



(Company No: 769866-V)
(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

A1. Basis of reporting preparation

The interim financial statements is unaudited and has been prepared in accordance with the Financial Reporting Standards 134 (FRS134): "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board ("MASB") and Appendix 9B part A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities")

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2008.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2008.

A2. 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.

A3. 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.

A4. 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.

A5. Issuances, repurchases, and repayments of debt and equity securities

There have been no issuances, repurchases, and repayments of debt and equity securities during the current quarter and year to date.

A6. Dividends paid

On 19 January 2009, the Company declared an interim dividend of 2.5 sen per ordinary share of RM0.50 in respect of the financial year ended 31 December 2008. The said dividend was paid on 19 February 2009.

A7. Segmental information

Segmental information is not provided as the Group's primary business segment is principally engaged in the provision of specialised services within the oil and gas industry and its operations are principally located in Malaysia.

A8. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current period under review.

A9. Capital commitments

The authorised capital commitments not provided for in the interim financial statements as at 30 September 2009 are as follows:

RM'000

Approved and contracted for 2,541

The capital commitments are in relation to purchase of property, plant & equipment.

A10. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date except as follows:-

The Company had on 18 September 2009 acquired the entire issued and paid-up capital of a dormant company, Uzma Teras Sdn Bhd representing 2 ordinary shares of RM1.00 each for a total consideration of RM2.00.

The Company wholly-owned subsidiary, Uzma Engineering Sdn Bhd ("UESB"), had on 3 June 2009 received the final approval from Tanda Daftar Perusahaan Perseroan Terbatas of the Republic of Indonesia for the incorporation of a company namely PT Uzma. UESB owns 95% of equity interest in PT while the balance of 5% is owned by Jeffrie, an Indonesian national.

A12. Contingent Liabilities and Contingent Assets

The Company has given corporate guarantees to licensed financial institutions for banking facilities granted to its subsidiary company. In relation thereto, Company has contingent liabilities amounting to approximately RM9.1 million as at 30 September 2009.

As at 30 September 2009, the Company does not have any contingent asset.



UZMA BERHAD

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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2009

B. ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES'S LISTING REQUIREMENTS

B1. Review of performance of the Company and its principal subsidiaries

| | Current Quarter Ended 30.09.2009 RM'000 | Cumulative Period to-date Ended 30.09.2009 RM'000 |
|-------------------------------|--|--|
| Revenue | 21,336 | 76,962 |
| (Loss)/Profit before taxation | (2,380) | 1,713 |

For the financial year to date, the Group recorded a pre-tax profit of RM1.71 million as a result of current quarter pre-tax loss of RM2.38 million. For further explanation on the performance of the Group, please refer to note B2.

In the opinion of the Directors, the result for the current quarter and financial year-to-date have not been affected by any transactions or events of a material nature which has arisen between 30 September 2009 and the date of this report.

B2. Material changes in the results of the current quarter compared to the results of the preceding quarter

| | Quarter Ended 30.09.2009 RM'000 | Quarter Ended 30.06.2009 RM'000 | Difference RM'000 | % |
|-------------------------------|--|--|------------------------------|----------|
| Revenue | 21,336 | 29,656 | (8,320) | (28.1) |
| (Loss)/Profit before taxation | (2,380) | 2,560 | (4,940) | (193.0) |

Compared to the previous quarter, the Group's revenue has reduced by RM8.32 million in the current quarter representing a decrease of 28.1%. The decrease in Group's revenue was mainly due to delay in awarding new contracts by customers and delay in project completion of existing projects and in the current quarter.

In addition, the Group has recorded a loss before taxation of RM2.38 million in current quarter as compared to a profit before taxation of RM2.56 million in previous quarter. The loss before taxation in current quarter was mainly due to weaker sales in the current quarter as highlighted above and higher operating expenses incurred in the current quarter. The increase in operating expenses was mainly due to higher staff cost incurred in the current quarter.

In the opinion of the Directors, the result for the current quarter has not been affected by any transactions or events of a material nature which has arisen between 30 June 2009 and the date of this report.

B3. Prospects and progress to achieve forecast for the remaining period to the end of financial period or next financial year

Barring any unforeseen circumstances, the Directors remain cautiously optimistic with the Group's prospects for the current financial year in view of the gradually improving oil prices which is anticipated to result in reactivation of the exploration and production enhancement activities by our clients in the second half of 2009. In addition, the Group's venture into petroleum operation in the Inner Mongolia has shown positive results upon the successful drilling campaign. For further information, please refer to the Company's announcement dated 20 November 2009.

The Board also take cognisant that staff costs being the biggest component of fixed operating cost of the Group may affect profitability when the Group is facing slower sales. The Group has recently undertaken some cost cutting measures with anticipation of slower sales.

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 2009.

B4. Statement by Directors

Not applicable.

B5. 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 2009.

B6. Taxation

| | Current Quarter Ended 30.09.2009 RM | Corresponding Quarter Ended 30.09.2008 RM | Cumulative Year To Date 30.09.2009 RM | Corresponding Year To Date 30.09.2008 RM |
|------------------|--|--|--|---|
| Current taxation | (495,078) | 583,232 | 679,152 | 958,822 |

B7. Profit from sale of unquoted investments and/ or properties

There were no disposal of unquoted investment and properties for the current quarter and financial year-to-date.

B8. Quoted securities

There was no purchase or disposal of quoted securities for the current quarter and financial year-to-date.

B9. Status of Corporate Proposal

As announced in interim financial report for the second quarter ended 30 June 2009, the Company has fully utilised the listing proceed from the public offering exercise.

B10. Group borrowings and debt securities

The Group's borrowings as at 30 September 2009 are as follows:-

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|--------------------------------------|---------------------------|-----------------------------|-------------------------|
| <u>Short term borrowing:-</u> | | | |
| Bank borrowing | 1,081 | - | 1,081 |
| Hire Purchases | 78 | - | 78 |
| Bank overdraft | 1,465 | - | 1,465 |
| | <u>2,624</u> | <u>-</u> | <u>2,624</u> |
| <u>Long Term borrowings:-</u> | | | |
| Bank borrowing | 6,636 | - | 6,636 |
| Hire Purchases | 192 | - | 192 |
| | <u>6,828</u> | <u>-</u> | <u>6,828</u> |
| Total | <u>9,452</u> | <u>-</u> | <u>9,452</u> |

B11. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk.

B12. Material Litigation

As at 16 November 2009, neither the Company or 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.

B13. Proposed Dividend

No dividend has been proposed for the current financial period ended 30 September 2009.

B14. Earnings per share

| | Current quarter ended 30.09.2009 RM'000 | Corresponding quarter ended 30.09.2008 RM'000 | Cumulative year to date 30.09.2009 RM'000 | Corresponding year to date 30.09.2008 RM'000 |
|---|--|--|--|---|
| Net (loss)/profit for the period | (1,832) | 529 | 972 | 7,578 |
| Weighted Average number of ordinary shares in issue ('000) | 80,000 | 80,000 | 80,000 | 80,000 |
| Basic earnings per share (sen) | (2.29) | 0.66 * | 1.21 | 9.47 * |

(a) * Basic earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company are based on the enlarged number of shares issued of 80,000,000 upon listing on 29 July 2008.

(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.

B15. Auditors' report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2008.

By order of the Board,

Dato' Kamarul Redzuan Muhamed
Managing Director/Chief Executive Officer
Date: 23 November 2009