



UZMA BERHAD

(Company No : 769866-V)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

	(Unaudited) Quarter Ended 31.03.17 RM'000	(Unaudited) Quarter Ended 31.03.16 RM'000	(Unaudited) Period To Date 31.03.17 RM'000	(Unaudited) Period To Date 31.03.16 RM'000
Revenue	94,504	119,137	94,504	119,137
Cost of sales	<u>(52,518)</u>	<u>(93,096)</u>	<u>(52,518)</u>	<u>(93,096)</u>
Gross profit	41,986	26,041	41,986	26,041
Other income	<u>1,232</u>	<u>2,745</u>	<u>1,232</u>	<u>2,745</u>
	43,218	28,786	43,218	28,786
Administrative expenses	<u>(12,915)</u>	<u>(11,699)</u>	<u>(12,915)</u>	<u>(11,699)</u>
Operating expenses	<u>(15,154)</u>	<u>(5,708)</u>	<u>(15,154)</u>	<u>(5,708)</u>
	15,149	11,379	15,149	11,379
Net foreign exchange gain / (loss)	<u>(1,522)</u>	15,789	<u>(1,522)</u>	15,789
Finance costs	<u>(6,653)</u>	<u>(3,348)</u>	<u>(6,653)</u>	<u>(3,348)</u>
Share of profit of investments accounted for using the equity method	<u>20</u>	<u>(362)</u>	<u>20</u>	<u>(362)</u>
Profit before taxation	<u>6,994</u>	23,458	<u>6,994</u>	23,458
Income tax expense	<u>(721)</u>	<u>(1,803)</u>	<u>(721)</u>	<u>(1,803)</u>
Profit after taxation	<u>6,273</u>	21,655	<u>6,273</u>	21,655
Other comprehensive income/(expenses), net of tax Item that may be reclassified subsequently to profit or loss:				
-Foreign currency translation differences	<u>(11,481)</u>	<u>(17,663)</u>	<u>(11,481)</u>	<u>(17,663)</u>
Total comprehensive income for the financial period	<u><u>(5,208)</u></u>	<u><u>3,992</u></u>	<u><u>(5,208)</u></u>	<u><u>3,992</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 2016



UZMA BERHAD

(Company No : 769866-V)

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

	(Unaudited) Quarter Ended 31.03.17 RM'000	(Unaudited) Quarter Ended 31.03.16 RM'000	(Unaudited) Period To Date 31.03.17 RM'000	(Unaudited) Period To Date 31.03.16 RM'000
Profit/(Loss) after taxation attributable to :-				
Owners of the Company	5,935	20,974	5,935	20,974
Non-Controlling Interest	<u>338</u>	<u>681</u>	<u>338</u>	<u>681</u>
	<u>6,273</u>	<u>21,655</u>	<u>6,273</u>	<u>21,655</u>
Total comprehensive income/(loss) attributable to:-				
Owners of the Company	(5,546)	3,431	(5,546)	3,431
Non-Controlling Interest	<u>338</u>	<u>561</u>	<u>338</u>	<u>561</u>
	<u>(5,208)</u>	<u>3,992</u>	<u>(5,208)</u>	<u>3,992</u>
Earning per share (Note 27)				
- Basic (sen)	2.04	7.21	2.04	7.21
- Adjusted (sen)	2.56	1.92	2.56	1.92
- 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 2016.

UZMA BERHAD
(Company No : 769866-V)

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	(Unaudited) As at 31.03.17 RM'000	(Audited) As at 31.12.16 RM'000
ASSETS		
Non-current assets		
Investments in joint venture and associates	58,974	58,954
Other investment	10,498	10,483
Property, plant and equipment	487,795	497,996
Other Receivables - RSC	95,198	93,534
Goodwill on consolidation	61,368	61,368
Intangible assets	1,494	1,594
Deferred tax assets	112	112
	<u>715,439</u>	<u>724,041</u>
Current assets		
Inventories	21,263	18,414
Trade receivables	142,847	204,471
Other receivables, deposits and prepayments	110,404	113,976
Tax recoverable	7,874	7,521
Amount owing by contract customers	471	3,246
Amount owing by an associate	5,241	5,257
Short-term investments	36	51
Fixed deposits with licensed banks	23,020	22,014
Cash and bank balances	44,868	53,602
	<u>356,024</u>	<u>428,552</u>
TOTAL ASSETS	<u><u>1,071,463</u></u>	<u><u>1,152,593</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	145,468	145,468
Reserves	251,143	256,689
Shareholders' equity	<u>396,611</u>	<u>402,157</u>
Non-controlling interests	18,884	18,546
Total equity	<u>415,495</u>	<u>420,703</u>
Non-current liabilities		
Long-term borrowings	317,585	325,019
Deferred tax liabilities	5,153	7,928
	<u>322,738</u>	<u>332,947</u>
Current liabilities		
Trade payables	94,370	120,436
Other payables and accruals	58,122	83,513
Provision for taxation	938	1,435
Short-term borrowings	154,320	169,243
Bank overdraft	25,480	24,316
	<u>333,230</u>	<u>398,943</u>
Total liabilities	<u>655,968</u>	<u>731,890</u>
TOTAL EQUITY AND LIABILITIES	<u><u>1,071,463</u></u>	<u><u>1,152,593</u></u>
Net assets per share attributable to owners of the Company (RM)	1.36	1.38

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

UZMA BERHAD

(Company No : 769866-V)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

	<-----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 01.01.2016	145,468	95,853	32,863	(29,700)	76	111,592	356,152	15,150	371,302
Profit after taxation for the financial year	-	-	-	-	-	20,974	20,974	681	21,655
Other comprehensive income for the financial year, net of tax	-	-	(17,543)	-	-	-	(17,543)	(120)	(17,663)
Total comprehensive income for the financial year	-	-	(17,543)	-	-	20,974	3,431	561	3,992
Balance at 31.3.2016	145,468	95,853	15,320	(29,700)	76	132,566	359,583	15,711	375,294

	<-----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 01.01.2017	145,468	95,853	39,540	(29,700)	176	150,820	402,157	18,546	420,703
Profit after taxation for the financial year	-	-	-	-	-	5,935	5,935	338	6,273
Other comprehensive income for the financial year, net of tax	-	-	(11,481)	-	-	-	(11,481)	-	(11,481)
Total comprehensive income for the financial year	-	-	(11,481)	-	-	5,935	(5,546)	338	(5,208)
Dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-
Balance at 31.3.2017	145,468	95,853	28,059	(29,700)	176	156,755	396,611	18,884	415,495

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2017**

	(Unaudited) Cummulative Period To Date 31.03.17 RM'000	(Unaudited) Corresponding Period To Date 31.03.16 RM'000
Profit before taxation	6,994	23,458
Adjustments for non-cash items :		
Depreciation of property, plant and equipment	7,945	3,851
Amortisation of intangible assets	100	100
Share of profit of investments accounted for using the equity method	(20)	362
Other non-cash items	7,827	(15,221)
Operating profit before working capital changes	22,846	12,550
Changes in working capital	707	6,787
	23,553	19,337
Tax paid	(4,346)	(2,736)
Interest paid	(6,653)	(7,456)
Net cash from/(for) operating activities	12,554	9,145
Investing activities		
Interest received	719	117
Purchase of property, plant and equipment, net	(2,200)	(32,845)
Development expenditure incurred, net	(1,664)	(1,061)
(Return)/placement of deposits pledged with licensed banks	(2,937)	2,135
Net cash for investing activities	(6,082)	(31,654)
Financing activities		
(Repayment)/drawdown of bank loans, net	(31,995)	29,263
Drawdown of factoring, net	13,677	9,184
Repayment of hire purchase	(137)	(224)
Net cash from financing activities	(18,455)	38,223
Net change in cash and cash equivalents	(11,983)	15,714
Effect of exchange rate changes	154	(752)
Cash and cash equivalents at beginning of the period	33,090	32,301
Cash and cash equivalents at end of the period	21,261	47,263
Cash and cash equivalents at end of the period comprised:		
Fixed deposit with licences banks	23,020	20,782
Cash and bank balances	44,868	61,796
Bank overdrafts	(25,480)	(18,166)
	42,408	64,412
Less: Fixed deposits pledged with licensed banks	(21,147)	(17,149)
	21,261	47,263

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016



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 2017

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 2016. 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 2016.

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 2016.

(a) Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2017:

MFRS 14 Regulatory Deferral Accounts
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011):
Investment Entities – Applying the Consolidation Exception
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative
Amendments to MFRS 116 and MFRS 138:
Clarification of Acceptable Methods of Depreciation and Amortization
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements
Annual Improvements to MFRSs 2012 – 2014 Cycle

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group.

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 15 Revenue from Contracts with Customers & Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendment to MFRS 2 Share-based Payment – Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendment to MFRS 140 Investment Property – Transfers of Investment Property	1 January 2018
Annual Improvement to MFRSs 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 ‘Revenue from Contracts with Customers’	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

These pronouncements are not expected to have any material impact to the financial statements of the Group upon their initial application, except for described below:

MFRS 9 Financial Instruments

MFRS 9 (IFRS 9 issued by IASB in July 2015) replaces MFRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting. The Group is currently assessing the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment. The requirements for hedge accounting are not relevant to the Group.

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 2016.

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.

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 and period, except as announced on 11 May 2017, the Company proposed a Private Placement of up to 29,093,500 new ordinary shares of Uzma Berhad representing approximately 10% of the existing total number of issued shares of Uzma.

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, trading of hardware and equipment for oil refinery.
- (iii) Investment holding

	SERVICES RM'000	TRADING RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	THE GROUP RM'000
REVENUE					
External revenue	75,964	18,540	-	-	94,504
Inter-segment revenue	12,077	-	75	(12,152)	-
Total revenue	<u>88,041</u>	<u>18,540</u>	<u>75</u>	<u>(12,152)</u>	<u>94,504</u>
RESULTS					
Segment results	11,596	2,355	(324)	-	13,627
Finance costs	(6,082)	(65)	(31)	(475)	(6,653)
Share of profit of investments accounted for using the equity method					<u>20</u>
Profit from ordinary activities before taxation					6,994
Income tax expense					<u>(721)</u>
Profit from ordinary activities after taxation					6,273
Non- controlling interest					<u>(338)</u>
Net profit attributable to owners of the Company					<u>5,935</u>

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 for the purchase of property, plant and equipment not provided for in this interim financial report as at the end of the financial year.

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There were no material events subsequent to the end of the current quarter.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group from the beginning of the period up to 24 May 2017 save as announced on 18 April 2017, the Company incorporated two (2) new subsidiaries detailed as follow:

- (i) Uzma Laboratory Sdn. Bhd. (“ULSB”)(Company No. 1227506-M)

Principal activities	:	Business of geosciences and reservoir engineering, drilling project and operation services and other specialized services within the oil and gas industry.
Paid-up capital	:	RM100 represented by 100 ordinary shares.
Shareholders	:	(i) Uzma Berhad (94%) (ii) Michael Gerard Snape (3%) (iii) Douglas Denis Langton (3%)

- (ii) Environergy Sdn. Bhd. (Company No. 1227529-U)

Principal activities	:	Electric power generation and transmission, renewable energy power.
Paid-up capital	:	RM1.00 represented by 1 ordinary share
Shareholders	:	Uzma Berhad (100%)

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 RM566.5 million as at 31 March 2017.

14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

	(Unaudited) Cumulative Period To Date 31.03.2017 RM'000	(Audited) Cumulative Period To Date 31.03.2016 RM'000	Difference	
			RM'000	%
Revenue	94,504	119,137	(24,633)	(20.6)
Gross profit	41,986	26,041	15,945	61.2
Profit before taxation	6,994	23,458		
Adjust for net foreign exchange loss/(gain)	1,522	(15,789)		
	8,516	7,669	847	11.0

The Group's revenue decreased by RM24.6 million or 20.6% as compared to period-to-date ("PTD") 2016. Even though reduction in revenue, the Group's gross profit increased by RM15.9 million or 61.2%. This is mainly due the improvement of gross profit margin.

The Group reported slight increase in profit before taxation (excluding net foreign exchange gain / loss) of RM847,000 or 11.0% in PTD 2017 as compared to PTD 2016. The increase in profit before taxation was not in tandem with 61.2% improvement in gross profit was mainly due to higher operating expenses and finance costs.

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

	(Unaudited) Current Quarter Ended 31.3.2017 RM'000	(Unaudited) Preceding Quarter Ended 30.12.2016 RM'000	Difference	
			RM'000	%
Revenue	94,504	138,753	(44,249)	(31.9)
Gross profit	41,986	40,520	1,466	3.6
Profit before taxation	6,994	20,432		
Adjust for net foreign exchange loss/(gain)	1,522	(11,195)		
	8,516	9,237	(721)	(7.8)

The Group's revenue decreased by RM44.2 million or 31.9%. The decrease in revenue was mainly due to lower recognition of certain projects. Despite decrease in revenue, gross profit increased by RM1.5 million or 3.6% mainly due to improvement of gross profit margin.

The Group reported a decrease in profit before taxation (excluding net foreign exchange gain/loss) of RM721,000 or 7.8%. Despite higher gross profit, lower profit before taxation is registered due to higher administrative expenses, operating expenses, higher finance costs.

16. PROSPECTS AND PROGRESS TO ACHIEVE FORECAST FOR NEXT FINANCIAL YEAR

The joint venture between Uzma Energy Venture (Sarawak) Sdn. Bhd. and EQ Petroleum Developments Malaysia Sdn. Bhd. (the “Contractors”) had achieved first oil from Tanjung Baram Fields (as disclosed in note (v) below) on 18 August 2015. Pursuant to the Small Field Risk Service Contract signed with Petroliam Nasional Berhad, the Contractors are responsible for incurring costs for development and production of petroleum from the Tanjung Baram Fields, and will be reimbursed for the costs incurred. The Contractors will also receive remuneration fee, linked to performance variables, for a contract period of nine years.

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 of the Company specific in 2017 as follows:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) As announced on 23 July 2014, Uzma completed the acquisition of the entire equity interest in MMSVS Group Holdings Limited (“MMSVS”). The principal activities of MMSVS are the provision of services in relation to the repair and maintenance of exploratory and production wells utilizing Hydraulic Workover Units. The acquisition is expected to contribute positively to the Group’s future earnings.
- (vi) As announced on 4 August 2014, Uzma completed the acquisition of the entire issued and paid-up share capital of Premier Enterprise Corporation (M) Sdn Bhd (“PEC”). PEC is principally engaged in the business of oil and gas services specialising in the business of trading of chemical and other commodities in oil refinery. The acquisition is envisaged to provide earning accretion to the Company upon completion of the acquisition.
- (vii) As announced on 16 January 2015, UESB was awarded by PETRONAS Carigali Sdn Bhd, a contract for the provision of Through Tubing Downhole Tools and Services. The contract expired on 31 December 2016, but it has been extended for another 1 year from 1 January 2017 to 31 December 2017.

- (ix) On 21 May 2015, Sazma Aviation Sdn. Bhd., a 40% associate company of Uzma, was awarded by PETRONAS Carigali Sdn Bhd (“PCSB”) with a contract for the provision of aviation services for PETRONAS Sabah Operations (SBO). The contract is valued at RM154 million. The duration of the contract is for five years effective from 23 March 2015 to 22 March 2020 with an extension option exercisable by PCSB of 1 year until 22 March 2021.
- (x) As announced on 10 July 2015, UESB was awarded by PETRONAS Carigali Sdn Bhd (“PCSB”) with a contract for Leasing, Operation and Maintenance of the D18 Water Injection Facility for PCSB. The contract value is estimated at RM350 million to RM400 million. The duration of the contract is for 5 years leasing period effective from 31 March 2016.
- (xi) As announced on 6 February 2017, UESB was awarded by PETRONAS Carigali Sdn Bhd with an Umbrella Contract for the Provision of Electric Wireline Logging (EWL). The contract will run for a duration of 3 years, commencing from 1 December 2016 to 30 December 2019, with two extension options of 1 year each for Cased Hole Logging Services across the Pan Malaysia area. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.
- (xii) As announced on 16 February 2017, UESB was awarded by LUNDIN Malaysia B.V. with a contract for the Provision of Hydraulic Workover Unit and services. The contract will run for a duration of 9 months for the client’s operations at the Bertam field, on the east coast of Peninsular Malaysia. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.
- (xiii) As announced on 28 February 2017, UESB was awarded by Murphy with a contract for the Provision of Hydraulic Workover Unit and services. The contract will run for a duration of 2 years with an extension option of one (1) year. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.
- (xiv) As announced on 22 March 2017, UESB was awarded by PETRONAS Carigali Sdn Bhd with a contract for the Provision of Fishing Equipment and Services and services. The contract will run for a duration of 2 years with an extension option of one (1) year. Upon issuance of specific work order, the Company expects the contract to contribute positively to its future earnings.

17. STATEMENT BY DIRECTORS

Not applicable.

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 ended 31 March 2017.

19. TAXATION

	(Unaudited) Current Quarter Ended 31.03.2017 RM'000	(Unaudited) Corresponding Quarter Ended 31.03.2016 RM'000	(Unaudited) Cumulative Period To Date 31.03.2017 RM'000	(Unaudited) Corresponding Period To Date 31.03.2016 RM'000
Current tax	(3,496)	(2,809)	(3,496)	(2,809)
Deferred tax	2,775	766	2,775	766
MIDA tax deduction*	-	240	-	240
	<u>(721)</u>	<u>(1,803)</u>	<u>(721)</u>	<u>(1,803)</u>

* Tax incentive is given by Malaysian Investment Development Authority (“MIDA”) for acquisition of MMSVS as disclosed in Note 16 (vi).

20. ADDITIONAL DISCLOSURE

	(Unaudited) Current Quarter Ended 31.3.2017 RM'000	(Unaudited) Cumulative Period To Date 31.3.2017 RM'000
<u>Profit for the period is arrived at after crediting/ (charging):</u>		
- Net foreign exchange gain / (loss)	(1,522)	(1,522)
- Depreciation of property, plant and equipment	(7,945)	(7,945)
- Amortisation of intangible assets	(100)	(100)

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, inventories written off, gain or loss on derivatives and exceptional items included in the results for current quarter.

21. STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced by the Group that have not been completed as at 24 May 2017 save as the Proposed Private Placement as disclosed in Note 6.

22. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 March 2017 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short-term borrowings:</u>			
Bank loans	153,772	-	153,772
Hire purchase payables	548	-	548
	<u>154,320</u>	<u>-</u>	<u>154,320</u>
<u>Long-term borrowings:</u>			
Bank loans	311,472	-	311,472
Hire purchase payables	6,113	-	6,113
	<u>317,585</u>	<u>-</u>	<u>317,585</u>
Total	<u>471,905</u>	<u>-</u>	<u>471,905</u>

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 24 May 2017, 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 (“EPS”)

	(Unaudited) Current Quarter ended 31.03.2017	(Unaudited) Corresponding Quarter ended 31.03.2016	(Unaudited) Cumulative Year to date 31.03.2017	(Unaudited) Corresponding Year to date 31.03.2016
(i) Basic EPS				
Net profit attributable to owners of the Company (RM'000)	5,935	20,974	5,935	20,974
Weighted average number of ordinary shares in issue ('000)	290,936	290,936	290,936	290,936
Basic EPS (sen)	2.04	7.21	2.04	7.21
(ii) Adjusted EPS				
Net profit attributable to owners of the Company (RM'000)	5,935	20,974	5,935	20,974
Adjust for net foreign exchange gain/loss	1,522	(15,789)	1,522	(15,789)
Weighted average number of ordinary shares in issue ('000)	7,457	5,185	7,457	5,185
Adjusted EPS (sen)	2.56	1.78	2.56	1.78

(a) Basic EPS

The basic EPS is calculated based on the Group's profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the reporting period.

(b) Adjusted EPS

The adjusted EPS is calculated based on the Group's profit attributable to owners of the Company (excluding net foreign exchange gain / loss) divided by the weighted average number of ordinary shares in issue during the reporting period.

(c) Fully diluted EPS

Fully diluted EPS were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.

27. REALISED AND UNREALISED PROFITS DISCLOSURE

The retained profits as at 31 March 2017 and 31 December 2016 are analysed as follows:

	(Unaudited)	(Audited)
	As at	As at
	31.03.2017	31.12.2016
	RM'000	RM'000
Total retained profits / (accumulated losses) of the Company and the subsidiaries		
- Realised	146,438	157,701
- Unrealised	<u>(6,934)</u>	<u>(23,913)</u>
	139,504	133,788
Total share of profit of investments accounted for using the equity method		
- Realised	<u>17,251</u>	<u>17,032</u>
Total Group retained profits	<u>156,755</u>	<u>150,820</u>