



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 FORTH QUARTER ENDED 31 DECEMBER 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 31 December 2009 are as follows:

RM'000

Approved and contracted for 5,972

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 RM7.47 million as at 31 December 2009.

As at 31 December 2009, the Company does not have any contingent asset.



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

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

	Cumulative Period to-date Ended 31.12.2009 RM'000	Cumulative Period to-date Ended 31.12.2008 RM'000	Difference RM'000	%
Revenue	99,398	134,591	(35,193)	(26.15)
Gross profit	18,407	31,717	(13,310)	(41.96)
(Loss)/Profit before taxation	(7,413)	13,114	(20,527)	(156.53)

Compared to 2008, the Group's revenue in 2009 has decreased by RM35.19 million in 2009, representing a decrease of 26.15 %.

The decrease in revenue was mainly due to slower completion of existing projects in 2009 from Geoscience and Reservoir Engineering division ("GRE"). The GRE's revenue has decreased from RM30.43 million in 2008 to RM17.18 million in 2009, representing a decrease of RM13.25 million or 43.54%. In addition lower sales are recorded in Resource Management division ("RMS"). The RMS's revenue has decreased from RM88.59 million in 2008 to RM67.35 million in 2009 representing a decrease of RM21.24 million or 24.00%.

In line with decrease of revenue mentioned above, the Group's gross profit has also decreased from RM31.72 million in 2008 to RM18.41 million in 2009.

As a consequence of the lower revenue and gross profit recorded, the Group has recorded a loss before taxation of RM7.41 million in 2009 as compared to a profit before taxation of RM13.11 million in 2008. We wish to highlight that the losses incurred in 2009 was also due to higher operating expenses incurred by the Group in 2009 and additional cost incurred for setting up a new division which is expected to commence business activity by second quarter of 2010. In addition, the management had on prudence ground, make provision for doubtful debts for certain long outstanding amounts.

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 31 December 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 31.12.2009 RM'000	Quarter Ended 30.09.2009 RM'000	Difference	
			RM'000	%
Revenue	22,436	21,336	1,100	5.16
(Loss)/Profit before taxation	(9,128)	(2,380)	(6,748)	(283.53)

Compared to the previous quarter, the Group's revenue has increased by RM1.10 million in the current quarter representing a increase of 5.16 %. However the Company has recorded a pre-tax loss of RM9.12 million in the current quarter.

For further explanation on the performance of the Group, please refer to note B1.

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 31 December 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 and the Group anticipates seeing the results in second quarter of 2010. In addition, the Group's venture into petroleum operation in the Inner Mongolia has shown positive results upon the successful drilling campaign and the project will recommence after winter i.e. by end of March 2010. Furthermore, the Group is also anticipating the second unit of UzmaPress to commence by the second quarter of 2010.

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 31.12.2009 RM	Corresponding Quarter Ended 31.12.2008 RM	Cumulative Year To Date 31.12.2009 RM	Corresponding Year To Date 31.12.2008 RM
Current taxation	(722,356)	1,687,400	(43,204)	2,646,222

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 31 December 2009 are as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowing:-</u>			
Bank borrowing	523	-	523
Hire Purchases	78	-	78
Bank overdraft	121	-	121
	<u>722</u>	<u>-</u>	<u>722</u>
<u>Long Term borrowings:-</u>			
Bank borrowing	6,837	-	6,837
Hire Purchases	177	-	177
	<u>7,014</u>	<u>-</u>	<u>7,014</u>
Total	<u>7,736</u>	<u>-</u>	<u>7,736</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 19 February 2010, 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 31 December 2009.

B14. Earnings per share

	Current quarter ended 31.12.2009 RM'000	Corresponding quarter ended 31.12.2008 RM'000	Cumulative year to date 31.12.2009 RM'000	Corresponding year to date 31.12.2008 RM'000
Net (loss)/profit for the period	(8,428)	2,695	(7,457)	10,273
Weighted Average number of ordinary shares in issue ('000)	80,000	70,186	80,000	70,186
Basic (loss) / earning per share (sen)	(10.54)	3.84 *	(9.32)	14.64 *

(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 divided by the weighted average number of ordinary shares in issue during financial year 2008 of 70,186,301 shares.

(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: 25 February 2010