptance and payment for the Provisional Rights Shares shall be submitted to our Share Registrar by the mode of despatch of your choice and is entirely at your own risk.

Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Provisional Rights Shares accepted in the form of banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia and must be made payable to "**UZMA RIGHTS ISSUE ACCOUNT**", crossed "**ACCOUNT PAYEE ONLY**" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS account number. The payment must be made in the exact amount. Any acceptance with excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or any other mode of payment not prescribed herein are not acceptable.

No acknowledgement of the receipt of the RSF for the Provisional Rights Shares or application monies will be issued by our Company or our Share Registrar in respect of the Provisional Rights Shares.

If acceptance and payment(s) for the Provisional Rights Shares offered to are not received by our Share Registrar by 5.00 p.m. on **11 July 2014**, or such later date and time as our Board may decide and announce not less than two (2) Market Days before the original closing date, the Provisional Rights Shares will be deemed to have been declined and will be cancelled. In the event that the Rights Shares are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares to the applicants who have applied for Excess Rights Shares in the manner as set out in Section 9.4 of this Abridged Prospectus. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

Our Board reserves the right not to accept any application or to accept in part only any application accompanied by payment other than in the manner prescribed herein or which is otherwise howsoever incomplete or not in order, without assigning any reasons thereof.

9.3 Procedures for sale or transfer of Provisional Rights Shares

The Provisional Rights Shares are renounceable and will be traded on Bursa Securities commencing **27 June 2014** up to and including **3 July 2014** at 5.00 p.m. As such, you and/or your renounee(s) may sell/transfer all or part of your entitlements to the Provisional Rights Shares.

Under the CDS environment, the processes of splitting, nomination and renunciation are generated by electronic book-entries made in the CDS accounts of the entitled person and the new purchaser. If you are an Entitled Shareholder, your CDS account will be duly credited with the number of Provisional Rights Shares. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS account. You may sell part or all of the Provisional Rights Shares.

As the Provisional Rights Shares are prescribed securities, should you and/or your renounee(s) wish to sell all or part of your entitlement to the Provisional Rights Shares, you may do so immediately through your stockbrokers for the period up to the last day of trading of the Provisional Rights Shares on **3 July 2014** at 5.00 p.m., without first having to request for a split of the Provisional Rights Shares standing to the credit in your CDS account.

To sell all or part of your Provisional Rights Shares, you and/or your renounee(s) may sell such entitlements on Bursa Securities or transfer such entitlements to such persons as may be allowed pursuant to the Rules of Bursa Depository.

In selling all or part of your Provisional Rights Shares, you and/or your renounee(s) need not deliver any document (including the RSF) to the stockbroker in respect of the portion of the Provisional Rights Shares sold. However, you and/or your renounee(s) must ensure that you have sufficient Provisional Rights Shares standing to the credit of your CDS account that are available for settlement of the sale.

If you have purchased any Provisional Rights Shares on Bursa Securities, to enable you to accept the Provisional Rights Shares, you should obtain the RSF from one (1) of the following:

(a) Any Malaysian stock broking company

(b) Our Registered Office at:

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

(c) Our Share Registrar:

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan

(d) Bursa Securities' website (<http://www.bursamalaysia.com>).

If you and/or your renounee(s) have sold only part of your entitlements to the Provisional Rights Shares, you may still accept the balance of your entitlements to the Provisional Rights Shares by completing Part I(A) and Part II of the RSF and forwarding the RSF together with the full amount payable on the balance of the Provisional Rights Shares applied for to our Share Registrar in accordance with the instructions in Section 9.2 above.

You are required to complete the RSF and submit the same with the requisite payment to our Share Registrar as described under Section 9.2 above on Procedures for Acceptance, Application and Payment.

Our Board reserves the right not to accept any application or to accept in part only any application accompanied by payment other than in the manner prescribed herein or which is otherwise howsoever incomplete or not in order, without assigning any reasons thereof.

9.4 Procedures for Excess Rights Shares application

If you wish to apply for Excess Rights Shares in excess of your entitlement, you may do so by completing Part I(B) of the RSF in addition to Parts I(A) and II of the RSF and forwarding it with a separate remittance for the full amount payable in respect of the Excess Rights Shares applied for to our Share Registrar, not later than 5.00 p.m. on **11 July 2014** or such later date and time as our Board may decide and announce not less than two (2) Market Days before the stipulated date and time.

Payment under the Excess Rights Shares Application(s) should be made in the same manner described in Section 9.2 of this Abridged Prospectus except that the banker's draft(s), cashier's order(s), money order(s) or postal order(s) drawn on a bank or post office in Malaysia should be made payable to "UZMA EXCESS RIGHTS ISSUE ACCOUNT", crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side with your name, contact number and address in block letters and your CDS account number. Cheques or any other mode of payments not prescribed herein are not acceptable.

It is the intention of the Board to allot the Excess Rights Shares, if any, in a fair and equitable manner to the entitled shareholders and/or their renouncee(s) and/or transferee(s) who have applied for the Excess Rights Shares in the following priority:

- (a) firstly, to minimise the incidence of odd lots;
- (b) secondly, for allocation to Entitled Shareholders (excluding the Undertaking Shareholders) who have applied for Excess Rights Shares on a pro-rata basis and in board lot, calculated based on their respective shareholdings on the Entitlement Date;
- (c) thirdly, for allocation to Entitled Shareholders (excluding the Undertaking Shareholders) and/or their renouncee(s) (if applicable) who have applied for Excess Rights Shares on a pro-rata basis and in board lots calculated based on the quantum of Excess Rights Shares applied for; and
- (d) fourthly, for allocation to the renouncee(s) who have applied for the Excess Rights Shares on a pro-rata basis and in board lot, calculated based on the quantum of their respective Excess Rights Shares application.

Nevertheless, the Board reserves the right to allot the Excess Rights Shares in such manner as they deem fit and expedient and in the best interest of the Company subject always to such allocation being made on a fair and equitable basis, and that the intention of the Board as set out in (i) to (iv) above is achieved.

Our Board reserves the right not to accept any application or to accept in part only any application accompanied by payment other than in the manner prescribed herein or which is otherwise howsoever incomplete or not in order, without assigning any reasons thereof.

No acknowledgement of the receipt of the RSF for the Excess Rights Shares Application(s) or application monies will be issued by our Company or our Share Registrar in respect of the Excess Rights Shares Application(s).

In respect of unsuccessful or partially successful Excess Rights Shares Application(s), the full amount or the balance of the application monies (as the case may be) will be refunded without interest within fifteen (15) Market Days from the last date of application and payment of the Excess Rights Shares by ordinary post to the address shown in Bursa Depository's records at your own risk.

If you lose, misplace or for any reason require another copy of the RSF, you may obtain additional copies from your stockbrokers, our Registered Office, Bursa Securities' website (<http://www.bursamalaysia.com>) or our Share Registrar.

9.5 CDS Accounts

Bursa Securities has already prescribed our Shares listed on the Main Market to be deposited with Bursa Depository. Accordingly, the Rights Shares shall be prescribed securities and as such, all dealings in the Rights Shares will be by book entry through CDS accounts and will be governed by the Central Depositories Act, Securities Industry (Central Depositories) Amendment Act, 1998 and the Rules of Bursa Depository. You must have a CDS account in order to subscribe for the Rights Shares. Failure to comply with these specific instructions or inaccuracy(ies) in the CDS account number may result in the application being rejected.

The acceptance of the Rights Shares by you or any purchaser of the Rights Shares thereof shall mean consent to receiving such Rights Shares as prescribed securities which will be credited directly into your or the purchaser's CDS account.

All Excess Rights Shares allotted shall be credited directly into the CDS account of the successful applicants.

You are required to use one (1) RSF for each CDS account. Separate RSFs must be used if you have more than one (1) CDS account having been credited with the Rights Shares. If successful, the Rights Shares that you subscribed for will be credited into the CDS account where the Provisional Right Shares are standing to the credit.

9.6 Foreign Shareholders

This Abridged Prospectus, NPA and the RSF are not intended to be (and will not be) issued, circulated or distributed and the Rights Issue is not intended to be (and will not be) made or offered for purchase or subscription, in any country or jurisdiction other than Malaysia or to persons who are or may be subject to the laws of any country or jurisdiction other than, nor under or in accordance with any laws other than that of, nor lodged, registered or approved by any regulatory authority or relevant body other than those in Malaysia.

The Rights Issue to which this Abridged Prospectus relates is only available to Entitled Shareholders receiving this Abridged Prospectus and the RSF electronically or otherwise within Malaysia. Accordingly, this Abridged Prospectus, NPA and RSF will not be sent to Foreign Shareholders who do not have a registered address in Malaysia as stated in our Record of Depositors. Foreign Shareholders may also collect or authorise any other person to collect on their behalf, the Abridged Prospectus including the accompanying documents from our Share Registrar, in which event, our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and/or authority of the person collecting the aforesaid documents.

If you accept the Rights Issue, we will assume that such acceptance would not be in breach of the laws of any jurisdiction that you are subject to and that such Rights Issue were accepted by you in, and subject to the laws of Malaysia.

Nevertheless, our Board reserves the right, in their absolute discretion, to treat any acceptance as invalid and/or ineffective, if they believe or have reason to believe that such acceptance may violate applicable legal or regulatory requirements.

It shall be your sole responsibility to consult your legal and/or other professional advisers and to satisfy yourself as to whether your acceptance or renunciation (as the case may be) of all or part of your entitlements to the Rights Issue would result in the contravention of any law to which you are subject (including those of any country or jurisdiction other than Malaysia, if any). Neither Uzma nor KIBB, being the Principal Adviser or any other advisers to the Rights Issue, shall accept any responsibility or liability whatsoever to any party in the event that such acceptance or renunciation by you and/or your renounee(s) is or shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

Remittances by Foreign Shareholders and/or their renounee(s) who wish to accept the Rights Issue subject to the above conditions must be made in the manner prescribed in Sections 9.2 and 9.4 of this Abridged Prospectus.

If you are a Foreign Shareholder, by signing the RSF, you and/or your renounee(s) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Company, our Board and officers, and other advisers to the Rights Issue that:

- (a) our Company would not, by acting on the acceptance or renunciation in connection with the Rights Issue, be in breach of the laws of any jurisdiction to which you and/or your renounee(s) is or might be subject to;
- (b) you and/or your renounee(s) have complied with the laws to which you and/or your renounee(s) are or may be subject to in connection with the acceptance or renunciation;

- (c) you and/or your renounee(s) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the Rights Shares, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (d) you and/or your renounee(s) are aware that the Rights Shares can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (e) you and/or your renounee(s) have respectively received a copy of this Abridged Prospectus and have read and understood the contents of this Abridged Prospectus; and
- (f) you and/or your renounee(s) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares.

9.7 Notice of Allotment

Upon the allotment of the Rights Shares in respect of your acceptance and Excess Rights Shares Application(s) (if any), the Rights Shares shall be credited into your CDS account. No physical certificates will be issued to you in respect of the Rights Shares. However, a notice of allotment will be despatched to you by ORDINARY POST within eight (8) Market Days from the last date of acceptance and payment of the Rights Shares / Excess Rights Shares Application(s) at the address shown in Bursa Depository's records at your own risk.

Where any application for the Rights Shares is not accepted due to non-compliance with the terms of the Rights Issue or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and shall be despatched by ORDINARY POST to you within fifteen (15) Market Days from the last date of acceptance and payment of the Rights Shares / Excess Rights Shares Application(s) to the address shown in Bursa Depository's records at your own risk.

The allotment of the Rights Shares, despatch of notices of allotment and application to Bursa Securities for the quotation of the Shares must be made within eight (8) Market Days from the last day for the acceptance and payment of the Rights Shares.

YOU SHOULD NOTE THAT ALL RSF AND REMITTANCES LODGED WITH OUR SHARE REGISTRAR WILL BE IRREVOCABLE AND CANNOT SUBSEQUENTLY BE WITHDRAWN.

THE LATEST TIME AND DATE FOR ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES WILL BE AT 5.00 P.M. ON 11 JULY 2014 OR SUCH LATER DATE AND TIME AS OUR BOARD MAY DECIDE AND ANNOUNCE NOT LESS THAN TWO (2) MARKET DAYS BEFORE THE STIPULATED DATE AND TIME.

AN APPLICATION SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

10. TERMS AND CONDITIONS

The issue of the Rights Shares pursuant to the Rights Issue is governed by the terms and conditions set out in this Abridged Prospectus and the accompanying RSF and NPA.

11. FURTHER INFORMATION

Please refer to the attached Appendices for further information.

Yours faithfully
for and on behalf of the Board of
UZMA BERHAD



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

**CERTIFIED TRUE EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING
HELD ON 10 JUNE 2014 IN RELATION TO THE RIGHTS ISSUE**

UZMA BERHAD
(Company No. 769866-V)
(Incorporated in Malaysia)

EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING
HELD ON 10 JUNE 2014

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE RIGHTS ISSUE OF 132,000,000 NEW ORDINARY SHARES OF RM0.50 EACH ("RIGHTS SHARES") AT AN ISSUE PRICE OF RM0.75 PER RIGHTS SHARE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE OF RM0.50 ("SHARE") EACH HELD IN UZMA BERHAD AT AN ENTITLEMENT DATE TO BE DETERMINED LATER ("PROPOSED RIGHTS ISSUE")

THAT subject to passing of the Ordinary Resolution 2 and the approvals of all relevant parties and/or authorities being obtained (where required), approval be and is hereby given to the Board for the following:

- (a) provisionally allot by way of a renounceable rights issue of 132,000,000 new ordinary shares of RM0.50 each ("**Rights Shares**") at an issue price of RM0.75 per Rights Share payable in full upon acceptance, to the shareholders of the Company whose names appear in the Record of Depositors at the close of business on an entitlement date to be determined by the Board on the basis of one (1) Rights Share for every one (1) existing ordinary share of RM0.50 ("**Shares**") held, and on such other terms and conditions as the Board may determine ("**Proposed Rights Issue**") **AND THAT** all such Rights Shares shall upon issuance and allotment, rank *pari passu* in all respects with the existing Shares in the Company except that they will not be entitled to any dividends, rights, allotments and/or any other distributions, the entitlement date of which is prior to the allotment of the Rights Shares; and
- (b) utilise the proceeds from the Proposed Rights Issue for such purposes and in such manner as set out in the Circular to Shareholders dated 23 May 2014 and the Board be authorised to revise the utilisation of proceeds as the Board may deem fit or expedient subject to where required, the approval of the relevant authorities, if necessary.

THAT the Board be and is hereby authorised to do all such acts, deed and things and execute, sign, deliver and cause to be delivered on behalf of the Company all such transactions, arrangements, agreements and/or documents as may be necessary or expedient in order to implement, give full effect to and complete the Proposed Rights Issue with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments to the terms of the Proposed Rights Issue as the Board may deem fit, necessary and/or expedient in the interest of the Company or as may be required by the relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments including but not limited to the variation of the issue price and to do all such acts and things in any manner as it may consider necessary or expedient to implement, finalise and give full effect to the Proposed Rights Issue.

CERTIFIED TRUE EXTRACT OF THE MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 10 JUNE 2014 IN RELATION TO THE RIGHTS ISSUE (Cont'd)

PAGE 2
UZMA BERHAD (769866-V)
EXTRACT OF MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 10 JUNE 2014

ORDINARY RESOLUTION 2

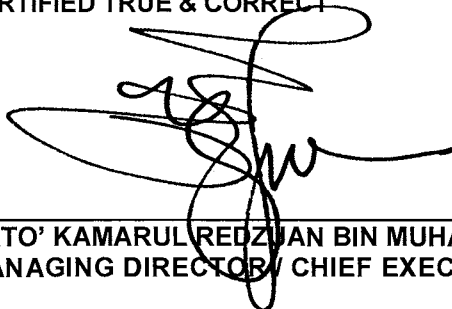
PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF UZMA FROM RM100,000,000 COMPRISING OF 200,000,000 ORDINARY SHARES OF RM0.50 EACH TO RM250,000,000 COMPRISING OF 500,000,000 ORDINARY SHARES OF RM0.50 EACH AND IN CONSEQUENCE THEREOF, THE COMPANY'S MEMORANDUM OF ASSOCIATION BE ALTERED ACCORDINGLY ("PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL")

THAT, subject to passing of the Ordinary Resolution 1, the authorised share capital of the Company be and is hereby increased from RM100,000,000 comprising of 200,000,000 ordinary shares of RM0.50 each to RM250,000,000 comprising of 500,000,000 ordinary shares of RM0.50 each by the creation of additional 300,000,000 new ordinary shares of RM0.50 each and that in consequence thereof, the Company's Memorandum of Association be and is hereby altered accordingly;

AND THAT the Board be and is hereby authorized to do all such acts and things as are necessary and/or expedient in order to give full effect to the Proposed Increase in Authorised Share Capital with full power to assent to any conditions, modifications and/or amendments as may be required by any relevant parties to give effect to the Proposed Increase in Authorised Share Capital.

Dated: 10 June 2014

CERTIFIED TRUE & CORRECT



**DATO' KAMARUL REDZUAN BIN MUHAMED
MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER**

INFORMATION ON UZMA**1. HISTORY AND BUSINESS**

Uzma was incorporated in Malaysia under the Act on 17 April 2007 as a public limited company. The Group was listed on the Second Board of Bursa Securities on 21 July 2008. Pursuant to the merger of the Main Board and the Second Board of Bursa Securities, the Group was listed on the Main Market of Bursa Securities with effect from 3 August 2009.

Uzma is principally engaged in the business of investment holding while the principal activities of its subsidiaries are set out in Section 6 of this Appendix.

2. SHARE CAPITAL

The authorised, issued and paid-up share capital of the Company as at the LPD are as follows:

	No. of Uzma Shares	Par value RM	Amount RM
Authorised *	200,000,000	0.50	100,000,000
Issued and fully paid-up	132,000,000	0.50	66,000,000

Note:

* To accommodate the issuance of the Rights Shares, Uzma will increase the authorised share capital of the Company to RM250,000,000 comprising 500,000,000 Shares pursuant to the Increase in the Authorised Share Capital for which approval was obtained from the shareholders of the Company on 10 June 2014.

3. CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

Details of changes in the issued and paid-up share capital of our Company over the last three (3) years up to the LPD (i.e. between 10 June 2011 to 10 June 2014) are as follows:

Issued and paid-up Share Capital

Date of Allotment	No. of Shares Allotted	Par value (RM)	Consideration / Type of Issue	Cumulative Issued and Paid-up Share Capital (RM)
28 March 2012	8,000,000	0.50	Cash (Private placement)	44,000,000
16 July 2012	44,000,000	0.50	Otherwise than cash (Bonus Issue)	66,000,000

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INFORMATION ON UZMA (Cont'd)

4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

The proforma effects of the Rights Issue on the substantial shareholders and their shareholdings in our Company as at the LPD is set out below:

Substantial Shareholders	Shareholdings as at LPD			After the Rights Issue								
	Direct		Indirect	Minimum Scenario			Maximum Scenario					
	No. of Shares	%		Direct	No. of Shares	%	Direct	No. of Shares	%	Indirect	No. of Shares	%
DKRM	54,549,937	41.3	12,600,058	(a) 9.5	(c) 91,099,874	43.2	43,200,116	(a) 20.5	(c) 91,099,874	34.5	43,200,116	(a) 16.3
DRMS	12,600,058	9.5	54,549,937	(b) 41.3	(c) 43,200,116	20.5	91,099,874	(b) 43.2	(c) 43,200,116	16.3	91,099,874	(b) 34.5
LTH	9,919,100	7.5	-	-	19,838,200	9.4	-	-	19,838,200	7.5	-	-

Notes:

(a) Deemed interested by virtue of his spouse, DRMS's interest.

(b) Deemed interested by virtue of her spouse, DKRM's interest.

(c) Pursuant to the proposed transfer by DKRM of 18,000,000 of his entitlement to the Rights Shares to DRMS, as disclosed under Section 2.4 of this Abridged Prospectus.

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INFORMATION ON UZMA (Cont'd)

5. DIRECTOR'S SHAREHOLDINGS

The particulars of the Company's Directors are set out under the Corporate Information Section of this Abridged Prospectus.

The proforma effects of the Rights Issue on the shareholdings of the Directors based on the Register of Directors' Shareholdings as at the LPD, assuming all Directors subscribe for their respective entitlements are set out as follows:

Directors	Shareholdings as at LPD			After the Rights Issue						
	Direct		Indirect	Minimum Scenario			Maximum Scenario			
	No. of Shares	%	No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	Direct No. of Shares	%	Indirect No. of Shares	%
DKRM	54,549,937	41.3	12,600,058	(c) 91,099,874	43.2	43,200,116	(c) 91,099,874	34.5	43,200,116	(a) 16.3
DRMS	12,600,058	9.5	54,549,937	(c) 43,200,116	20.5	91,099,874	(c) 43,200,116	16.3	91,099,874	(b) 34.5
DCNCH	1,000,000	0.8	-	(d) 2,000,000	0.9	-	(d) 2,000,000	0.8	-	-
Datuk Seri Syed Ali Bin Tan Sri Syed Abbas Alhabshee	111,450	0.1	-	111,450	0.1	-	222,900	0.1	-	-
Peter Angus Knowles	75,000	0.1	-	75,000	*	-	150,000	0.1	-	-
Dato' Dr. (H) Ab Wahab Bin Haji Ibrahim	-	-	-	-	-	-	-	-	-	-
Yahya Bin Razali	-	-	-	-	-	-	-	-	-	-

Notes:

(a) Deemed interested by virtue of his spouse, DRMS's interest.

(b) Deemed interested by virtue of her spouse, DKRM's interest.

(c) Pursuant to the proposed transfer by DKRM of 18,000,000 of his entitlement to the Rights Shares to DRMS, as disclosed under Section 2.4 of this Abridged Prospectus.

(d) Pursuant to the Shareholders Undertakings as set out under Section 2.4 of this Abridged Prospectus.

* Negligible

INFORMATION ON UZMA (Cont'd)
6. INVESTMENTS IN SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES
6.1 Details of Subsidiaries

The particulars of our subsidiaries as at the LPD are as follows:

Company	Date and place of incorporation	Issued and paid-up capital/ Registered capital	Effective equity interest %	Principal activities
MECAS	27 December 1990 Malaysia	RM100,000	70	Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
UESB	19 May 2000 Malaysia	RM6,300,000	100	Provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.
Uzma Consulting Limited*	26 September 2003 Thailand	THB2,000,000	49	Provision of sub-surface software and consultancy services for oil and gas industries.
Uzma Engineering Pty. Ltd.	3 March 2006 Australia	^AUD100,000	100	Provision of geoscience and reservoir engineering services and management systems.
PT Uzma	25 June 2007 Indonesia	#IDR909,700,000	95	Provision of consultancy services in oil and gas industries.
Uzma Teras Sdn. Bhd.	19 January 2009 Malaysia	RM2.00	100	Provision of aviation engineering, support services and agency business of aircraft and machines.
Tenggara Analisis Sdn. Bhd.	3 November 2011 Malaysia	RM2.00	100	Investment holding.
Uzma Tracer Sdn. Bhd.	16 August 2013 Malaysia	RM100,000	70	General trading, land and property investment and investment holding.
Uzma Energy Venture (Sarawak) Sdn Bhd	8 November 2013 Malaysia	RM100,000	100	Investment holding and oil and gas extraction service activities.
WST*	27 May 2014 Thailand	THB100,000	49	Investment holding.

Note:

* Uzma Consulting Limited and WST 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 controls the Board.

^ Australian Dollar

Indonesian Rupiah

INFORMATION ON UZMA (Cont'd)**6.2 Details of Associated Company**

The particulars of our associated company as at the LPD are as follows:

Company	Date and place of incorporation	Issued and paid-up capital	Effective equity interest %	Principal activities
Sazma Aviation Sdn. Bhd.	18 December 1998 Malaysia	RM500,000	40	Provision of professional aviation services, trading, ground handling services, general merchant agent, carrier and air transportation.

6.3 Details of Joint Venture

The particulars of our joint venture company as at the LPD are as follows:

Company	Date and place of incorporation	Issued and paid-up capital	Effective equity interest %	Principal activities
Setegap Ventures Petroleum Sdn. Bhd.	7 December 2004 Malaysia	RM5,178,548	30	Provision of oil and gas services.

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INFORMATION ON UZMA (Cont'd)**7. PROFIT RECORD**

The summary of Uzma Group's audited consolidated financial results from the FYE 2011 to 2013 and the unaudited consolidated financial results for the three (3)-month FPE 31 March 2014 are set out below:

	←----- Audited ----->			Unaudited
	←----- FYE 31 December ----->			FPE 31 March
	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	192,560	289,242	405,902	97,718
Gross profit	41,019	63,423	83,780	22,225
Other income	1,104	835	1,731	205
Administrative expenses	(21,010)	(27,426)	(31,886)	(8,542)
Operating expenses	(3,549)	(6,102)	(9,030)	(2,490)
Finance costs	(875)	(1,565)	(3,112)	(545)
Share of results in an associate, net of tax	-	-	125	-
Share of results in joint ventures, net of tax	(24)	2,940	4,458	1,449
Profit before tax ("PBT")	16,665	32,105	46,066	12,302
Tax expense	(3,875)	(8,243)	(11,182)	(2,802)
Profit after tax ("PAT")	12,790	23,862	34,884	9,500
Attributable to:				
Owners of the Company	12,062	22,183	33,064	8,428
Non-controlling interests	728	1,679	1,820	1,072
Earnings before interest, tax and depreciation	19,186	37,013	53,370	14,008
Weighted average number of Shares in issue ('000)	80,000	130,077	132,000	132,000
Basic EPS (sen)	15.1	17.1	25.0	6.38
Gross profit margin (%)	21.30	21.93	20.64	22.74
PBT margin (%)	8.65	11.10	11.35	12.59
PAT margin (%)	6.64	8.25	8.59	9.72
Dividend (sen)	-	-	2	-

Commentaries on financial performance**Three (3) months FPE 31 March 2014**

For the FPE 31 March 2014, Uzma recorded a PAT of RM9.50 million on revenue of RM97.72 million compared to a PAT of RM9.39 million on revenue of RM88.89 million for the corresponding three (3) months FPE 31 March 2013. The increase in revenue and profit was due to the continuous contribution of the long term contracts secured by the Group.

The Group recorded a marginal increase in PBT of approximately 1.0% as compared to the corresponding quarter of FPE 31 March 2013 mainly because of higher gross profit and share of profit of investments accounted for using the equity method, offset by higher administrative expenses.

INFORMATION ON UZMA (Cont'd)

FYE 31 December 2013

For the FYE December 2013, Uzma recorded a PAT of RM34.90 million on revenue of RM405.90 million compared to a PAT of RM23.90 million on revenue of RM289.24 million for the FYE 31 December 2012. The revenue recorded in FYE 2013 was higher compared to that recorded in FYE 2012, reflecting the increased contribution from all the operations of the Group. Uzma also declared an EPS totalling RM0.25 per share, an increase of 47.05% from the RM0.17 per share reported in FYE 2012. The improved performance can be attributed to the Group's expansion in the oil and gas industry through investments in brownfield rejuvenation and idle well operations. Uzma's broad-based participation in the exploration and production sectors has resulted in more diversified revenue mix for the FYE 31 December 2013, with the geosciences and production services continuing to contribute to the growth of the Company.

FYE 31 December 2012

For the FYE 31 December 2012, Uzma recorded PAT of RM23.86 million and revenue of RM289.24 million, an increase of approximately 86.56% and 50.20% respectively as compared to the previous FYE 31 December 2011. The Company saw an increase of approximately 92.64% in the PBT compared to FYE 31 December 2011. The EPS increased by approximately 13.33% from RM0.15 in FYE 2011 to RM0.17 in FYE 2012. The improved performance was mainly due to increased contributions from the well services division, geosciences and petroleum engineering division and production operations and optimisation services.

FYE 31 December 2011

For the FYE 31 December 2011, Uzma reported revenue of RM192.56 million, an increase of approximately 65.85% compared to the revenue in the FYE 2010 of RM116.09 million, mainly contributed by Uzma's production optimization and consultancy services. The year also saw the successful launch of uzmaWIRELINE, a service offered within the well services division, with two active projects that contributed healthily to the revenue and profit of the Group for the FYE 2011. Uzma's PAT in FYE 31 December 2011 was RM12.79 million compared with a net loss of RM1.22 million in the FYE 2010.

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INFORMATION ON UZMA (Cont'd)**8. HISTORICAL SHARE PRICES**

The monthly highest and lowest market prices of Uzma Shares traded on Bursa Securities for the past twelve (12) months preceding the date of this Abridged Prospectus are as follows:

	Highest (RM)	Lowest (RM)
2013		
May	3.19	2.14
June	3.53	3.05
July	4.09	3.10
August	4.05	3.60
September	4.64	3.78
October	4.86	4.10
November	4.92	4.40
December	5.00	4.54
2014		
January	5.93	4.83
February	6.70	5.70
March	6.32	5.50
April	6.42	5.91
May	6.06	5.76

Last transacted price of Uzma Shares on 17 March 2014 (*being the Market Day immediately prior to the Announcement of the Rights Issue*) RM5.60

Last transacted price of Uzma Shares as at the LPD RM6.28

Last transacted price of Uzma Shares on 23 June 2014 (*being the Market Day immediately prior to the ex-date in respect of the Rights Issue*) RM6.19

Source: Bloomberg

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PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



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13 June 2014

The Board of Directors
Uzma Berhad
No 68 & 70, Fraser Business Park
Jalan Metro Pudu 2, Off Jalan Yew
55200 Kuala Lumpur

Dear Sirs,

**UZMA BERHAD ("UZMA" OR "THE COMPANY")
REPORTING ACCOUNTANTS' LETTER ON THE COMPILATION OF PRO FORMA
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION INCLUDED IN THE ABRIDGED
PROSPECTUS TO SHAREHOLDERS**

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position of UZMA as at 31 December 2013, together with the accompanying notes thereto. The pro forma consolidated statements of financial position, as set out in Appendix A of this letter (which we have stamped for the purpose of identification), has been compiled by the Board of Directors for the inclusion in the Abridged Prospectus to Shareholders of UZMA in relation to the renounceable rights issue of 132,000,000 new ordinary shares of RM0.50 each ("**Rights Shares**") at an issue price of RM0.75 per Rights Share on the basis of one (1) Rights Share for every one (1) existing ordinary share of RM0.50 each ("**Shares**") held in UZMA at 5.00 p.m. on 26 June 2014 ("**Rights Issue**").

The pro forma consolidated statements of financial position has been compiled by the Board of Directors to illustrate the impact of the Rights Issue, as set out in Note 1 of the pro forma consolidated statements of financial position, on UZMA's financial position as at 31 December 2013.

As part of this process, information about UZMA's financial position has been extracted by the Board of Directors from UZMA's audited consolidated financial statements for the financial year ended 31 December 2013, on which the audit report was dated 24 April 2014.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



Directors' responsibilities for the pro forma consolidated statements of financial position

The Board of Directors of UZMA is solely responsible for compiling the pro forma consolidated statements of financial position on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

Our Responsibilities

Our responsibility is to express an opinion, as required by the Bursa Securities Malaysia Berhad, about whether the pro forma consolidated statements of financial position has been compiled, in all material respects, by the Board of Directors on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information included in the Abridged Prospectus to Shareholders, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in Note 1 of the pro forma consolidated statements of financial position.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position included in the Abridged Prospectus to Shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



Our Responsibilities (Cont'd)

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis set out in Note 1 of the pro forma consolidated statements of financial position involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the pro forma consolidated statements of financial position provides a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of UZMA, the event or transaction in respect of which the pro forma consolidated statements of financial position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

Opinion

In our opinion,

- (a) the pro forma consolidated statements of financial position of UZMA, which have been prepared by the Directors of the Company, have been prepared on the basis of assumptions as set out in the accompanying notes using financial statements prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and in a manner consistent with both the format of the financial statements and the accounting policies adopted by UZMA; and
- (b) each material adjustment made to the information used in the preparation of the pro forma consolidated statements of financial position is appropriate for the purposes of preparing the pro forma consolidated statements of financial position.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



Other Matters

We understand that this letter is issued solely for the purpose of inclusion in the Abridged Prospectus to Shareholders in connection with the Rights Issue. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully

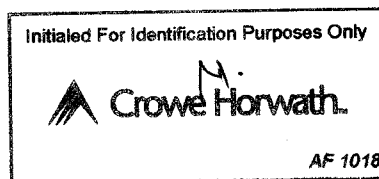
A handwritten signature in black ink, appearing to be "A. Lee", written over the Crowe Horwath logo.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "Chua Wai Hong", written in a cursive style.

Chua Wai Hong
Approval No: 2974/09/15 (J)
Chartered Accountant

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



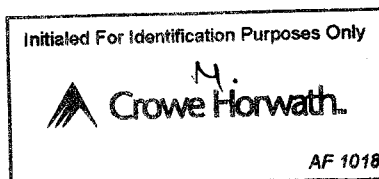
APPENDIX A

UZMA BERHAD ("UZMA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

MINIMUM SCENARIO

		Pro forma I	Pro forma II After Pro forma I and Utilisation of Proceeds
	UZMA Audited as at 31.12.2013 RM'000	After the Rights Issue RM'000	RM'000
Note			
ASSETS			
NON-CURRENT ASSETS			
	Investment in an associate	325	325
	Investment in joint ventures	15,754	15,754
	Other investment	11	11
2	Property, plant and equipment	41,739	91,868
	Deferred tax assets	38	38
	Goodwill on consolidation	1,653	1,653
		59,520	109,649
CURRENT ASSETS			
	Inventories	6,193	6,193
	Trade receivables	113,096	113,096
	Other receivables, deposits and prepayments	7,709	7,709
	Amount owing by contract customers	14,538	14,538
	Amount owing by an associate	2,887	2,887
	Tax recoverable	53	53
	Short-term investments	532	532
	Fixed deposits with licensed banks	12,597	12,597
3	Cash and bank balances	24,381	32,381
		181,986	189,986
	TOTAL ASSETS	241,506	299,635

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



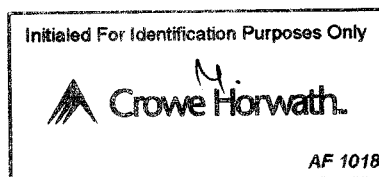
APPENDIX A

UZMA BERHAD ("UZMA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

MINIMUM SCENARIO (CONT'D)

	Note	UZMA Audited as at 31.12.2013 RM'000	Pro forma I After the Rights Issue RM'000	Pro forma II After Pro forma I and Utilisation of Proceeds RM'000
EQUITY AND LIABILITIES				
EQUITY				
Share capital	4	66,000	105,419	105,419
Share premium	5	11,921	30,631	30,631
Merger deficit		(29,700)	(29,700)	(29,700)
Capital reserve		51	51	51
Foreign exchange translation reserve		(135)	(135)	(135)
Retained profits		80,328	80,328	80,328
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		128,465	186,594	186,594
NON-CONTROLLING INTERESTS		6,973	6,973	6,973
TOTAL EQUITY		135,438	193,567	193,567
NON-CURRENT LIABILITIES				
Deferred tax liability		2,377	2,377	2,377
Long-term borrowings		15,718	15,718	15,718
		18,095	18,095	18,095
CURRENT LIABILITIES				
Trade payables		62,509	62,509	62,509
Other payables and accruals		6,570	6,570	6,570
Provision for taxation		2,130	2,130	2,130
Short-term borrowings		6,412	6,412	6,412
Bank overdraft		10,352	10,352	10,352
		87,973	87,973	87,973
TOTAL LIABILITIES		106,068	106,068	106,068
TOTAL EQUITY AND LIABILITIES		241,506	299,635	299,635

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



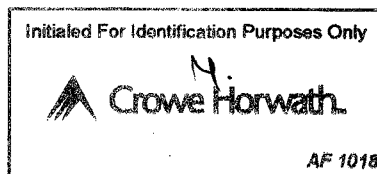
APPENDIX A

**UZMA BERHAD ("UZMA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

MINIMUM SCENARIO (CONT'D)

		UZMA	Pro forma I	Pro forma II
	Note	Audited as at 31.12.2013	After the Rights Issue	After Pro forma I and Utilisation of Proceeds
Number of Shares outstanding ('000)	4	132,000	210,839	210,839
Net assets ("NA") (RM'000)		128,465	186,594	186,594
NA per Share (RM)		0.97	0.89	0.89
Total borrowings (RM'000)		32,482	32,482	32,482
Gearing (times)		0.25	0.17	0.17

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



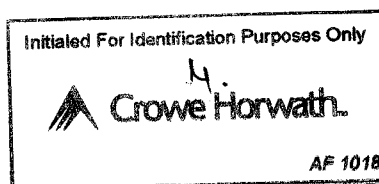
APPENDIX A

**UZMA BERHAD ("UZMA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

MAXIMUM SCENARIO

		Pro forma I	Pro forma II
			After
			Pro forma I
			and
			Utilisation of
			Proceeds
Note	UZMA Audited as at 31.12.2013 RM'000	After the Rights Issue RM'000	RM'000
ASSETS			
NON-CURRENT ASSETS			
	Investment in an associate	325	325
	Investment in joint ventures	15,754	15,754
	Other investment	11	11
2	Property, plant and equipment	41,739	131,739
	Deferred tax assets	38	38
	Goodwill on consolidation	1,653	1,653
		59,520	149,520
CURRENT ASSETS			
	Inventories	6,193	6,193
	Trade receivables	113,096	113,096
	Other receivables, deposits and prepayments	7,709	7,709
	Amount owing by contract customers	14,538	14,538
	Amount owing by an associate	2,887	2,887
	Tax recoverable	53	53
	Short-term investments	532	532
	Fixed deposits with licensed banks	12,597	12,597
3	Cash and bank balances	24,381	32,381
		181,986	189,986
TOTAL ASSETS		241,506	339,506

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



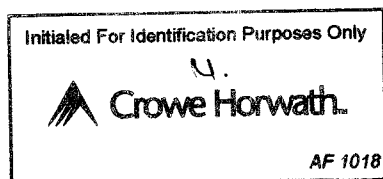
APPENDIX A

UZMA BERHAD ("UZMA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

MAXIMUM SCENARIO (CONT'D)

		Pro forma I	Pro forma II After Pro forma I and Utilisation of Proceeds
	UZMA Audited as at 31.12.2013 RM'000	After the Rights Issue RM'000	RM'000
Note			
EQUITY AND LIABILITIES			
EQUITY			
	4	66,000	132,000
Share capital			132,000
Share premium	5	11,921	43,921
Merger deficit		(29,700)	(29,700)
Capital reserve		51	51
Foreign exchange translation reserve		(135)	(135)
Retained profits		80,328	80,328
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		128,465	226,465
NON-CONTROLLING INTERESTS		6,973	6,973
TOTAL EQUITY		135,438	233,438
NON-CURRENT LIABILITIES			
Deferred tax liability		2,377	2,377
Long-term borrowings		15,718	15,718
		18,095	18,095
CURRENT LIABILITIES			
Trade payables		62,509	62,509
Other payables and accruals		6,570	6,570
Provision for taxation		2,130	2,130
Short-term borrowings		6,412	6,412
Bank overdraft		10,352	10,352
		87,973	87,973
TOTAL LIABILITIES		106,068	106,068
TOTAL EQUITY AND LIABILITIES		241,506	339,506

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



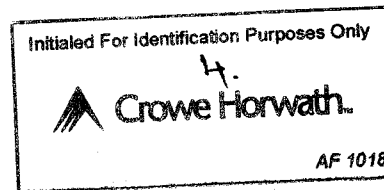
APPENDIX A

**UZMA BERHAD ("UZMA")
 PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013**

MAXIMUM SCENARIO (CONT'D)

		UZMA	Pro forma I	Pro forma II
	Note	Audited as at 31.12.2013	After the Rights Issue	After Pro forma I and Utilisation of Proceeds
Number of Shares outstanding ('000)	4	132,000	264,000	264,000
Net assets ("NA") (RM'000)		128,465	226,465	226,465
NA per Share (RM)		0.97	0.86	0.86
Total borrowings (RM'000)		32,482	32,482	32,482
Gearing (times)		0.25	0.14	0.14

**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)**



APPENDIX A

**UZMA BERHAD ("UZMA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

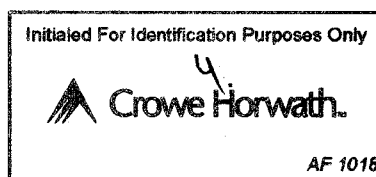
1. Basis Of Preparation

The Pro Forma Consolidated Statements of Financial Position of UZMA have been prepared based on the audited Consolidated Statements of Financial Position of UZMA as at 31 December 2013.

The pro forma consolidated statements of financial position of UZMA have been prepared on the assumption that had the Rights Issue as described in Note 1(a) and 1(b) below, been effect as at 31 December 2013. The pro forma consolidated statements of financial position have been properly compiled on the basis stated using financial statements prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and in a manner consistent with both the format of the financial statements and the accounting policies of UZMA.

The pro forma consolidated statements of financial position have been prepared solely for illustrative purposes, to show the effects after completion of the Rights Issue to raise gross proceeds of RM59.13 million for Minimum Scenario (Minimum level of subscription for the Rights Issue of 78,838,695 Rights Shares) and RM99.00 million for Maximum Scenario (Assuming all entitled shareholders subscribe in full for their respective entitlements under the Rights Issue).

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



APPENDIX A

UZMA BERHAD ("UZMA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

1. Basis Of Preparation (Cont'd)

The details of minimum and maximum scenarios are set out below:-

(a) Minimum Scenario

The minimum scenario assumes the following:

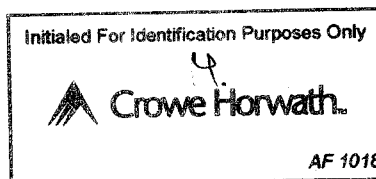
- (i) Full subscription and issuance of 78,838,695 Rights Shares at an indicative issue price of RM0.75 per Rights Share to raise indicative gross proceeds of RM59.13 million on the basis of one (1) Rights Share for every one (1) existing Share held in Uzma. It also incorporates the effects of estimated expenses of RM1,000,000 in relation to the Rights Issue; and
- (ii) The utilisation of proceeds from the Rights Issue as though they were affected as of that date.

(b) Maximum Scenario

The maximum scenario assumes the following:-

- (i) Full subscription and issuance of 132,000,000 Rights Shares at an indicative issue price of RM0.75 per Rights Share to raise indicative gross proceeds of RM99.00 million on the basis of one (1) Rights Share for every one (1) existing Share held in Uzma. It also incorporates the effects of estimated expenses of RM1,000,000 in relation to the Rights Issue; and
- (ii) The utilisation of proceeds from the Rights Issue as though they were affected as of that date.

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



APPENDIX A

**UZMA BERHAD ("UZMA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

1. Basis Of Preparation (Cont'd)

1.1 Pro forma I

The full subscription and issuance of 78,838,695 Rights Shares under Minimum Scenario would give rise to an increase in the issued and paid-up share capital of UZMA of RM39,419,300. Share premium will increase by RM19,709,700 to RM30,630,400 after netting off estimated expenses of RM1,000,000. The full subscription of 78,838,695 Rights Shares will generate gross cash proceeds of RM58,129,000 after netting off estimated expenses of RM1,000,000.

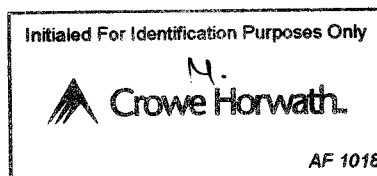
The full subscription and issuance of 132,000,000 Rights Shares under Maximum Scenario would give rise to an increase in the issued and paid-up share capital of UZMA of RM66,000,000. Share premium will increase by RM33,000,000 to RM43,920,700 after netting off estimated expenses of RM1,000,000. The full subscription of 132,000,000 Rights Shares will generate gross cash proceeds of RM98,000,000 after netting off estimated expenses of RM1,000,000.

1.2 Pro forma II

The total gross proceeds raised from the Rights Issue under the Minimum Scenario and Maximum Scenario amounts to RM58,129,000 and RM98,000,000 after netting off estimated expenses of RM1,000,000 for both scenarios. The expected utilisation of those proceeds are as follows:-

Proposed utilisation of proceeds	Minimum Scenario RM'000	Maximum Scenario RM'000	Timeframe for utilisation
Capital expenditure	38,129	78,000	Within 24 months
Working capital	8,000	8,000	Within 12 months
High performance computing	4,500	4,500	Within 12 months
Renovation of office premises	7,500	7,500	Within 12 months
Defraying estimated expenses	1,000	1,000	Immediate
Total gross proceeds	59,129	99,000	

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



APPENDIX A

**UZMA BERHAD ("UZMA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013**

2. Property, Plant and Equipment

The movements in property, plant and equipment of UZMA are as follows:-

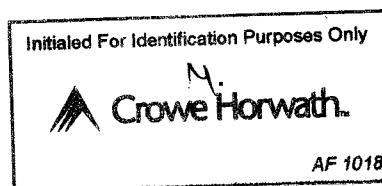
	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.12.2013 and Pro Forma I	41,739	41,739
Utilisation of proceeds:		
- capital expenditure (Note 1.2)	38,129	78,000
- high performance computing (Note 1.2)	4,500	4,500
- renovation of office premises (Note 1.2)	7,500	7,500
As per Pro Forma II	91,868	131,739

3. Cash and Bank Balances

The movements in cash and bank balances of UZMA are as follows:-

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.12.2013	24,381	24,381
Proceeds from Rights Issue	59,129	99,000
Estimated expenses related to the Rights Issue (Note 1.2)	(1,000)	(1,000)
As per Pro Forma I	82,510	122,381
Utilisation of proceeds (Note 1.2)	(50,129)	(90,000)
As per Pro Forma II	32,381	32,381

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



APPENDIX A

UZMA BERHAD ("UZMA")
NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

4. Share Capital

The movements in share capital of UZMA are as follows:-

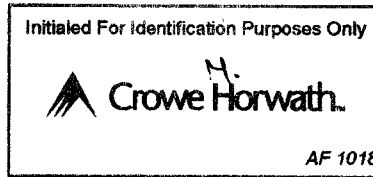
	Minimum scenario		Maximum scenario	
	No. of ordinary shares ('000)	RM'000	No. of ordinary shares ('000)	RM'000
Audited as at 31.12.2013	132,000	66,000	132,000	66,000
Arising from the Rights Issue	78,839	39,419	132,000	66,000
As per Pro Forma I and Pro Forma II	210,839	105,419	264,000	132,000

5. Share Premium

The movements in share premium of UZMA are as follows:-

	Minimum scenario RM'000	Maximum scenario RM'000
Audited as at 31.12.2013	11,921	11,921
Arising from the Rights Issue	19,710	33,000
Estimated expenses related to the Rights Issue	(1,000)	(1,000)
As per Pro Forma I and Pro Forma II	30,631	43,921

PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF UZMA AS AT 31 DECEMBER 2013 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



APPENDIX A

UZMA BERHAD ("UZMA")
NOTES TO THE PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

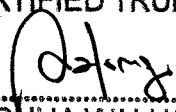
APPROVAL BY THE BOARD OF DIRECTORS

Approved by the Board of Directors in accordance with a resolution dated **13 JUN 2014**

A handwritten signature in black ink, appearing to be "Kamarul Redzuan Bin Muhamed".
.....
DATO' KAMARUL REDZUAN BIN MUHAMED
DIRECTOR
UZMA BERHADA handwritten signature in black ink, appearing to be "Che Nazahatuhisamudin Bin Che Haron".
.....
DATO' CHE NAZAHATUHSAMUDIN BIN CHE HARON
DIRECTOR
UZMA BERHAD

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON

ATTESTED COPY
CERTIFIED TRUE COPY


.....
CHUA WAI HONG
Partner
Crowe Horwath AF 1018
Chartered Accountants

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

FINANCIAL REPORT

for the financial year ended 31 December 2013

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

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 2013.

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	34,884	2,474
Attributable to:-		
Owners of the Company	33,064	2,474
Non-controlling interests	1,820	-
	<u>34,884</u>	<u>2,474</u>

DIVIDENDS

Since the end of the previous financial year, the Company declared and paid a single tier interim dividend of 2 sen per ordinary share amounting to RM2,640,000 in respect of the current financial year.

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

RESERVES AND PROVISIONS

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) 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 realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

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

Other than the contingent liability that is disclosed in Note 41 to the financial statements 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

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 NAZAHATUHSAMUDIN BIN CHE HARON
DATO' DR. (H) AB WAHAB BIN HAJI IBRAHIM
YAHYA BIN RAZALI (APPOINTED ON 19.02.2014)
MD. SHAH BIN ABDULLAH (RESIGNED ON 20.11.2013)

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 1.1.2013	BOUGHT	SOLD	AT 31.12.2013
THE COMPANY				
<i>DIRECT INTERESTS IN THE COMPANY</i>				
DATO' KAMARUL REDZUAN BIN MUHAMED	59,249,937	-	(4,700,000)	54,549,937
DATIN ROZITA BINTI MAT SHAH @ HASSAN	12,600,058	-	-	12,600,058
DATUK SERI SYED ALI BIN TAN				
SRI SYED ABBAS ALHABSHEE	111,450	-	-	111,450
PETER ANGUS KNOWLES	75,000	-	-	75,000
DATO' CHE NAZAHATUHSAMUDIN BIN CHE HARON	1,391,850	-	(391,850)	1,000,000
<i>DEEMED INTERESTS IN THE COMPANY</i>				
DATO' KAMARUL REDZUAN BIN MUHAMED [^]	12,600,058	-	-	12,600,058
DATIN ROZITA BINTI MAT SHAH @ HASSAN [*]	59,249,937	-	(4,700,000)	54,549,937

Notes:-

[^] - Deemed interested by virtue of his spouse, Datin Rozita Binti Mat Shah @ Hassan's interest.

^{*} - Deemed interested by virtue of her spouse, Dato' Kamarul Redzuan Bin Muhamed's interest.

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

The other director 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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

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

The significant events during the financial year and subsequent to the end of the reporting period are disclosed in Notes 45 and 46 to the financial statements, respectively.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD


(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

AUDITORS

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

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 24 APR 2014**



Dato' Kamarul Redzuan Bin Muhamed



Dato' Che Nazahatuhisamudin Bin Che Haron

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

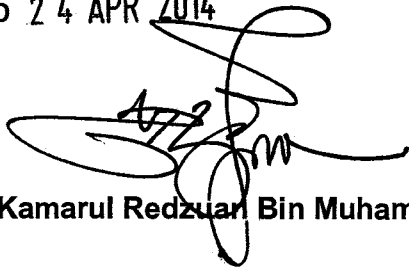
STATEMENT BY DIRECTORS

We, Dato' Kamarul Redzuan Bin Muhamed and Dato' Che Nazahatuhisamudin Bin Che Haron, being two of the directors of Uzma Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 47 on page 109, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 24 APR 2014



Dato' Kamarul Redzuan Bin Muhamed

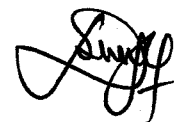


**Dato' Che Nazahatuhisamudin
Bin Che Haron**

STATUTORY DECLARATION

I, Bong Leong Sung, being the officer primarily responsible for the financial management of Uzma Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 108 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

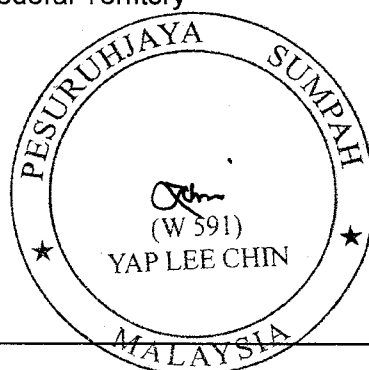
Subscribed and solemnly declared by
Bong Leong Sung,
at Kuala Lumpur in the Federal Territory
on this **24 APR 2014**



Bong Leong Sung

Before me

Commissioner for Oaths



No. 1, Tingkat 2,
Jalan Ampang,
50450 Kuala Lumpur.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

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Level 16 Tower C, Megan Avenue II
12 Jalan Yap Kwan Seng
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**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 statements of financial position as at 31 December 2013 of the Group and of the Company and 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 11 to 108.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UZMA BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No : 769866 - V

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 2013 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.

The supplementary information set out in Note 47 on page 109 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
UZMA BERHAD (CONT'D)**

(Incorporated in Malaysia)
Company No : 769866 - V

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.

A handwritten signature in black ink, appearing to be 'A. Lee'.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

24 APR 2014

Kuala Lumpur

A handwritten signature in black ink, appearing to be 'Chua Wai Hong'.

Chua Wai Hong
Approval No: 2974/09/15 (J)
Chartered Accountant

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013

	NOTE	THE GROUP		THE COMPANY	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	44,880	44,880
Investment in an associate	6	325	-	-	-
Investments in joint ventures	7	15,754	12,196	-	-
Other investment		11	11	-	-
Property, plant and equipment	8	41,739	34,953	-	-
Deferred tax assets	9	38	103	-	-
Goodwill on consolidation	10	1,653	1,653	-	-
		<u>59,520</u>	<u>48,916</u>	<u>44,880</u>	<u>44,880</u>
CURRENT ASSETS					
Inventories	11	6,193	7,988	-	-
Trade receivables	12	113,096	82,490	-	-
Other receivables, deposits and prepayments	13	7,709	11,835	18	18
Tax recoverable		53	-	22	22
Amount owing by contract customers	14	14,538	18,145	-	-
Amount owing by subsidiaries	15	-	-	27,010	25,265
Amount owing by an associate	16	2,887	-	-	-
Short-term investments	17	532	4,230	528	2,022
Fixed deposits with licensed banks	18	12,597	13,601	-	-
Cash and bank balances		24,381	23,879	304	773
		<u>181,986</u>	<u>162,168</u>	<u>27,882</u>	<u>28,100</u>
TOTAL ASSETS		<u>241,506</u>	<u>211,084</u>	<u>72,762</u>	<u>72,980</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013 (CONT'D)

	NOTE	THE GROUP		THE COMPANY	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	19	66,000	66,000	66,000	66,000
Share premium	20	11,921	11,921	11,921	11,921
Merger deficit	21	(29,700)	(29,700)	-	-
Capital reserve	22	51	51	-	-
Foreign exchange translation reserve	23	(135)	(92)	-	-
Retained profits/(Accumulated losses)	24	80,328	49,904	(5,235)	(5,069)
Equity attributable to owners of the Company		128,465	98,084	72,686	72,852
Non-controlling interests	5	6,973	5,272	-	-
TOTAL EQUITY		135,438	103,356	72,686	72,852
NON-CURRENT LIABILITIES					
Deferred tax liability	9	2,377	1,251	-	-
Long-term borrowings	25	15,718	14,130	-	-
		18,095	15,381	-	-
CURRENT LIABILITIES					
Trade payables	26	62,509	70,079	-	-
Other payables and accruals	27	6,570	8,345	76	128
Provision for taxation		2,130	2,983	-	-
Short-term borrowings	28	6,412	8,106	-	-
Bank overdraft	31	10,352	2,834	-	-
		87,973	92,347	76	128
TOTAL LIABILITIES		106,068	107,728	76	128
TOTAL EQUITY AND LIABILITIES		241,506	211,084	72,762	72,980
NET ASSETS PER ORDINARY SHARE (SEN)	32	97	74		

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	NOTE	THE GROUP		THE COMPANY	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
REVENUE	33	405,902	289,242	4,485	2,040
COST OF SALES		(322,122)	(225,819)	-	-
GROSS PROFIT		83,780	63,423	4,485	2,040
OTHER INCOME		1,731	835	23	133
		85,511	64,258	4,508	2,173
ADMINISTRATIVE EXPENSES		(31,886)	(27,426)	(984)	(1,241)
OPERATING EXPENSES		(9,030)	(6,102)	-	-
FINANCE COSTS		(3,112)	(1,565)	-	-
SHARE OF RESULTS IN AN ASSOCIATE, NET OF TAX		125	-	-	-
SHARE OF RESULTS IN JOINT VENTURES, NET OF TAX		4,458	2,940	-	-
PROFIT BEFORE TAXATION	34	46,066	32,105	3,524	932
INCOME TAX EXPENSE	35	(11,182)	(8,243)	(1,050)	(660)
PROFIT AFTER TAXATION		34,884	23,862	2,474	272
OTHER COMPREHENSIVE INCOME, NET OF TAX					
<u>Items that may be reclassified subsequently to profit or loss</u>					
Foreign currency translation differences		(51)	(20)	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		34,833	23,842	2,474	272

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)**

	NOTE	THE GROUP		THE COMPANY	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		33,064	22,183	2,474	272
Non-controlling interests		1,820	1,679	-	-
		<u>34,884</u>	<u>23,862</u>	<u>2,474</u>	<u>272</u>
TOTAL COMPREHENSIVE					
INCOME ATTRIBUTABLE TO:-					
Owners of the Company		33,021	22,169	2,474	272
Non-controlling interests		1,812	1,673	-	-
		<u>34,833</u>	<u>23,842</u>	<u>2,474</u>	<u>272</u>
EARNINGS PER SHARE					
- basic (sen)	36	25.0	17.1		
- diluted (sen)	36	N/A	N/A		

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	NON-DISTRIBUTABLE				DISTRIBUTABLE			TOTAL EQUITY RM'000	
	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
THE GROUP									
Balance at 1.1.2012	40,000	21,966	(78)	(29,700)	51	27,721	59,960	4,197	64,157
Profit after taxation for the financial year	-	-	-	-	-	22,183	22,183	1,679	23,862
Other comprehensive income for the financial year, net of tax:									
- Foreign currency translation differences	-	-	(14)	-	-	-	(14)	(6)	(20)
Total comprehensive income for the financial year	-	-	(14)	-	-	22,183	22,169	1,673	23,842
Contributions by and distributions to owners of the Company:									
- Issuance of ordinary shares under a private placement	4,000	12,000	-	-	-	-	16,000	-	16,000
- Issuance of ordinary shares under bonus issue	22,000	(22,000)	-	-	-	-	-	-	-
- Share issue expenses	-	(45)	-	-	-	-	(45)	-	(45)
- Dividends:									
- by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	(598)	(598)
Balance at 31.12.2012	66,000	11,921	(92)	(29,700)	51	49,904	98,094	5,272	103,356

The annexed notes form an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No. : 769866 - V

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)**

	NOTE	Non-DISTRIBUTABLE				DISTRIBUTABLE				TOTAL EQUITY RM'000
		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	
THE GROUP										
Balance at 31.12.2012/1.1.2013		66,000	11,921	(92)	(29,700)	51	49,904	98,084	5,272	103,356
Profit after taxation for the financial year		-	-	-	-	-	33,064	33,064	1,820	34,884
Other comprehensive income for the financial year, net of tax:										
- Foreign currency translation differences		-	-	(43)	-	-	-	(43)	(8)	(51)
Total comprehensive income for the financial year		-	-	(43)	-	-	33,064	33,021	1,812	34,833
Contributions by and distributions to owners of the Company:										
- Dividends:										
- by the Company	37	-	-	-	-	-	(2,640)	(2,640)	-	(2,640)
- by subsidiaries to non-controlling interests		-	-	-	-	-	-	-	(111)	(111)
Balance at 31.12.2013		66,000	11,921	(135)	(29,700)	51	80,328	128,465	6,973	135,438

The annexed notes form an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)**

THE COMPANY	NOTE	SHARE CAPITAL RM'000	NON- DISTRIBUTABLE SHARE PREMIUM RM'000	DISTRIBUTABLE ACCUMULATED LOSSES RM'000	TOTAL EQUITY RM'000
Balance at 1.1.2012		40,000	21,966	(5,341)	56,625
Profit after taxation/Total comprehensive income for the financial year		-	-	272	272
Contributions by and distribution to owners of the Company:					
- Issuance of ordinary shares under a private placement		4,000	12,000	-	16,000
- Issuance of ordinary shares under bonus issue		22,000	(22,000)	-	-
- Share issue expenses		-	(45)	-	(45)
Balance at 31.12.2012/1.1.2013		66,000	11,921	(5,069)	72,852
Profit after taxation/Total comprehensive income for the financial year		-	-	2,474	2,474
Contributions by and distribution to owners of the Company:					
- Dividend by the Company	37	-	-	(2,640)	(2,640)
Balance at 31.12.2013		66,000	11,921	(5,235)	72,686

The annexed notes form an integral part of these financial statements.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

	NOTE	THE GROUP		THE COMPANY	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		46,066	32,105	3,524	932
Adjustments for:-					
Allowance for impairment losses on:					
- investment in a joint venture		-	1,500	-	-
- receivables		489	13	-	-
Bad debts written off		159	67	-	-
Depreciation of property, plant and equipment		4,617	3,388	-	-
Interest expense		2,687	1,520	-	-
Loss on foreign exchange - unrealised		-	355	-	-
Share of profit, net of tax in:					
- joint ventures		(4,458)	(2,940)	-	-
- associate		(125)	-	-	-
Dividend income		-	-	(4,305)	(1,860)
Gain on foreign exchange - unrealised		(702)	(46)	-	-
Interest income		(378)	(394)	(23)	(22)
Operating profit/(loss) before working capital changes		48,355	35,568	(804)	(950)
Decrease/(Increase) in net amount owing by contract customers		3,607	(12,076)	-	-
Increase in trade and other receivables		(25,816)	(26,945)	-	(1)
(Decrease)/Increase in trade and other payables		(9,340)	33,285	(52)	(2,317)
Decrease/(Increase) in inventories		1,795	(2,538)	-	-
CASH FROM/(FOR) OPERATIONS		18,601	27,294	(856)	(3,268)
Interest paid		(2,687)	(1,520)	-	-
Income tax paid		(10,898)	(4,481)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD		5,016	21,293	(856)	(3,268)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)**

	NOTE	THE GROUP		THE COMPANY	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		5,016	21,293	(856)	(3,268)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Investment in:					
- a joint venture		-	(7,500)	-	-
- an associate		(200)	-	-	-
Dividend received		-	-	3,255	1,178
Interest received		378	394	23	22
Purchase of property, plant and equipment	8	(11,316)	(9,170)	-	-
Advances to an associate		(2,887)	-	-	-
Advances to subsidiaries		-	-	(1,745)	(11,235)
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(14,025)	(16,276)	1,533	(10,035)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES					
Proceeds from issuance of shares		-	16,000	-	16,000
Share issue expenses		-	(45)	-	(45)
Dividend paid		(2,640)	-	(2,640)	-
Dividend paid to minority shareholders by a subsidiary		(111)	(598)	-	-
Drawdown of term loans		6,464	5,733	-	-
Repayment of term loans		(6,489)	(2,424)	-	-
Repayment of hire purchase obligations		(172)	(164)	-	-
Repayment of factoring		-	(7,314)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(2,948)	11,188	(2,640)	15,955
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(11,957)	16,205	(1,963)	2,652
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		38,876	22,690	2,795	143
Effect of exchange rate differences		239	(19)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	38	27,158	38,876	832	2,795

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

1. GENERAL INFORMATION

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

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

Principal place of business : No. 68 & 70, Fraser Business Park,
Jalan Metro Pudu 2, Off Jalan Yew,
55200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 April 2014.

2. 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.

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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

3. BASIS OF PREPARATION (CONT'D)

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.

- (a) 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)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

3. BASIS OF PREPARATION (CONT'D)

- (b) 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 (2009) Financial Instruments)
MFRS 9 (2010) Financial Instruments) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)) announced) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures))
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

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3. BASIS OF PREPARATION (CONT'D)

- (b) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-
- (i) MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
 - (ii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.
 - (iii) The amendments to MFRS 136 remove the requirement to disclose the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. Therefore, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.
 - (iv) Annual Improvements to MFRSs 2010 - 2012 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application except for the amendments to MFRS 116 which will only affect the amount of accumulated depreciation of the future revaluations.
 - (v) Annual Improvements to MFRSs 2011 - 2013 Cycle. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

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4. SIGNIFICANT ACCOUNTING POLICIES**(a) Critical Accounting Estimates And Judgements**

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

(i) 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.

(ii) Income Taxes

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

(iii) 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(a) Critical Accounting Estimates And Judgements (Cont'd)***(iv) Contracts*

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

(i) Contract Revenue

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

(ii) Contract Costs

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

(v) Write-down of Inventories

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

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013****4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Critical Accounting Estimates And Judgements (Cont'd)***(vi) Impairment of Trade and Other Receivables*

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

(vii) 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.

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Functional and Foreign Currencies***(i) 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, which is the Company's functional and presentation currency.

(ii) Transactions and Balances

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

(iii) Foreign Operations

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Basis of Consolidation**

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

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

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

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

(i) Merger Accounting for Common Control Business Combinations

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

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Basis of Consolidation (Cont'd)****(i) Merger Accounting for Common Control Business Combinations (Cont'd)**

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.

(ii) Acquisition Method of Accounting for Non-common Control Business Combinations

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

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

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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Basis of Consolidation (Cont'd)****(iii) Non-Controlling Interests**

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

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

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

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

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

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

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

(d) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Investments in Subsidiaries**

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

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

(f) Investment In An Associate

An associate is an entity in which the Group 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 investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to 31 December 2013. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of the investment includes transaction costs.

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(f) Investments In An Associate (Cont'd)**

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

(g) 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 ventures.

A joint venture is a joint arrangement whereby the Group has rights only to the net assets of the arrangement. The investment in a joint venture is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the joint venture made up to 31 December 2013. The Group's share of the post acquisition profits and other comprehensive income of the joint venture is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, up to the effective date when the investment ceases to be a joint venture or when the investment is classified as held for sale. The Group's interest in the joint venture is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(g) Joint Arrangements (Cont'd)**

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Financial Instruments**

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

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

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

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

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

(i) 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.

- *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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Financial Instruments (Cont'd)***(i) Financial Assets (Cont'd)*

- *Financial Assets at Fair Value Through Profit or Loss (Cont'd)*

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

- *Held-to-maturity Investments*

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

- *Loans and Receivables Financial Assets*

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Financial Instruments (Cont'd)***(i) Financial Assets (Cont'd)*

- *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 recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

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

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

(ii) Financial Liabilities

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(h) Financial Instruments (Cont'd)***(iii) Equity Instruments*

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

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

(iv) Derecognition

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

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

(i) 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Property, Plant and Equipment (Cont'd)

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

Buildings	2%
Laboratory equipment	10%
Wireline equipment	10%
Uzmapress equipment	10%
Computers, EDP and software	20%
Furniture, fittings and renovation	20%
Motor vehicles	20%
Plant and office equipment	20%
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.

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) Impairment****(i) *Impairment of Financial Assets***

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

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) Impairment (Cont'd)***(ii) Impairment of Non-Financial Assets*

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

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

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

(k) Assets under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and are depreciated in accordance with the policy set out in Note 4(i) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(l) Inventories**

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

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

(m) 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.

(n) Income Taxes

Income tax for the year comprises current and deferred tax.

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(n) Income Taxes (Cont'd)**

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

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

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

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

(o) Cash and Cash Equivalents

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(p) Provisions**

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

(q) Borrowing Costs

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

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

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

(r) Employee Benefits**(i) Short-term Benefits**

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

(ii) Defined Contribution Plans

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(s) Related Parties**

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(t) Revenue And Other Income***(i) Contract Income*

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

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

(ii) Sale of Goods

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

(iii) Services

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

(iv) Interest Income

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

(v) Dividend Income

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(u) 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.

(v) Contingent Liabilities

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(w) Fair Value Measurements**

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

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

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5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	44,880	44,880

The details of the subsidiaries are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013	2012	
<i>Direct subsidiaries:</i> Uzma Engineering Sdn. Bhd. ("Uzma Engineering")	Malaysia	100%	100%	Provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.
Uzma Consulting Limited ("Uzma Thailand")*#	Thailand	49%	49%	Provision of surface software and consultancy services for oil and gas industries.
Uzma Engineering Pty. Ltd. ("Uzma Australia")*	Australia	100%	100%	Provision of geoscience and reservoir engineering services, and management systems.
Uzma Teras Sdn. Bhd. ("Uzma Teras")	Malaysia	100%	100%	Provision of aviation engineering, support services and agency business of aircraft and machines.
Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS")	Malaysia	70%	70%	Manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
Tenggara Analisis Sdn. Bhd. ("Tenggara Analisis")	Malaysia	100%	100%	Investment holding.
Uzma Energy Venture (Sarawak) Sdn. Bhd. ("Uzma Energy Venture")	Malaysia	100%	-	Dormant.

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013	2012	
<i>Held by Uzma Engineering:</i>				
PT Uzma	Indonesia	95%	95%	Provision of consultancy services in oil and gas industries.

- Uzma Thailand is considered a subsidiary 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.

* - not audited by Messrs. Crowe Horwath.

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

	THE GROUP	
	2013 RM'000	2012 RM'000
Uzma Thailand	1,104	970
MECAS	5,866	4,298
PT Uzma	3	4
	<u>6,973</u>	<u>5,272</u>

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	UZMA THAILAND	
	2013 RM'000	2012 RM'000
<u>At 31 December</u>		
Non-current assets	127	34
Current assets	3,346	2,880
Current liabilities	1,276	992
Net assets	<u>2,197</u>	<u>1,922</u>
<u>Financial year ended 31 December</u>		
Revenue	11,311	8,522
Profit for the financial year	495	332
Total comprehensive income	<u>480</u>	<u>343</u>
Total comprehensive income attributable to non-controlling interests	<u>245</u>	<u>164</u>
Net cash flows from operating activities	1,151	265
Net cash flows from investing activities	(99)	39
Net cash flows from financing activities	<u>(205)</u>	<u>(345)</u>

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5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	MECAS	
	2013 RM'000	2012 RM'000
<u>At 31 December</u>		
Non-current assets	556	364
Current assets	24,147	22,183
Current liabilities	5,148	8,219
Net assets	19,555	14,328
<u>Financial year ended 31 December</u>		
Revenue	38,509	28,717
Profit for the financial year	5,226	5,026
Total comprehensive income	5,226	5,026
Total comprehensive income attributable to non-controlling interests	1,568	1,508
Net cash flows from operating activities	2,685	5,009
Net cash flows (for)/from investing activities	(323)	26
Net cash flows from/(for) financing activities	27	(1,815)

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6. INVESTMENT IN AN ASSOCIATE

	THE GROUP	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	200	-
Share of post acquisition profits	125	-
	325	-

The details of the associate are as follows:-

Name of Associate	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013	2012	
Sazma Aviation Sdn. Bhd.	Malaysia	40%	-	Provision of professional aviation services, trading, ground handling services, general merchant agent, carrier and air transportation.

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6. INVESTMENT IN AN ASSOCIATE

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

	SAZMA AVIATION SDN BHD	
	2013	2012
	RM'000	RM'000
<u>At 31 December</u>		
Non-current assets	732	-
Current assets	4,692	-
Non-current liabilities	69	-
Current liabilities	4,777	-
	578	-
<u>Financial year ended 31 December</u>		
Revenue	17,781	-
Profit for the financial year	313	-
Total comprehensive income	313	-
	125	-
Group's share of profit for the financial year	125	-
Group's share of total comprehensive income	125	-
	231	-
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets above	231	-
Goodwill on acquisition	94	-
	325	-
Carrying amount of the Group's interests in this associate	325	-

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7. INVESTMENTS IN JOINT VENTURES

	THE GROUP	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost		
At 1 January	11,500	4,000
Addition during the financial year	-	7,500
At 31 December	11,500	11,500
Allowance for impairment loss:-		
At 1 January	(1,500)	-
Addition during the financial year	-	(1,500)
At 31 December	(1,500)	(1,500)
Share of post acquisition profits	10,000	10,000
	5,754	2,196
	15,754	12,196

The details of the joint ventures are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013	2012	
Uzma-Oriental Co. Ltd. *	Hong Kong	35%	35%	Investment holding.
Setegap Ventures Petroleum Sdn. Bhd.	Malaysia	30%	30%	Provision of oil and gas services.

* Subsequent to the end of the reporting period, the Group entered into a Sale and Purchase Agreement to dispose of Uzma-Oriental Co. Ltd. for a total consideration of approximately RM2,923,000 which is above the carrying amount and accordingly, no further impairment is required.

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7. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

	SETEGAP VENTURERS PETROLEUM SDN BHD	
	2013	2012
	RM'000	RM'000
<u>At 31 December</u>		
Non-current assets	17,059	14,057
Current assets	32,941	21,064
Non-current liabilities	10,097	366
Current liabilities	7,036	13,176
Redeemable convertible preference shares	3,750	4,196
	29,117	17,383
<u>Financial year ended 31 December</u>		
Revenue	69,912	42,709
Profit for the financial year	15,008	10,151
Total comprehensive income	15,008	10,151
	4,505	3,047
Group's share of profit for the financial year	4,505	3,047
Group's share of other comprehensive income	4,505	3,047
Dividend received	901	601
	8,919	5,314
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets above	8,919	5,314
Goodwill on acquisition	4,632	4,632
	13,551	9,946
Carrying amount of the Group's interests in this joint venture	13,551	9,946

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7. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

	UZMA ORIENTAL CO. LTD.	
	2013	2012
	RM'000	RM'000
<u>At 31 December</u>		
Non-current assets	2,062	1,988
Current assets	73	50
Current liabilities	426	354
	<u>1,709</u>	<u>1,684</u>
 <u>Financial year ended 31 December</u>		
Profit for the financial year	(136)	(124)
Total comprehensive income	<u>(136)</u>	<u>(124)</u>
Group's share of loss for the financial year	<u>(47)</u>	<u>(45)</u>
 <u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets above	611	658
Goodwill on acquisition	1,592	1592
Carrying amount of the Group's interests in this joint venture	<u>2,203</u>	<u>2,250</u>

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8. PROPERTY, PLANT AND EQUIPMENT

	AT 1.1.2013 RM'000	ADDITIONS RM'000	CURRENCY TRANSLATION DIFFERENCES RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2013 RM'000
THE GROUP					
NET BOOK VALUE					
Freehold land	5,740	-	-	-	5,740
Buildings	3,361	-	-	(75)	3,286
Laboratory equipment	1,300	456	-	(266)	1,490
Wireline equipment	5,836	935	-	(699)	6,072
Uzmapress equipment	16,352	8,148	-	(2,426)	22,074
Computers, EDP and software	866	823	-	(591)	1,098
Furniture, fittings and renovation	427	388	-	(247)	568
Motor vehicles	716	224	(4)	(206)	730
Plant and office equipment	355	193	-	(100)	448
Returnable shipping containers	-	240	-	(7)	233
	34,953	11,407	(4)	(4,617)	41,739

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

	AT 1.1.2012 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.12.2012 RM'000
THE GROUP				
NET BOOK VALUE				
Freehold land	5,740	-	-	5,740
Buildings	3,436	-	(75)	3,361
Laboratory equipment	1,542	2	(244)	1,300
Wireline equipment	5,316	1,088	(568)	5,836
Uzmapress equipment	10,073	7,356	(1,077)	16,352
Computers, EDP and software	1,293	304	(731)	866
Furniture, fittings and renovation	611	230	(414)	427
Motor vehicles	370	530	(184)	716
Plant and office equipment	302	148	(95)	355
	28,683	9,658	(3,388)	34,953

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

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
THE GROUP			
AT 31.12.2013			
Freehold land	5,740	-	5,740
Buildings	3,745	(459)	3,286
Laboratory equipment	2,599	(1,109)	1,490
Wireline equipment	7,425	(1,353)	6,072
Uzmapress equipment	25,662	(3,588)	22,074
Computers, EDP and software	5,383	(4,285)	1,098
Furniture, fittings and renovation	3,082	(2,514)	568
Motor vehicles	1,437	(707)	730
Plant and office equipment	1,078	(630)	448
Returnable shipping containers	240	(7)	233
	56,391	(14,652)	41,739
AT 31.12.2012			
Freehold land	5,740	-	5,740
Buildings	3,745	(384)	3,361
Laboratory equipment	2,143	(843)	1,300
Wireline equipment	6,490	(654)	5,836
Uzmapress equipment	17,514	(1,162)	16,352
Computers, EDP and software	4,560	(3,694)	866
Furniture, fittings and renovation	2,694	(2,267)	427
Motor vehicles	1,217	(501)	716
Plant and office equipment	885	(530)	355
	44,988	(10,035)	34,953

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 RM617,000 (2012 : RM715,000).

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

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	
	2013 RM'000	2012 RM'000
Freehold land	5,740	5,740
Buildings	3,286	3,361
Wireline equipment	6,072	5,836
Uzmapress equipment	21,981	16,352
	37,079	31,289

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM11,407,000 (2012 : RM9,658,000) of which RM91,000 (2012 : RM488,000) were acquired by means of hire purchase plans.

9. DEFERRED TAX ASSETS/(LIABILITY)

	THE GROUP	
	2013 RM'000	2012 RM'000
At 1 January	(1,148)	(429)
Recognised in profit or loss (Note 35)	(1,190)	(719)
Currency translation differences	(1)	-
At 31 December	(2,339)	(1,148)
Presented as follows:-		
Deferred tax assets	38	103
Deferred tax liability	(2,377)	(1,251)
	(2,339)	(1,148)

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9. DEFERRED TAX ASSETS/(LIABILITY) (CONT'D)

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

	THE GROUP	
	2013 RM'000	2012 RM'000
Deferred tax assets:-		
Allowance for impairment losses on receivables	898	821
Unutilised tax losses	-	7
Others	38	522
	<hr/>	<hr/>
	936	1,350
Deferred tax liability:-		
Accelerated capital allowances	(3,275)	(2,498)
	<hr/>	<hr/>
	(2,339)	(1,148)
	<hr/>	<hr/>

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10. GOODWILL ON CONSOLIDATION

For the purpose of impairment testing, goodwill is allocated to the Group's trading segment which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 4 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	2013	2012
Gross Margin	32%	25%
Growth Rate	6%	6%
Discount Rate	6%	6%

- | | | |
|-------|-------------------------|--|
| (i) | Budgeted gross margin | Average gross margin projected for the financial year ending 31 December 2014. |
| (ii) | Growth rate | Based on the expected projection of the type of business. |
| (iii) | Discount rate (pre-tax) | Reflect specific risks relating to the relevant operating segments. |

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11. INVENTORIES

	THE GROUP	
	2013 RM'000	2012 RM'000
Raw materials	2,460	5,229
Finished goods	3,425	2,466
Wireline consumables	308	293
	6,193	7,988
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	23,331	16,787

None of the inventories is carried at net realisable value.

12. TRADE RECEIVABLES

	THE GROUP	
	2013 RM'000	2012 RM'000
Trade receivables	38,089	36,569
Allowance for impairment losses:		
At 1 January	(3,284)	(3,271)
Addition during the financial year	(489)	(13)
At 31 December	(3,773)	(3,284)
Accrued billings	34,316	33,285
	78,780	49,205
	113,096	82,490

The Group's normal trade credit terms range from 30 to 60 (2012 : 30 to 60) days.

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13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other receivables, deposits and prepayments	8,036	12,162	18	18
Allowance for impairment losses	(327)	(327)	-	-
	<u>7,709</u>	<u>11,835</u>	<u>18</u>	<u>18</u>

14. AMOUNT OWING BY CONTRACT CUSTOMERS

	THE GROUP	
	2013 RM'000	2012 RM'000
Contract costs incurred to-date	30,592	17,545
Attributable profits	19,603	16,225
	<u>50,195</u>	<u>33,770</u>
Progress billings	(35,657)	(15,625)
	<u>14,538</u>	<u>18,145</u>

15. AMOUNT OWING BY SUBSIDIARIES

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.

16. 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.

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17. SHORT-TERM INVESTMENTS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Quoted unit trusts in Malaysia:- At fair value	532	4,230	528	2,022

18. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits at the end of the reporting period are pledged to licensed banks as security for banking facilities granted to the Group.

The effective interest rates of the fixed deposits at the end of the reporting period ranged from 1.60% to 3.50% (2012 : 0.15% to 3.35%) per annum. The fixed deposits have maturity periods ranging from 1 month to 12 months (2012 : 1 to 12 months).

19. SHARE CAPITAL

	THE COMPANY			
	2013		2012	
	NUMBER OF SHARES '000	SHARE CAPITAL RM'000	NUMBER OF SHARES '000	SHARE CAPITAL RM'000
ORDINARY SHARES OF RM0.50 EACH				
AUTHORISED	200,000	100,000	200,000	100,000
ISSUED AND FULLY PAID-UP				
At 1 January	132,000	66,000	80,000	40,000
Private placement	-	-	8,000	4,000
Bonus issue	-	-	44,000	22,000
At 31 December	132,000	66,000	132,000	66,000

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20. SHARE PREMIUM

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

21. MERGER DEFICIT

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

22. CAPITAL RESERVE

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

23. FOREIGN EXCHANGE TRANSLATION RESERVE

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

24. RETAINED PROFITS/(ACCUMULATED LOSSES)

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

25. LONG-TERM BORROWINGS

	THE GROUP	
	2013	2012
	RM'000	RM'000
Hire purchase payables (Note 29)	449	529
Term loans (Note 30)	15,269	13,601
	<u>15,718</u>	<u>14,130</u>

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26. TRADE PAYABLES

	THE GROUP	
	2013 RM'000	2012 RM'000
Trade payables	8,413	22,258
Accrued contract costs	54,095	47,821
	<u>62,508</u>	<u>70,079</u>

The normal trade credit terms granted to the Group range from 7 to 30 (2012 : 7 to 30) days.

27. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other payables	3,097	4,578	30	82
Accruals	3,473	3,767	46	46
	<u>6,570</u>	<u>8,345</u>	<u>76</u>	<u>128</u>

28. SHORT-TERM BORROWINGS

	THE GROUP	
	2013 RM'000	2012 RM'000
Hire purchase payables (Note 29)	160	161
Term loans (Note 30)	6,252	7,945
	<u>6,412</u>	<u>8,106</u>

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29. HIRE PURCHASE PAYABLES

	THE GROUP	
	2013 RM'000	2012 RM'000
Future minimum hire purchase payments:		
- not later than one year	182	194
- later than one year but not later than five years	483	601
- later than five years	43	-
	<hr/>	<hr/>
	708	795
Less: Future finance charges	(99)	(105)
	<hr/>	<hr/>
Present value of hire purchase payables	609	690
	<hr/>	<hr/>
Current (Note 28):		
- not later than one year	160	161
Non-current (Note 25):		
- later than one year but not later than five years	412	529
- later than five years	37	-
	<hr/>	<hr/>
	449	529
	<hr/>	<hr/>
	609	690
	<hr/>	<hr/>

The hire purchase payables of the Group bore effective interest rates ranging from 4.65% to 5.75% (2012 : 4.65% to 5.75%) per annum at the end of the reporting period.

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30. TERM LOANS

	THE GROUP	
	2013 RM'000	2012 RM'000
Current (Note 28):		
- repayable within one year	6,252	7,945
Non-current (Note 25):		
- repayable between one and two years	5,200	9,845
- repayable between two and five years	9,624	2,420
- repayable after five years	445	1,336
Total non-current	15,269	13,601
	21,521	21,546

Details of the term loans are as follows:-

TERM LOAN	MONTHLY INSTALMENT	INTEREST RATE PER ANNUM	NUMBER OF MONTHLY INSTALMENTS	DATE OF COMMENCEMENT OF REPAYMENT	AMOUNT OUTSTANDING RM'000
1	Year 1 - RM20,151 Year 2 - RM23,836 Year 3 onwards - RM24,156	BLR - 3.35% BLR + 0% BLR - 1.00%	144	1 March 2008	1,365
2	Year 1 - RM19,812 Year 2 - RM23,435 Year 3 onwards - RM23,750	BLR - 3.35% BLR + 0% BLR - 1.00%	144	1 March 2008	1,328
3	Year 1 to 5 - RM30,901 Year 6 onwards - RM30,618	BLR - 1.50% BLR - 1.70%	120	25 May 2009	1,709
4	Year 1 to 4 - RM143,000	7%	42	15 July 2011	1,351
5	Year 1 to 4 - RM416,667	COF + 2.25%	48	5 March 2013	15,768
					21,521

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30. TERM LOANS (CONT'D)

The term loans bore a weighted average effective interest rate of 6.06% (2012 : 6.15%) per annum at the end of the reporting period:-

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

- (a) Term loans 1 and 2 are secured by:-
 - (i) a first legal charge over the freehold land and buildings of a subsidiary; and
 - (ii) a joint and several guarantee of two directors of the Company.
- (b) Term loan 3 is secured by:-
 - (i) a first legal charge over the freehold land and buildings of a subsidiary; and
 - (ii) a corporate guarantee of RM15,426,598 by the Company.
- (c) Term loan 4 is secured by:-
 - (i) a first legal charge over the wireline equipment of a subsidiary;
 - (ii) a fixed deposit of RM2,000,000 of a subsidiary; and
 - (iii) a corporate guarantee of RM6,000,000 by the Company.
- (d) Term loan 5 is secured by:-
 - (i) a first legal charge over the Uzmapress equipment of a subsidiary;
 - (ii) a fixed deposit of RM2,000,000 of a subsidiary; and
 - (iii) a corporate guarantee of RM42,000,000 by the Company.

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31. BANK OVERDRAFT

The bank overdraft bore an effective interest rate of 7.85% (2012 : 7.85%) per annum at the end of the reporting period and is secured in the same manner as term loan 5 disclosed in Note 30(d) to the financial statements.

32. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of approximately RM128,465,000 (2012 : RM98,084,000) divided by the number of ordinary shares at the end of the reporting period of 132,000,000 (2012 : 132,000,000) shares.

33. REVENUE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Services rendered	352,069	229,047	-	-
Contract revenue	17,728	31,478	-	-
Sales of goods	36,105	28,717	-	-
Dividend income	-	-	4,305	1,860
Management fee	-	-	180	180
	<u>405,902</u>	<u>289,242</u>	<u>4,485</u>	<u>2,040</u>

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34. PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Statutory audit fee:				
- for the financial year	198	148	46	46
- underprovision in the previous financial year	18	5	6	3
Non-statutory audit fee	6	43	6	43
Allowance for impairment losses on:				
- investment in a joint venture	-	1,500	-	-
- receivables	489	13	-	-
Bad debts written off	159	67	-	-
Depreciation of property, plant and equipment	4,617	3,388	-	-
Directors' fee	200	172	188	172
Directors' non-fee emoluments:				
- salaries, allowances and other benefits	3,506	2,563	10	14
- defined contribution plan	323	184	-	-
Interest expense:				
- bank overdrafts	400	144	-	-
- bank guarantee	358	200	-	-
- factoring	460	46	-	-
- hire purchase	27	25	-	-
- term loans	1,442	1,105	-	-
Loss on foreign exchange:				
- realised	325	313	8	-
- unrealised	-	355	-	-
Rental of premises	532	344	-	-
Rental of office equipment	128	174	-	-
Rental of forklift and cranes	105	95	-	-
Rental of warehouse	15	14	-	-
Staff costs:				
- salaries, wages, bonuses, allowances and other benefits	19,516	15,142	-	-
- defined contribution plan	2,089	1,334	-	-
Gain on foreign exchange:				
- realised	(585)	(350)	-	(103)
- unrealised	(702)	(46)	-	-
Interest income	(378)	(394)	(23)	(22)
Rental income	(66)	-	-	-

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35. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense:				
- for the current financial year	10,414	7,519	1,050	335
- (over)/underprovision in the previous financial year	(422)	5	-	325
	<u>9,992</u>	<u>7,524</u>	<u>1,050</u>	<u>660</u>
Deferred tax expense (Note 9):				
- for the current financial year	1,042	946	-	-
- under/(over)provision in the previous financial year	148	(227)	-	-
	<u>1,190</u>	<u>719</u>	<u>-</u>	<u>-</u>
	<u>11,182</u>	<u>8,243</u>	<u>1,050</u>	<u>660</u>

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35. INCOME TAX EXPENSE (CONT'D)

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation	46,066	32,105	3,524	932
Tax at the statutory tax rate of 25% (2012 : 25%)	11,516	8,026	881	233
Tax effects of:-				
Non-deductible expenses	1,170	1,334	201	102
Non-taxable gains	(1,198)	(735)	(32)	-
Utilisation of tax losses not recognised previously	-	(181)	-	-
(Over)/Underprovision in the previous financial year				
- current tax	(422)	5	-	325
- deferred tax	148	(227)	-	-
Different tax rates in other countries	(32)	21	-	-
Tax for the financial year	11,182	8,243	1,050	660

36. EARNINGS PER SHARE

The basic earnings per share is arrived at by dividing the Group's profit after taxation attributable to the owners of the Company of approximately RM33,064,000 (2012 : RM22,183,000) by the weighted average number of ordinary shares in issue during the financial year of 132,000,000 (2012 : 130,077,000) ordinary shares.

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.

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37. DIVIDEND

	2013 RM	2012 RM
Single tier interim dividend of 2 sen per ordinary share in respect of the financial year ended 31 December 2013	2,640,000	-

38. CASH AND CASH EQUIVALENTS

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short-term investments (Note 17)	532	4,230	528	2,022
Fixed deposits with licensed banks (Note 18)	12,597	13,601	-	-
Cash and bank balances	24,381	23,879	304	773
Bank overdraft (Note 31)	(10,352)	(2,834)	-	-
	<u>27,158</u>	<u>38,876</u>	<u>832</u>	<u>2,795</u>

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39. DIRECTORS' REMUNERATION

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors:				
- fee	12	-	-	-
- salaries and other emoluments	3,759	2,677	-	-
- benefits-in-kind	60	56	-	-
Non-executive directors:				
- fee	188	172	188	172
- other emoluments	10	14	10	14
	<u>4,029</u>	<u>2,919</u>	<u>198</u>	<u>186</u>

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

	THE GROUP		THE COMPANY	
	2013 No. of Directors	2012 No. of Directors	2013 No. of Directors	2012 No. of Directors
Executive directors:				
- RM1,550,001 – RM1,600,000	1	-	-	-
- RM1,000,001 – RM1,050,000	1	-	-	-
- RM900,001 – RM950,000	-	1	-	-
- RM700,001 – RM750,000	1	-	-	-
- RM650,001 – RM700,000	-	1	-	-
- RM600,001 – RM650,000	-	1	-	-
- RM550,001 – RM600,000	1	-	-	-
- RM400,001 – RM450,000	-	1	-	-
- RM350,001 – RM400,000	-	-	-	-
- RM150,001 – RM200,000	-	-	-	-
Non-executive directors:				
- RM50,001 – RM100,000	2	3	2	3
- Below RM50,000	1	-	1	-
	<u>7</u>	<u>7</u>	<u>3</u>	<u>3</u>

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40. CAPITAL COMMITMENTS

	THE GROUP	
	2013 RM'000	2012 RM'000
Approved and contracted for: - property, plant and equipment	20,412	633

41. CONTINGENT LIABILITY

	THE COMPANY	
	2013 RM'000	2012 RM'000
Secured:- Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries	66,944	55,444

42. OPERATING SEGMENTS

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

- (i) Services segment - involved in the provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.
- (ii) Trading segment - involved in manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
- (iii) Investment holding

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

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

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42. 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
2013					
REVENUE					
External revenue	369,797	36,105	-	-	405,902
Inter-segment revenue	752	528	4,485	(5,765)	-
Total revenue	370,549	36,633	4,485	(5,765)	405,902
RESULTS					
Segment results	39,525	6,189	(961)	(158)	44,595
Finance costs					(3,112)
Share of profit in an associate					125
Share of profit in joint ventures					4,458
Profit from ordinary activities before taxation					46,066
Income tax expense					(11,182)
Profit from ordinary activities after taxation					34,884
Non-controlling interests					(1,820)
Net profit attributable to owners of the Company					33,064

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42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

THE GROUP	SERVICES RM'000	TRADING RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	GROUP RM'000
2013					
ASSETS					
Segment assets	181,331	24,669	72,740	(37,325)	241,415
Unallocated assets					91
					241,506
LIABILITIES					
Segment liabilities	(96,751)	(4,734)	(76)		(101,561)
Unallocated liabilities					(4,507)
					(106,068)
Depreciation	4,495	122	-		4,617
Capital expenditure	11,034	373	-		11,407

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42. 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
2012					
REVENUE					
External revenue	260,525	28,717	-	-	289,242
Inter-segment revenue	-	-	2,040	(2,040)	-
Total revenue	260,525	28,717	2,040	(2,040)	289,242
RESULTS					
Segment results	25,415	6,913	(1,108)	(490)	30,730
Finance costs					(1,565)
Share of profit in joint ventures					2,940
Profit from ordinary activities before taxation					32,105
Income tax expense					(8,243)
Profit from ordinary activities after taxation					23,862
Non-controlling interests					(1,679)
Net profit attributable to owners of the Company					22,183

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42. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

THE GROUP	SERVICES RM'000	TRADING RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	GROUP RM'000
2012					
ASSETS					
Segment assets	156,598	22,455	72,980	(41,052)	210,981
Unallocated assets					103
					<u>211,084</u>
LIABILITIES					
Segment liabilities	(96,016)	(7,350)	(128)	-	(103,494)
Unallocated liabilities					(4,234)
					<u>(107,728)</u>
Depreciation	3,249	139	-	-	3,388
Capital expenditure	9,646	12	-	-	9,658

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42. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

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

	REVENUE		NON-CURRENT ASSETS	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	393,962	279,023	59,384	48,867
Thailand	11,311	8,523	127	33
Australia	629	1,696	9	16
	<u>405,902</u>	<u>289,242</u>	<u>59,520</u>	<u>48,916</u>

MAJOR CUSTOMERS

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

43. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

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.

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43. RELATED PARTY DISCLOSURES (CONT'D)

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
(i) Subsidiaries				
Management fees	-	-	180	180
Dividend income	-	-	4,305	1,860
(ii) Key management personnel (including directors)				
Short-term employee benefits	8,750	6,689	198	186

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.

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44. FINANCIAL INSTRUMENTS

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

(a) Financial Risk Management Policies

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

(i) Market Risk**(i) Foreign Currency Risk**

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

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

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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

THE GROUP	UNITED STATES DOLLAR RM'000	AUSTRALIAN DOLLAR RM'000	OTHERS RM'000	TOTAL RM'000
2013				
Financial Assets				
Trade receivables	13,481	576	1,905	15,962
Other receivables and deposit	-	16	239	255
Fixed deposits with licensed banks	-	-	311	311
Cash and bank balances	9,624	892	1,580	12,096
	<u>23,105</u>	<u>1,484</u>	<u>4,035</u>	<u>28,624</u>
Financial Liabilities				
Trade payables	3,216	22	133	3,371
Other payables and accruals	1,212	73	154	1,439
	<u>4,428</u>	<u>95</u>	<u>287</u>	<u>4,810</u>
Net financial assets	18,677	1,389	3,748	23,814
Less: Net financial asset denominated in the respective entities functional currencies	-	(380)	(2,468)	(2,848)
Currency Exposure	<u>18,677</u>	<u>1,009</u>	<u>1,280</u>	<u>20,966</u>

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	AUSTRALIAN DOLLAR RM'000	OTHERS RM'000	TOTAL RM'000
2012				
Financial Assets				
Trade receivables	11,827	557	2,292	14,676
Other receivables and deposit	-	20	437	457
Fixed deposits with licensed banks	4,596	-	305	4,901
Cash and bank balances	5,254	76	1,104	6,434
	<u>21,677</u>	<u>653</u>	<u>4,138</u>	<u>26,468</u>
Financial Liabilities				
Trade payables	6,623	38	578	7,239
Other payables and accruals	-	73	393	466
	<u>6,623</u>	<u>111</u>	<u>971</u>	<u>7,705</u>
Net financial assets	15,054	542	3,167	18,763
Less: Net financial asset denominated in the respective entities functional currencies	-	(542)	(1,861)	(2,403)
Currency Exposure	<u>15,054</u>	<u>-</u>	<u>1,306</u>	<u>16,360</u>

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44. 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	
	2013	2012	2013	2012
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
Effects On Profit After Taxation/Equity				
United States Dollar:				
- strengthened by 10%	1,401	1,129	-	-
- weakened by 10%	(1,401)	(1,129)	-	-

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44. 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 (Cont'd)

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
Effects On Profit After Taxation/Equity				
Australian Dollar:				
- strengthened by 10%	76	-	-	-
- weakened by 10%	(76)	-	-	-

(ii) Interest Rate Risk

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

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 44(a)(iii) to the financial statements.

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

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	
	2013	2012	2013	2012
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
Effects On Profit After Taxation/Equity				
Increase of 100 basis points (bp)	(229)	(160)	-	-
Decrease of 100 bp	229	160	-	-

(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.

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44. 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	
	2013	2012	2013	2012
	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)	Increase/ (Decrease)
	RM'000	RM'000	RM'000	RM'000
Effects On Profit After Taxation/Equity				
Increase of 5%	27	211	26	101
Decrease of 5%	(27)	(211)	(26)	(101)

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44. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (Cont'd)****(ii) Credit Risk**

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

The Group establishes 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. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers which constituted approximately 35% of its trade receivables as at the end of the reporting period.

Exposure to credit risk

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

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Credit Risk (Cont'd)

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Yemen	250	564	-	-
Thailand	941	1,397	-	-
Malaysia	107,634	72,904	-	-
Other	4,271	7,625	-	-
	<u>113,096</u>	<u>82,490</u>	<u>-</u>	<u>-</u>

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 December 2013 is as follows:-

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
THE GROUP				
2013				
Not past due	100,744	-	-	100,744
Past due:				
- less than 3 months	8,507	-	-	8,507
- 3 to 6 months	1,748	-	-	1,748
- over 6 months	5,870	(3,773)	-	2,097
	<u>116,869</u>	<u>(3,773)</u>	<u>-</u>	<u>113,096</u>

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(ii) Credit Risk (Cont'd)

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
2012				
Not past due	71,747	-	-	71,747
Past due:				
- less than 3 months	5,332	-	-	5,332
- 3 to 6 months	1,531	-	-	1,531
- over 6 months	7,164	(3,284)	-	3,880
	<u>85,774</u>	<u>(3,284)</u>	<u>-</u>	<u>82,490</u>

At the end of the reporting period, trade receivables that are individually impaired were those long overdue for more than 180 days and doubtful of collection. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired.

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk

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

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

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk (Cont'd)

	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL ACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
THE GROUP						
2013						
Hire purchase payables	4.77	609	708	182	483	43
Term loans	5.90	21,521	24,078	7,434	16,181	463
Trade payables	-	62,509	62,509	62,509	-	-
Other payables and accruals	-	6,570	6,570	6,570	-	-
Bank overdraft	7.85	10,352	10,352	10,352	-	-
		101,561	104,217	87,047	16,664	506

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44. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk (Cont'd)

	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL ACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
2012						
Hire purchase payables	4.78	690	795	194	601	-
Term loans	6.15	21,546	23,140	9,346	12,414	1,380
Trade payables	-	70,079	70,079	70,079	-	-
Other payables and accruals	-	8,345	8,345	8,345	-	-
Bank overdraft	7.85	2,834	2,834	2,834	-	-
		103,494	105,193	90,798	13,015	1,380

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No : 769866 - V

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

44. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk (Cont'd)

	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL ACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
THE COMPANY						
2013						
Other payables and accruals	-	76	76	76	-	-

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

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

(iii) Liquidity Risk (Cont'd)

	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL ACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	OVER 5 YEARS RM'000
2012						
Other payables and accruals	-	128	128	128	-	-

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. 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 their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustment to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

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

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

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

	THE GROUP	
	2013 RM'000	2012 RM'000
Hire purchase payables	609	690
Term loans	21,521	21,546
Bank overdraft	10,352	2,834
	<u>32,482</u>	<u>25,070</u>
Less: Short-term investments	(532)	(4,230)
Less: Fixed deposits with licensed banks	(12,597)	(13,601)
Less: Cash and bank balances	(24,381)	(23,879)
	<u>(5,028)</u>	<u>(16,640)</u>
Excess of cash and cash equivalents		
Total equity	<u>135,438</u>	<u>103,356</u>
Debt-to-equity ratio	<u>N/A</u>	<u>N/A</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (Cont'd)

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

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Financial Assets				
<u>Available-for-sale financial asset</u>				
Other investment	11	11	-	-
<u>Loans and receivables financial assets</u>				
Trade receivables	113,096	82,490	-	-
Other receivables and deposits	6,266	10,977	3	3
Amount owing by subsidiaries	-	-	27,010	25,265
Fixed deposits with licensed banks	12,597	13,601	-	-
Cash and bank balances	24,381	23,879	304	773
	<u>156,340</u>	<u>130,947</u>	<u>27,317</u>	<u>26,041</u>
<u>Fair value through profit or loss</u>				
Short-term investments	532	4,230	528	2,022
Financial Liabilities				
<u>Other financial liabilities</u>				
Hire purchase payables	609	690	-	-
Term loans	21,521	21,546	-	-
Trade payables	62,509	70,079	-	-
Other payables and accruals	6,570	8,345	76	128
Bank overdraft	10,352	2,834	-	-
	<u>101,561</u>	<u>103,494</u>	<u>76</u>	<u>128</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Measurements

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

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000		
THE GROUP 2013								
<u>Financial Assets</u>								
Other investment:								
- unquoted shares	-	-	-	-	-	-	#	11
Short-term investments:								
- quoted investments	532	-	-	-	-	-	532	532
<u>Financial Liabilities</u>								
Term loans	-	-	-	21,521	-	-	21,521	21,521
Hire purchase	-	-	-	609	-	-	609	609

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No.: 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Measurements (Cont'd)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE LEVEL*	TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000			
THE GROUP						
2012						
Financial Assets						
Other investment:						
- unquoted shares	-	-	-	-	#	11
Short-term investments:						
- quoted investments	4,230	-	-	-	4,230	4,230
Financial Liabilities						
Term loans	-	-	-	21,546	21,546	21,546
Hire purchase	-	-	-	690	690	690

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

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD
(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Measurements (Cont'd)

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000		
THE COMPANY 2013								
Financial Assets								
Short-term investments:								
- quoted investments	528	-	-	-	-	-	528	528
THE COMPANY 2012								
Financial Assets								
Short-term investments:								
- quoted investments	2,022	-	-	-	-	-	2,022	2,022

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

* Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

44. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Value Measurements (Cont'd)

There were no transfer between level 1 and level 2 during the financial year.

- (i) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.
- (ii) The fair values of hire purchase payables and term loan 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	
	2013	2012
	%	%
Hire purchase payables	4.77	4.78
Term loan	5.90	6.15

There were no transfer between level 1 and level 2 during the financial year.

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

	THE GROUP	
	2013	2012
	%	%
Trade receivables	6	6

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

45. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

- (i) On 31 January 2013, the Group entered into a Joint Venture Agreement with Sabah Air Aviation Sdn. Bhd. in connection with the provision of aviation services for the offshore oil and gas sector via a joint venture company, Sazma Aviation Sdn. Bhd.
- (ii) On 19 April 2013, the Group made an announcement pertaining to a Letter of Award received from ExxonMobil Exploration and Production Malaysia Inc. for the provision of oilfield chemicals and associated services. The contract period is for 5 years (primary term) from 1 April 2013 to 31 March 2018 with an extension option of 2 years. The value for the primary term is estimated at RM238 million.
- (iii) On 11 October 2013, the Group was awarded a contract from PETRONAS Carigali Sdn. Bhd. for the provision of a drilling project management team for PMU wells. The contract period is for one (1) year commencing from 17 September 2013 to 16 September 2014 with an extension option of 1 year.
- (iv) On 4 November 2013, the Company accepted an offer from Mammoth Empire Estate Sdn. Bhd. to acquire a 12-storey commercial building with a total built-up area measuring approximately 38,901 square feet under Master Title H.S. (D) 256295, P.T. No. 47371 in the Mukim of Sungai Buloh, District of Petaling, State of Selangor for a purchase consideration of RM24 million.
- (v) On 8 November 2013, the Company announced that the incorporation of its wholly owned subsidiary namely, Uzma energy Venture (Sarawak) Sdn. Bhd.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

46. SIGNIFICANT EVENTS SUBSEQUENT TO THE REPORTING PERIOD

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

- (i) On 7 January 2014, the Company announced that its wholly-owned subsidiary, Uzma Engineering Sdn. Bhd., had on 7th January 2014 entered into a Joint Venture Agreement ("JVA") with Chemical Tracer Services Sdn. Bhd. in connection with the provision of chemical tracer services for the offshore oil and gas sector via a joint venture company.
- (ii) On 18 March 2014, the Company announced that its proposal to undertake the following:
 - (a) a renounceable rights issue of up to 132,000,000 Rights Shares at an issue price of RM0.75 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held in the Company at an entitlement date to be determined later after obtaining the approvals from all the relevant authorities and the shareholders of the Company ("Entitlement Date"); and
 - (b) increase the authorised share capital of the Company from RM100,000,000 comprising 200,000,000 shares to RM250,000,000 comprising 500,000,000 shares and in consequence thereof, the Company's Memorandum of Association be amended accordingly.
- (iii) On 1 April 2014, the Company announced that a contractor Group, that includes its wholly owned subsidiary, Uzma Energy Venture (Sarawak) Sdn. Bhd. and EQ Petroleum Developments Malaysia Sdn. Bhd. ("Contractor Group"), had on 27 March 2014 signed a Small Field Risk Service Contract with Petroliam Nasional Berhad to carry out the development and production of petroleum from the Tanjung Baram Fields.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE FYE 31 DECEMBER 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

47. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained profits/(accumulated losses):				
- realised	83,457	58,104	(5,235)	(5,069)
- unrealised	(1,637)	(1,028)	-	-
	<u>81,820</u>	<u>57,076</u>	<u>(5,235)</u>	<u>(5,069)</u>
Total share of retained profits of joint ventures:				
- realised	5,754	2,196	-	-
Total share of retained profits of an associate:				
- realised	125	-	-	-
Less: Consolidation adjustments	<u>(7,371)</u>	<u>(9,368)</u>	<u>-</u>	<u>-</u>
At 31 December	<u>80,328</u>	<u>49,904</u>	<u>(5,235)</u>	<u>(5,069)</u>

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014

UZMA BERHAD
(Company No : 769866-V)
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2014

	(Unaudited) Current Quarter Ended 31.03.14 RM'000	(Unaudited) Corresponding Quarter Ended 31.03.13 RM'000	(Unaudited) Cumulative Period To Date 31.03.14 RM'000	(Unaudited) Corresponding Period To Date 31.03.13 RM'000
Revenue	97,718	88,897	97,718	88,897
Cost of sales	<u>(75,493)</u>	<u>(69,104)</u>	<u>(75,493)</u>	<u>(69,104)</u>
Gross profit	22,225	19,793	22,225	19,793
Other income	<u>205</u>	<u>112</u>	<u>205</u>	<u>112</u>
	22,430	19,905	22,430	19,905
Administrative expenses	(8,542)	(5,687)	(8,542)	(5,687)
Operating expenses	(2,490)	(2,424)	(2,490)	(2,424)
Finance costs	(545)	(604)	(545)	(604)
Share of profit of investments accounted for using the equity method	<u>1,449</u>	<u>991</u>	<u>1,449</u>	<u>991</u>
Profit before taxation	<u>12,302</u>	<u>12,181</u>	<u>12,302</u>	<u>12,181</u>
Income tax expense	<u>(2,802)</u>	<u>(2,842)</u>	<u>(2,802)</u>	<u>(2,842)</u>
Profit after taxation	<u>9,500</u>	<u>9,339</u>	<u>9,500</u>	<u>9,339</u>
Other comprehensive income / (expenses), net of tax				
Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation	38	116	38	116
Total comprehensive income for the financial period	<u><u>9,538</u></u>	<u><u>9,455</u></u>	<u><u>9,538</u></u>	<u><u>9,455</u></u>

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)



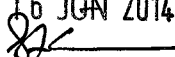
UZMA BERHAD
(Company No : 769866-V)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	(Unaudited) Current Quarter Ended 31.03.14 RM'000	(Unaudited) Corresponding Quarter Ended 31.03.13 RM'000	(Unaudited) Cumulative Period To Date 31.03.14 RM'000	(Unaudited) Corresponding Period To Date 31.03.13 RM'000
Profit after taxation attributable to :-				
Owners of the Company	8,428	8,855	8,428	8,855
Non-Controlling Interest	<u>1,072</u>	<u>484</u>	<u>1,072</u>	<u>484</u>
	<u>9,500</u>	<u>9,339</u>	<u>9,500</u>	<u>9,339</u>
Total comprehensive income attributable to:-				
Owners of the Company	8,453	8,914	8,453	8,914
Non-Controlling Interest	<u>1,085</u>	<u>541</u>	<u>1,085</u>	<u>541</u>
	<u>9,538</u>	<u>9,455</u>	<u>9,538</u>	<u>9,455</u>
Earning per share				
- Basic (sen)	6.38	6.71	6.38	6.71
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

UZMA BERHAD

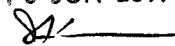
(Company No : 769866-V)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	(Unaudited) As at 31.03.14 RM'000	(Audited) As at 31.12.13 RM'000
ASSETS		
Non-current assets		
Investments in joint ventures and associate	15,333	16,079
Other investment	11	11
Property, plant and equipment	65,233	41,739
Deferred tax assets	33	38
Goodwill on consolidation	1,653	1,653
	<u>82,263</u>	<u>59,520</u>
Current assets		
Inventories	6,814	6,193
Trade receivables	109,391	113,096
Other receivables, deposits and prepayments	6,007	7,709
Tax recoverable	107	53
Amount owing by contract customers	13,370	14,538
Amount owing by an associate	2,757	2,887
Short-term investments	535	532
Fixed deposits with licensed banks	9,536	12,597
Cash and bank balances	37,160	24,381
	<u>185,677</u>	<u>181,986</u>
TOTAL ASSETS	<u>267,940</u>	<u>241,506</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	66,000	66,000
Reserves	70,918	62,465
Shareholders' equity	<u>136,918</u>	<u>128,465</u>
Non-controlling interests	8,088	6,973
Total equity	<u>145,006</u>	<u>135,438</u>
Non-current liabilities		
Long-term borrowings	36,760	15,718
Deferred tax liabilities	3,272	2,377
	<u>40,032</u>	<u>18,095</u>
Current liabilities		
Trade payables	59,562	62,509
Other payables and accruals	4,965	6,570
Provision for taxation	1,001	2,130
Short-term borrowings	17,374	16,764
	<u>82,902</u>	<u>87,973</u>
Total liabilities	<u>122,934</u>	<u>106,068</u>
TOTAL EQUITY AND LIABILITIES	<u>267,940</u>	<u>241,506</u>
Net assets per share attributable to owners of the Company (RM)	1.04	0.97

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

UZMA BERHAD
(Company No : 769866-V)

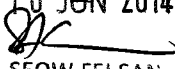
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	Non-Distributable					Distributable			
	Share Capital RM'000	Share Premium RM'000	Foreign Exchange Translation Reserves RM'000	Merger Deficit RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To The Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 01.01.2013	66,000	11,921	(92)	(29,700)	51	49,904	98,084	5,272	103,356
Profit after taxation for the financial period	-	-	-	-	-	8,855	8,855	484	9,339
Other comprehensive income for the financial period, net of tax	-	-	59	-	-	-	59	57	116
Total comprehensive income for the financial period	-	-	59	-	-	8,855	8,914	541	9,455
Balance at 31.03.2013	66,000	11,921	(33)	(29,700)	51	58,759	106,998	5,813	112,811

	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 The Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Balance at 01.01.2014	66,000	11,921	(135)	(29,700)	51	80,328	128,465	6,973	135,438
Profit after taxation for the financial period	-	-	-	-	-	8,428	8,428	1,072	9,500
Other comprehensive income for the financial period, net of tax	-	-	25	-	-	-	25	13	38
Total comprehensive income for the financial period	-	-	25	-	-	8,428	8,453	1,085	9,538
Investment in a subsidiary	-	-	-	-	-	-	-	30	30
Balance at 31.03.2014	66,000	11,921	(110)	(29,700)	51	88,756	136,918	8,088	145,006

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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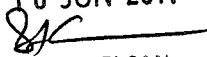
16 JUN 2014

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)
UZMA BERHAD
(Company No : 769866-V)
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2014**

	(Unaudited) Cumulative Period To Date 31.03.14 RM'000	(Unaudited) Corresponding Period To Date 31.03.13 RM'000
Profit before taxation	12,302	12,181
Adjustments for non-cash items :		
Depreciation	1,161	1,085
Share of profit of investments accounted for using the equity method	(1,449)	(991)
Other non-cash items	489	527
Operating profit before working capital changes	12,503	12,802
Changes in working capital	2,685	(31,414)
	15,188	(18,612)
Tax paid	(3,087)	(2,269)
Interest paid	(545)	(604)
Net cash from/(for) operating activities	11,556	(21,485)
Investing activities		
Interest received	92	44
Purchase of property, plant and equipment	(24,484)	(8,431)
Proceeds from disposal of a joint venture	1,000	-
Investment in a subsidiary by non-controlling interest	30	-
Net cash for investing activities	(23,362)	(8,387)
Financing activities		
Drawdown of term loan	21,550	6,048
Drawdown of factoring	13,075	3,946
Repayment of term loan	(2,764)	(538)
Repayment of hire purchase	(29)	(42)
Net cash from financing activities	31,832	9,414
Net change in cash and cash equivalents	20,026	(20,458)
Effect of exchange rate changes	46	72
Cash and cash equivalents at beginning of the year	27,158	38,876
Cash and cash equivalents at end of the year	47,230	18,490
Cash and cash equivalents at end of the year comprised:		
Short term investments	535	7
Fixed deposit with licences banks	9,536	11,521
Cash and bank balances	37,160	11,526
Bank overdrafts	(1)	(4,564)
	47,230	18,490

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2013.

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16 JUN 2014

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)



UZMA BERHAD

(Company No: 769866-V)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

1. BASIS OF REPORTING PREPARATION

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provision of the Listing Requirements of the Bursa Malaysia Securities Berhad and Malaysia Financial Reporting Standard 134: *Interim Financial Reporting* ("MFRS 134").

The condensed consolidated interim financial statements should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2013. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2013.

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those applied by the Group in its audited financial statements for the year ended 31 December 2013.

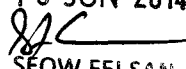
(a) Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations:

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

The adoption of the above pronouncements did not have any impact on the financial statements of the Group upon their initial application.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

1. BASIS OF REPORTING PREPARATION (CONT'D)

(b) Standards issued but not yet effective

The Group will adopt the following pronouncements when they become effective in the respective financial periods:

Description	Effective Date
MFRS 9 (2009) Financial Instruments	To be announced by Malaysian Accounting Standards Board (MASB)
MFRS 9 (2010) Financial Instruments	
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 9 and MFRS 139)	
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application except as follows:

MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. The Group will assess the financial implications of MFRS 9 when the full standard is issued

2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2013.

3. SEASONAL OR CYCLICAL FACTORS

The principal business operations of the Group are not significantly affected by seasonal or cyclical factors during the period under review.

4. ITEMS OF UNUSUAL NATURE AND AMOUNT

There were no items affecting assets, liabilities, equity, net income or cash flow that are unusual because of their nature, size or incidence in the interim financial reports.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)
5. MATERIAL CHANGES IN ESTIMATES

There were no changes in the estimates of amount relating to the prior financial years that have a material effect in the current quarter under review.

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

There were no issuances, repurchases, and repayments of debt and equity securities during the current quarter.

7. DIVIDENDS PAID

No dividend had been paid and / or recommended for the current financial period.

8. SEGMENTAL INFORMATION

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

- (i) Services segment - involved in provision of geoscience and reservoir engineering, drilling, project and oilfield operations services, wireline services and other specialised services.
- (ii) Trading segment - involved in manufacturing, marketing, distribution and supply of oilfield chemicals, petrochemical and chemical products, equipment and services.
- (iii) Investment holding

	SERVICES RM'000	TRADING RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	THE GROUP RM'000
REVENUE					
External revenue	81,785	15,933	-	-	97,718
Inter-segment revenue	-	76	45	(121)	-
Total revenue	81,785	16,009	45	(121)	97,718
RESULTS					
Segment results	6,848	4,764	(214)	-	11,398
Finance costs	(545)	-	-	-	(545)
Share of profit of investments accounted for using the equity method					1,449
Profit from ordinary activities before taxation					12,302
Income tax expense					(2,802)
Profit from ordinary activities after taxation					9,500
Non- controlling interest					(1,072)
Net profits attributable to owners of the Company					8,428

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)
9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment in the current period under review.

10. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the interim financial report as at the end of the financial period, except as disclosed in Note 21 (ii).

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the current quarter, except as disclosed in Notes 16 (xi) and 21 (ii).

12. CHANGES IN THE COMPOSITION OF THE GROUP

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

13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS


There were no changes in the contingent liabilities and contingent assets of the Group during the quarter under review.

The Company has given corporate guarantees to licensed financial institutions for banking facilities granted to its subsidiaries. In relation thereto, the Company has contingent liabilities amounting to approximately RM90.2 million as at 31 March 2014.

14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

	(Unaudited) Cumulative Period To Date 31.03.2014 RM'000	(Unaudited) Cumulative Period To Date 31.03.2013 RM'000	Difference	
			RM'000	%
Revenue	97,718	88,897	8,821	9.9
Gross profit	22,225	19,793	2,432	12.3
Profit before taxation	12,302	12,181	121	1.0

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)
14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONT'D)

The Group's revenue in cumulative period-to-date ("PTD") 2014 registered an increase of RM8.8 million or 9.9% as compared to PTD 2013. In line with the increase of revenue, gross profit also increased by RM2.4 million or 12.3%. The long term contracts secured by the Group, as disclosed in note 16, had continued to contribute to the Group's performance.

The Group reported a marginal decrease in profit before taxation of RM0.1 million or 1.0% in the current quarter as compared to PTD 2013 mainly contributed by higher gross profit and share of profit of investments accounted for using the equity method, offset by higher administrative expenses.

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

	(Unaudited) Current Quarter Ended 31.03.2014 RM'000	(Unaudited) Preceding Quarter Ended 31.12.2013 RM'000	Difference	
			RM'000	%
Revenue	97,718	113,382	(15,664)	-13.8
Gross profit	22,225	22,246	(21)	-0.1
Profit before taxation	12,302	9,245	3,057	33.1

Compared to the previous quarter, the Group's revenue and gross profit decreased by RM15.7 million and RM21,000 respectively in the current quarter.

The Group reported an increase in profit before taxation of RM3.1 million or 33.1% in the current quarter as compared to the previous quarter mainly due to lower administrative expenses and higher share of profit of investments accounted for using the equity method.

16. PROSPECTS AND PROGRESS TO ACHIEVE FORECAST FOR THE REMAINING PERIOD TO THE END OF FINANCIAL YEAR OR NEXT FINANCIAL YEAR

Barring any unforeseen circumstances, the Directors remain optimistic with the Group's prospects for the remaining period to the end of financial year and next financial year, based on the positive developments within the oil and gas industry and the Company specific in 2014 as follows:

- (i) In March 2011, Uzma Engineering Sdn. Bhd. ("UESB") a wholly-owned subsidiary of the Company was awarded by PETRONAS Carigali Sdn Bhd ("PETRONAS"), a long term service agreement to provide a Low Pressure System ("LPS") for its domestic upstream operations. The contract value is estimated to be RM200 million for three years, effective from 18 February 2011 to 17 February 2014.
- (ii) As announced on 26 July 2011, UESB was awarded by PETRONAS a contract for the provision of integrated equipment and services for idle well reactivation project. The value of the contract is estimated at RM170 million for three years effective from 25 July 2011 to 24 July 2014. The contract is expected to contribute positively to the earnings of the Group commencing in the fourth quarter 2011.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

16. PROSPECTS AND PROGRESS TO ACHIEVE FORECAST FOR THE REMAINING PERIOD TO THE END OF FINANCIAL YEAR OR NEXT FINANCIAL YEAR (CONT'D)

- (iii) As announced on 20 September 2011, UESB was awarded a contract by PETRONAS to provide marine 2D and 3D seismic data acquisition services ("Umbrella Contract"). The Umbrella Contract period shall be effective from 18 August 2011 and shall continue for a primary period of three (3) years with an extension option of two (2) years.
- (iv) As announced on 16 February 2012, UESB was awarded a contract by PETRONAS to provide well testing equipment and services for Petronas Drilling Programmes – West Region. The contract value is estimated at RM350 million for contract period of five (5) years effective from 1 April 2012 to 31 March 2017.
- (v) As announced on 19 January 2012, the Group has completed the acquisition of 30.02 % equity interest in SVP principally engaged in the business of oil and gas services specialising in providing well-pumping and coil tubing services within the oil and gas sector. SVP is currently contributing positively to the Group's earnings.
- (vi) As announced on 11 June 2012, UESB was awarded a contract by PETRONAS for the provision of integrated water injection studies. The contract value is estimated at RM36 million for contract period of three (3) years effective from 14 May 2012 to 13 May 2015 with an extension option of 1 year from 14 May 2015 to 13 May 2016.
- (vii) As announced on 6 August 2012, Malaysian Energy Chemical & Services Sdn. Bhd. ("MECAS") was awarded a contract by Talisman Malaysia Limited for the supply of chemical and related services. The contract value is estimated at RM62 million for contract period of five (5) years effective from 6 July 2012 to 5 July 2017 with four extension option of 1 year each.
- (viii) As announced on 28 August 2012, MECAS received a Letter of Award from ExxonMobil Exploration and Production Malaysia Inc. ("EMEPMI") for the extension of contracts for the provision of Production and Integrity Chemicals. The value of the extension is estimated at RM27.5 million per year. The extension period will be for 1 year effective from 1 June 2012 to 31 May 2013 with an extension option of 1 year from 1 June 2013 to 31 May 2014.
- (ix) As announced on 19 April 2013, MECAS received a Letter of Award from EMEPMI for the provision of oilfield chemicals and associated services. The contract period is for 5 years (primary term) from 1 April 2013 to 31 March 2018 with an extension option of 2 years. The value for the primary term is estimated at RM238 million.
- (x) As announced on 11 October 2013, UESB received a Letter of Award from PETRONAS Carigali Sdn. Bhd. for the provision of drilling project management team for PMU wells. The contract period is for 1 year from 17 September 2013 to 16 September 2014 with an extension option for 1 year.
- (xi) On 1 April 2014, the Company announced that a contractor Group that includes its wholly owned subsidiary, Uzma Energy Venture (Sarawak) Sdn. Bhd. and EQ Petroleum Developments Malaysia Sdn. Bhd. ("Contractor Group"), had on 27 March 2014 signed a Small Field Risk Service Contract ("SFRSC") with Petroliam Nasional Berhad to carry out the development and production of petroleum from the Tanjung Baram Fields.

17. STATEMENT BY DIRECTORS

Not applicable.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

18. VARIANCE BETWEEN ACTUAL PROFIT AND FORECAST PROFIT

Not applicable as the Group has not previously disclosed or announced any revenue or profit forecast, estimate, projection or internal targets since the beginning of financial year ending 31 December 2014.

19. TAXATION

	(Unaudited) Current Quarter Ended 31.03.2014 RM'000	(Unaudited) Corresponding Quarter Ended 31.03.2013 RM'000	(Unaudited) Cumulative Period To Date 31.03.2014 RM'000	(Unaudited) Corresponding Period To Date 31.03.2013 RM'000
Current tax	(1,912)	(2,815)	(1,912)	(2,815)
Deferred tax	(890)	(27)	(890)	(27)
	<u>(2,802)</u>	<u>(2,842)</u>	<u>(2,802)</u>	<u>(2,842)</u>

20. ADDITIONAL DISCLOSURE

	(Unaudited) Current Quarter Ended 31.03.2014 RM'000	(Unaudited) Cumulative Period To Date 31.03.2014 RM'000
<u>Profit for the period is arrived at after crediting/ (charging):</u>		
- Gain on disposal of investment in joint venture	305	305
- Depreciation of property, plant and equipment	(1,161)	(1,161)
- Net foreign exchange loss	(336)	(336)

Other than the above, there is no impairment loss on trade receivables, impairment loss on property, plant and equipment, gain or loss on disposal of quoted or unquoted securities, amortisation of intangible assets, gain or loss on disposal of fixed assets, inventories written off, gain or loss on derivatives and exceptional items included in the results for current quarter.

21. STATUS OF CORPORATE PROPOSAL

- i. Proposed Renounceable Rights Issue and Proposed Increase in the Authorised Share Capital
On 18 March 2014, the Company announced that its proposal to undertake the following:
 - a. a renounceable rights issue of up to 132,000,000 Rights Shares at an issue price of RM0.75 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held in the Company at an entitlement date to be determined later ("Proposed Rights Issue") after obtaining the approvals from all the relevant parties and the shareholders of the Company; and
 - b. increase the authorised share capital of the Company from RM100,000,000 comprising 200,000,000 shares to RM250,000,000 comprising 500,000,000 shares and in consequence thereof, the Company's Memorandum of Association be amended accordingly.

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

21. STATUS OF CORPORATE PROPOSAL (CONT'D)

i. Proposed Renounceable Rights Issue and Proposed Increase in the Authorised Share Capital (con'd)

As announced on 9 May 2014, Bursa Securities had, vide its letter dated 8 May 2014, approved the listing and quotation of 132,000,000 new ordinary shares of RM0.50 each to be issued pursuant to the Proposed Rights Issue.

The Company had despatched the circular to shareholders in relation to the Proposed Rights Issue on 23 May 2014.

ii. Proposed Acquisition of MMSVS Group Holdings Limited

As announced on 20 May 2014, the Company had executed a term sheet with Mr. Pornsak Visitpong and/or his nominated affiliated company, Mrs. Jiraporn Visitpong and Mrs. Nantanut Visitpong (collectively, the "Vendors"), setting out the agreement between Uzma and the Vendors to acquire the entire equity interest in MMSVS Group Holdings Limited ("MMSVS" or "Target Company") held by the Vendors for an indicative aggregate purchase consideration of USD29.70 million ("Proposed Acquisition").

Pursuant to the term sheet and subject to further negotiations between Uzma and the Vendors (collectively, the "Parties"), the Parties shall execute a conditional sale and purchase agreement for the purchase of the shares of the Target Company held by the Vendors upon the completion of the preparation, negotiations and necessary documentation in relation to the Proposed Acquisition.

Other than as disclosed above, there are no corporate proposals announced by the Group that have not been completed as at 26 May 2014.

22. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 March 2014 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short-term borrowing:-</u>			
Term loans	4,051	-	4,051
Hire purchase payables	247	-	247
Bank overdraft	1	-	1
Factoring	13,075	-	13,075
	<u>17,374</u>	<u>-</u>	<u>17,374</u>
<u>Long-term borrowings:-</u>			
Term loans	36,257	-	36,257
Hire purchase payables	503	-	503
	<u>36,760</u>	<u>-</u>	<u>36,760</u>
Total	<u>54,134</u>	<u>-</u>	<u>54,134</u>

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UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)
23. OFF STATEMENT OF FINANCIAL POSITION FINANCIAL INSTRUMENTS

The Group does not have any off statement of financial position financial instruments.

24. MATERIAL LITIGATION

As at 26 May 2014, neither the Company nor its subsidiaries is involved in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

25. PROPOSED DIVIDEND

No dividend has been proposed for the current quarter.

26. EARNINGS PER SHARE

	(Unaudited) Current Quarter ended 31.03.2014	(Unaudited) Corresponding Quarter ended 31.03.2013	(Unaudited) Cumulative Period to date 31.03.2014	(Unaudited) Corresponding Period to date 31.03.2013
Net profit attributable to owners of the Company (RM'000)	8,428	8,855	8,428	8,855
Weighted average number of ordinary shares in issue ('000)	132,000	132,000	132,000	132,000
Basic earnings per share (sen)	6.38	6.71	6.38	6.71

(a) Basic earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the reporting period.

(b) Fully diluted earnings per share

Fully diluted earnings per share were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.

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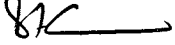
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF UZMA FOR THE THREE (3) MONTH FPE 31 MARCH 2014 (Cont'd)

27. REALISED AND UNREALISED PROFITS DISCLOSURE

The retained profits as at 31 March 2014 and 31 December 2013 are analysed as follows:

	(Unaudited)	(Audited)
	As at	As at
	31.03.14	31.12.13
	RM'000	RM'000
Total retained profits/(loss) of the Company and the subsidiaries		
- Realised	85,169	76,086
- Unrealised	<u>(3,741)</u>	<u>(1,637)</u>
	81,428	74,449
Total share of profit of investments accounted for using the equity method		
- Realised	<u>7,328</u>	<u>5,879</u>
Total Group retained profits	<u>88,756</u>	<u>80,328</u>

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DIRECTORS' REPORT



Date: 17 JUN 2014

Registered office:
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47301 Petaling Jaya
Selangor Darul Ehsan

Uzma Berhad
(514669-P)

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To: **The Shareholders of Uzma Berhad**

Dear Sir/Madam,

On behalf of the Board of Directors ("**Board**") of Uzma Berhad ("**Uzma**"), and after making due enquiries, I report that save as disclosed in this Abridged Prospectus, during the period from 31 December 2013 (being the date to which the last audited financial statements of Uzma and its subsidiaries ("**Uzma Group**") have been made) to the date hereof (being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus):

- (a) the business of the Uzma Group has, in the opinion of the Board, been satisfactorily maintained;
- (b) in the opinion of the Board, no circumstance has arisen since the last audited financial statements of the Uzma Group which has adversely affected the trading or the value of the assets of the Uzma Group;
- (c) the current assets of the Uzma Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this Abridged Prospectus, there is no contingent liability by reason of any guarantee or indemnity given by the Uzma Group;
- (e) there has been no default or any known event since the last audited financial statements of the Uzma Group, that could give rise to a default situation, on payments of either interest and/or principal sums in relation to any borrowings of which the Board is aware of; and
- (f) save as disclosed in the latest unaudited financial results of the Uzma Group for the 3-month financial period ended 31 March 2014, there has been no material change in the published reserves or any unusual factors affecting the profits of the Uzma Group since the last audited financial statements of the Uzma Group.

Yours faithfully
for and on behalf of the Board of
UZMA BERHAD

Dato' Kamarul Redzuan Bin Muhamed
Managing Director / Chief Executive Officer

FURTHER INFORMATION

1. SHARE CAPITAL

- (a) Save for the Rights Shares to be issued pursuant to the Rights Issue no securities will be allotted or issued on the basis of this Abridged Prospectus later than twelve (12) months after the date of the issuance of this Abridged Prospectus.
- (b) As at the date of this Abridged Prospectus, there is only one (1) class of shares in our Company, namely the ordinary shares of RM0.50 each, all of which rank *pari passu* with one another.
- (c) Save for the Entitled Shareholders who will be entitled to the Provisional Rights Shares, no other person has been or is entitled to be granted an option to subscribe for any of our securities as at the date of this Abridged Prospectus.

2. ARTICLES OF ASSOCIATION

The provisions in the Company's Articles of Association in dealing with the remuneration of its Directors are as follows:

The fees payable to the Directors shall from time to time be determined by the Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine provided always that:

- (a) Fees payable to Directors who hold no executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;
- (b) Fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting;
- (c) Any fee paid to an Alternate Director shall be such amount as shall be agreed between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meeting of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. Any Director who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration.

If by arrangement with the Directors, any Director shall perform or render any special duties outside his ordinary duties as a Director in particular without limiting to the generality of the foregoing if any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee or Directors, the Directors may pay him special remuneration, in addition to his Directors fees, and such special remuneration may be by way of a fixed sum, or otherwise as may be arranged provided that the special remuneration payable to non-executive directors shall not by way of a commission on or percentage of profits or turnover.

A Managing Director or Deputy Managing Director and/or Executive Directors shall subject to the terms of any agreement entered into in any particular case, receive such remuneration (whether by way of salary, commission, or participation in profits or partly in one way and partly in another) as the Directors may determine. Such remuneration may not include a commission on or a percentage of turnover.

FURTHER INFORMATION (Cont'd)

3. MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor its subsidiaries has entered into any material contract (not being contracts entered into in the ordinary course of business), during the two (2) years immediately preceding the date of this Abridged Prospectus:

- (a) Share Sale and Purchase Agreement dated 30 May 2014, between UESB and Mr Pornsak Visitpong for the proposed acquisition by UESB of the entire equity interest in SVJ comprising 50,000 ordinary shares of USD1.00 each ("**Offshore SPA**");
- (b) Share Sale and Purchase Agreement dated 30 May 2014 between WST and Mr Pornsak Visitpong for the proposed acquisition by WST of 100,999 preferred shares of THB100 each in MMSVS ("**Onshore SPA**");

The aggregate cash consideration to be paid by the Company under the Offshore SPA and Onshore SPA is USD29.7 million.

- (c) Joint Venture Agreement cum Shareholders Agreement dated 7 January 2014 entered into between UESB and Chemical Tracer Services Sdn Bhd whereby UESB will subscribe up to 70,000 shares equivalent to 70% equity in a joint venture company to undertake the provision of chemical tracer services;
- (d) Sale and Purchase Agreement dated 22 November 2013 entered into between UESB and Mammoth Empire Estate Sdn Bhd for the purchase of a 12-storey commercial building with a total built-up area of approximately 38,901 square feet which is located at Empire Damansara, No.2, Jalan PJU 8/8A, Damansara Perdana, PJU 8, Petaling Jaya for a purchase price of RM24.0 million, to serve as its new corporate office; and
- (e) Joint Venture Agreement dated 31 January 2013 entered into between Uzma Teras Sdn Bhd and Sabah Air Aviation Sdn Bhd whereby Uzma Teras Sdn Bhd will subscribe up to 200,000 shares equivalent to 40% equity in the joint venture company under the name of Sazma Aviation Sdn Bhd for the provision of aviation services for offshore oil and gas sector.

4. MATERIAL LITIGATION

As at the LPD, neither the Company nor its subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which may have a material and adverse effect on the business or financial position of the Group and the Board is not aware of any proceedings pending or threatened against the Company or its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Group.

5. GENERAL

- (i) There is no existing or proposed service contract entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- (ii) Save as disclosed in this Abridged Prospectus, as at the LPD, in connection with the financial condition and operations of our Group, there are no:
 - (a) known trends or demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group other than in the ordinary course of business;

FURTHER INFORMATION (Cont'd)

- (b) material commitments for capital expenditure;
- (c) unusual or infrequent events or transactions or any significant economic changes which materially affected the amount of reported income from operations of our Group other than in the ordinary course of business;
- (d) known trends or uncertainties which have had or will have, a material favourable or unfavourable impact on revenues or operating income; and
- (e) substantial fluctuation in revenue.

Save as disclosed in this Abridged Prospectus, our Board is not aware of any material information including special trade factors or risks which are not mentioned elsewhere and which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.

6. CONSENTS

The Principal Adviser, Financial Adviser, company secretaries, Due Diligence Solicitor, principal bankers and Share Registrar, being named in this Abridged Prospectus, do consent to act in that capacity. They have further confirmed that they have given and have not subsequently withdrawn their consent to the inclusion of their name, and all reference thereto, in the form and context in which they appear in this Abridged Prospectus.

The reporting accountants and auditors being named in this Abridged Prospectus, do consent to act in that capacity and have confirmed that they have not subsequently withdrawn their consent to the inclusion of their name, and all reference thereto, in the form and context in which it appears in this Abridged Prospectus and the Reporting Accountants' letter accompanying the Proforma Consolidated Statements of Financial Position of the Company as at 31 December 2013 and the Auditors' Report on the audited financial statements of Uzma for the financial year ended 31 December 2013.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consents for the inclusion of its name and/or citation of the market data compiled by them, in the form and context in which they appear in this Abridged Prospectus.

7. DECLARATION OF CONFLICT OF INTEREST**7.1 Principal Adviser**

KIBB is not aware of any possible conflict of interest which exists or is likely to exist in its capacity as the Principal Adviser to the Company in respect of the Rights Issue.

As at the LPD, KIBB had in the ordinary course of its banking business, granted financing to certain parties related to the Group. KIBB, in relation to its role as Principal Adviser for the Rights Issue, has considered the aforementioned factors and believes that its objectivity and independence in carrying out its role has been and will be maintained at all times for the following reasons:

- (i) The credit facility granted is not material when compared to the audited total assets of KIBB for the FYE 31 December 2013 and therefore would not give rise to a conflict of interest situation.
- (ii) KIBB is a licensed investment bank and its appointment as Principal Adviser for the Rights Issue and the granting of the credit facilities are in the ordinary course of its business and the conducts of KIBB is regulated strictly by the *Capital Markets and Services Act 2007* and the *Financial Services Act 2013* and by its own internal policies, controls, checks and risk management.

FURTHER INFORMATION (Cont'd)

7.2 Reporting Accountant

Messrs Crowe Horwath has given their written confirmation that they are not aware of any conflict of interest situation which exists or is likely to exist in its role as the Reporting Accountants in relation to the Rights Issue.

7.3 Due Diligence Solicitor

Cheang & Ariff has given their written confirmation that they are not aware of any conflict of interest situation which exists or is likely to exist in its role as the Due Diligence Solicitors in relation to the Rights Issue.

7.4 Financial Adviser

OASB has given their written confirmation that they are not aware of any conflict of interest situation which exists or is likely to exist in its capacity as the Financial Adviser in relation to the Rights Issue.

OCBC Al-Amin Bank Berhad, part of the OCBC Group and a related company to OASB, had in the ordinary course of business, granted financing to Uzma Group. OASB, in relation to their role as Financial Adviser for the Rights Issue, have considered the aforementioned factors and believe that their objectivity and independence in carrying out their role have been and will be maintained at all times.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection 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 during normal office hours on Mondays to Fridays (except public holidays) for a period of twelve (12) months commencing from the date of this Abridged Prospectus:

- (a) the Memorandum and Articles of Association of Uzma;
- (b) the Undertaking Shareholders' undertaking letters referred to in Section 2.4 of this Abridged Prospectus;
- (c) the audited financial statements of Uzma for the past two (2) FYE 31 December 2012 and 31 December 2013;
- (d) the proforma consolidated statements of financial position of Uzma as at 31 December 2013 together with the Reporting Accountants' letter thereon as set out in Appendix III of this Abridged Prospectus;
- (e) the unaudited consolidated financial statements of Uzma for the three (3)-month FPE 31 March 2014 as set out in Appendix V of this Abridged Prospectus;
- (f) the Directors' Report as set out in Appendix VI of this Abridged Prospectus;
- (g) the material contracts referred to in Section 3 of this Appendix; and
- (h) the letters of consent referred to in Section 6 of this Appendix and the declarations of interest letter referred to in Section 7 of this Appendix.

FURTHER INFORMATION (Cont'd)

9. RESPONSIBILITY STATEMENTS

The Abridged Prospectus, together with its accompanying documents, have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which, if omitted, would make any statement herein false or misleading.

KIBB, being the Principal Adviser for the Rights Issue, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

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