



UZMA BERHAD

(Company No : 769866-V)

**CONDENSED CONSOLIDATED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	(Unaudited) Current Quarter Ended 31.03.11 RM'000	(Unaudited) Corresponding Quarter Ended 31.03.10 RM'000	(Unaudited) Cumulative Period To Date 31.03.11 RM'000	(Unaudited) Corresponding Period To Date 31.03.10 RM'000
Revenue	35,126	20,411	35,126	20,411
Cost of sales	<u>(26,340)</u>	<u>(17,149)</u>	<u>(26,340)</u>	<u>(17,149)</u>
Gross profit	8,786	3,262	8,786	3,262
Other income	154	26	154	26
Operating expenses	(6,012)	(5,719)	(6,012)	(5,719)
Finance costs	(197)	(183)	(197)	(183)
Share of loss in a jointly controlled entity	<u>(12)</u>	<u>(11)</u>	<u>(12)</u>	<u>(11)</u>
Profit/ (Loss) before taxation	2,719	(2,625)	2,719	(2,625)
Income tax expense	<u>(610)</u>	<u>(31)</u>	<u>(610)</u>	<u>(31)</u>
Profit / (Loss) after taxation	2,109	(2,656)	2,109	(2,656)
Other comprehensive income/ (expenses), net of tax -Foreign currency translation	(36)	(2)	(36)	(2)
Total comprehensive income/ (expenses) for the financial period	<u><u>2,073</u></u>	<u><u>(2,658)</u></u>	<u><u>2,073</u></u>	<u><u>(2,658)</u></u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.



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Profit/ (Loss) after taxation attributable to :-				
Owners of the Company	1,989	(2,676)	1,989	(2,676)
Minority Interests	120	20	120	20
	<u>2,109</u>	<u>(2,656)</u>	<u>2,109</u>	<u>(2,656)</u>
Total comprehensive income/ (expenses) attributable to:-				
Owners of the Company	1,974	(2,668)	1,974	(2,668)
Minority Interests	99	10	99	10
	<u>2,073</u>	<u>(2,658)</u>	<u>2,073</u>	<u>(2,658)</u>
Earning / (Loss) per share				
- Basic (sen)	2.49	(3.35)	2.49	(3.35)
- Diluted (sen)	-	-	-	-

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

UZMA BERHAD*(Company No : 769866-V)***CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011**

	(Unaudited) As at 31.03.11 RM'000	(Audited) As at 31.12.10 RM'000
ASSETS		
Non-current assets		
Interest in a jointly controlled entity	3,870	3,882
Other investment	11	11
Property, plant and equipment	18,891	19,195
Deferred tax asset	1,872	2,032
Goodwill on consolidation	1,653	1,653
	<u>26,297</u>	<u>26,773</u>
Current assets		
Inventories	4,381	5,271
Trade receivables	32,595	28,327
Other receivables, deposits and prepayments	3,643	4,026
Tax recoverable	2,230	2,130
Amount owing by contract customers	7,404	11,041
Short-term investment	-	1
Fixed deposits with licensed banks	6,337	6,356
Cash and bank balances	7,646	5,276
	<u>64,236</u>	<u>62,428</u>
TOTAL ASSETS	<u>90,533</u>	<u>89,201</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	40,000	40,000
Reserves	9,898	7,924
Shareholders' equity	<u>49,898</u>	<u>47,924</u>
Minority Interests	4,411	4,312
Total equity	<u>54,309</u>	<u>52,236</u>
Non-current liabilities		
Long-term borrowings	8,422	8,258
Long-term payable	2,171	2,171
	<u>10,593</u>	<u>10,429</u>
Current liabilities		
Trade payables	8,231	12,101
Other payables and accruals	13,864	11,295
Provision for taxation	500	70
Short-term borrowings	3,036	3,070
	<u>25,631</u>	<u>26,536</u>
Total liabilities	<u>36,224</u>	<u>36,965</u>
TOTAL EQUITY AND LIABILITIES	<u>90,533</u>	<u>89,201</u>
Net assets per share attributable to owners of the Company (RM)	0.62	0.60

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

UZMA BERHAD
(Company No : 769866-17)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Legal Reserve RM'000	Retained Profits RM'000	Foreign Exchange Translation Reserves RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2010	40,000	21,966	(29,700)	51	17,708	(97)	49,928	682	50,610
Total comprehensive expenses for the period	-	-	-	-	(2,676)	8	(2,668)	10	(2,658)
Balance at 31.3.2010	40,000	21,966	(29,700)	51	15,032	(89)	47,259	692	47,952

	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Legal Reserve RM'000	Retained Profits RM'000	Foreign Exchange Translation Reserve RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Balance at 1.1.2011	40,000	21,966	(29,700)	51	15,659	(52)	47,924	4,312	52,236
Total comprehensive profit for the period	-	-	-	-	1,989	(15)	1,974	99	2,073
Balance at 31.03.2011	40,000	21,966	(29,700)	51	17,648	(67)	49,898	4,411	54,309

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.

UZMA BERHAD*(Company No : 769866-V)***CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

	(Unaudited) Cumulative Period To Date 31.03.11 RM'000	(Unaudited) Corresponding Period To Date 31.03.10 RM'000
Profit/(Loss) before taxation	2,719	(2,625)
Adjustments for non-cash items :		
Depreciation	413	429
Share of loss in a jointly controlled entity	12	11
Other non-cash items	141	195
Operating profit/ (loss) before working capital changes	<u>3,285</u>	<u>(1,990)</u>
Changes in working capital	<u>(577)</u>	<u>(2,099)</u>
	2,708	(4,089)
Interest paid	(197)	(183)
Tax paid	(121)	(507)
Net cash from/ (for) operating activities	<u>2,390</u>	<u>(4,779)</u>
Investing activities		
Interest received	21	25
Purchase of property and equipment	(112)	(630)
Net cash for investing activities	<u>(91)</u>	<u>(604)</u>
Financing activities		
Drawdown of term loan	331	-
(Repayment)/ Drawdown of factoring	(134)	3,778
Repayment of borrowings	(54)	(147)
Repayment of hire purchase	(14)	(14)
Net cash from financing activities	<u>129</u>	<u>3,616</u>
Net change in cash and cash equivalents	2,428	(1,767)
Effect of exchange rate changes	(79)	1
Cash and cash equivalents at beginning of the period	<u>11,633</u>	<u>8,359</u>
Cash and cash equivalents at end of the period	<u>13,982</u>	<u>6,594</u>
Cash and cash equivalents at end of the period comprised:		
Short term investment	-	1
Fixed deposit with licences banks	7,645	3,832
Cash and bank balances	6,337	4,209
Bank overdrafts	-	(1,448)
	<u>13,982</u>	<u>6,594</u>

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2010.



(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 2011

1. BASIS OF REPORTING PREPARATION

The interim financial statement 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 2010.

The accounting policies, methods of computation and the basis of consolidation used in the preparation of this interim financial report are consistent with those applied in the audited annual financial statements for the year ended 31 December 2010.

On 1 January 2011, the Group adopted the following new FRSs, Amendments to FRS and IC Interpretations:-

FRS 1 (Revised)	First-time Adoption of Financial Reporting Standard
FRS 3 (Revised)	Business Combinations
FRS 127 (Revised)	Consolidated and Separate Financial Statements
Amendments to FRS 1 (Revised)	Limitation Exemption from Comparative FRS 7
	Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Scope of FRS 2 and FRS 3 (Revised)
Amendments to FRS 2	Group Cash settled- Share based Payment Transactions
Amendments to FRS 5	Plan to Sell the Controlling Interest in a Subsidiary
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 138	Consequential Amendments Arising from FRS 3 (Revised)
Amendments to IC Interpretation 9	Scope of IC Interpretation 9 and FRS 3 (Revised)
IC Interpretation 4	Determining Whether An Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of a Non-cash Assets to Owners
IC Interpretation 18	Transfer of Assets from Customer
Annual Improvements to FRS (2010)	

1. BASIS OF REPORTING PREPARATION (CONT'D)

The above accounting standard and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

- (i) FRS 3 (Revised) introduces significant changes to accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting for future transaction or arrangements.
- (ii) FRS 127 (Revised) required accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will not have any financial impact on the financial statements of the Group for the current financial period but may impact the accounting its future transactions or arrangements.

At the date of authorisation of these interim financial statements, the following FRSs, IC Interpretations and Amendments to IC Interpretations were issued but not yet effective and have not been adopted by the Group:

		Effective date
FRS 124 (Revised)	Related Party Disclosures	1 January 2012
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement	1 July 2011
IC Interpretation 15	Agreement for the Construction of Real Estate	1 January 2012
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2011

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 2010.

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

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, 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	28,775	6,351	-	-	35,126
Inter-segment revenue	22	-	45	(67)	-
Total revenue	28,797	6,351	45	(67)	35,126
RESULTS					
Segment results	2,700	221	7	-	2,928
Finance costs	(197)	-	-	-	(197)
Share of loss in a jointly controlled entity					(12)
Profit from ordinary activities before taxation					2,719
Income tax expense					(610)
Profit from ordinary activities after taxation					2,109
Minority interest					(120)
Net profits attributable to owners of the Company					1,989

9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

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

10. CAPITAL COMMITMENTS

Approved and contracted for property, plant and equipment RM1,300,000

11. MATERIAL EVENTS SUBSEQUENT TO THE END OF PERIOD REPORTED

There are no material events subsequent to 31 March 2011 that has not been reflected in the financial statement for the financial quarter ended 31 March 2011.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in composition of the Group during the current financial quarter under review.

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 subsidiary company. In relation thereto, the Company has contingent liabilities amounting to approximately RM8.8 million as at 31 March 2011.

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

	Cumulative Period To Date 31.03.2011 RM'000	Cumulative Period To Date 31.03.2010 RM'000	Difference	
			RM'000	%
Revenue	35,126	20,411	14,715	72.1
Gross profit	8,786	3,262	5,524	169.3
Profit/(Loss) before taxation	2,719	(2,625)	5,344	203.6

14. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (CONT'D)

Compared to cumulative period-to-date ("PTD") 2010, the Group's revenue in PTD 2011 registered an increase of RM14.715 million, representing an increase of 72.1%. The increase in revenue was mainly due to revenue contribution from Project Oilfield Operation Services ("POOS") division arising from the Low Pressure System ("LPS") services rendered to PETRONAS and contribution from Malaysia Energy Chemical & Services Sdn. Bhd. ("MECAS") which the Group acquired in the 2nd quarter of 2010.

The Group's gross profit increased by RM5.524 million from RM3.262 million reported in PTD 2010 to RM8.786 million in PTD 2011 mainly due to contribution from MECAS, higher margin reported from POOS and profit from agency business.

In line with the improvement in revenue and gross profit, the Group's results before taxation has turned around from a loss before taxation of RM2.625 million in PTD 2010 to profit before taxation of RM2.719 million in PTD 2011.

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

	Current Quarter Ended 31.03.2011 RM'000	Preceding Quarter Ended 31.12.2010 RM'000	Difference	
			RM'000	%
Revenue	35,126	36,145	(1,019)	2.8
Gross profit	8,786	5,900	2,886	48.9
Profit before taxation	2,719	282	2,437	864.2

Compared to the previous quarter, the Group's revenue has decreased by RM1.019 million in the current quarter representing a decrease of 2.8%. The decrease mainly due to completion of projects from GRE and lower revenue contributed from services segment compared to the preceding quarter.

The Group's reported an increase of RM2.437 million in its results before tax for the current quarter as compared to the preceding quarter. This was mainly due to additional gross profit from projects recognised in current quarter due to improvement in profit margin from LPS services rendered to PETRONAS and profit derived from agency business.

16. 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 next financial year based on the positive developments within the oil and gas industry and the Company specific in 2011 as follows:

- (i) Oil price has been range-bound between USD 70 to USD 90 per barrel from early 2010 till end of 2010. It continues to trade below USD100 per barrel in the beginning of 2011 until end of February 2011. There was an upsurge of oil price touching above USD110 per barrel by end of April 2011. Thereafter, the oil price has since retreated to just below USD100 per barrel as at the reporting date. We view that the current level of oil price is supportive of the overall oil and gas exploration and production activities as invitations to bid for contracts from oil majors have increased in 2011 compare to 2010.
- (ii) In March 2011 one of the subsidiary company, Uzma Engineering Sdn. Bhd. has been awarded by 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. The contract is expected to contribute positively to the earnings of the Group. Currently, the Group is in the midst of securing necessary financing to fund the implementation of the said agreement.
- (ii) The Malaysian government announced that there are 12 entry point projects (EPPs) under the Economic Transformation Programme (ETP). The first three EPPs would look at sustaining oil and gas production, which include rejuvenating existing fields through enhanced oil recovery ("EOR"), developing small fields through innovative solution and intensifying exploration activities. Meanwhile, another two EPPs would look to enhance downstream growth by building regional oil storage and trading hub and unlocking premium gas demand in Peninsular Malaysia. Uzma Group being the pioneer among the local oil and gas company in EOR activities is expected to derive benefits from this programme.

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 period ending 2011.

19. TAXATION

	(Unaudited) Current Quarter Ended 31.03.2011 RM'000	(Unaudited) Corresponding Quarter Ended 31.03.2010 RM'000	(Unaudited) Cumulative Period To Date 31.03.2011 RM'000	(Unaudited) Corresponding Period To Date 31.03.2010 RM'000
Current tax:				
- for the current financial period	(450)	(31)	(450)	(31)
- deferred tax	(160)	-	(160)	-
	<u>(610)</u>	<u>(31)</u>	<u>(610)</u>	<u>(31)</u>

20. PROFIT FROM SALE OF UNQUOTED INVESTMENTS AND/ OR PROPERTIES

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

21. QUOTED SECURITIES

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

22. STATUS OF CORPORATE PROPOSAL

There are no other corporate proposals announced by the Group that have not been completed as at 25 May 2011.

23. GROUP BORROWINGS AND DEBT SECURITIES

The Group's borrowings as at 31 March 2011 are as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
<u>Short-term borrowings:-</u>			
Bank borrowings	2,977	-	2,977
Hire purchase payables	59	-	59
	<u>3,036</u>	<u>-</u>	<u>3,036</u>
<u>Long-term borrowings:-</u>			
Bank borrowings	8,298	-	8,298
Hire purchase payables	124	-	124
	<u>- 8,422</u>	<u>-</u>	<u>8,422</u>
Total	<u>11,458</u>	<u>-</u>	<u>11,458</u>

24. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

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

25. MATERIAL LITIGATION

As at 25 March 2011, 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.

26. **PROPOSED DIVIDEND**

No dividend has been proposed for the current quarter financial period to date.

27. **EARNINGS / (LOSS) PER SHARE**

	Unaudited Current Quarter ended 31.03.2011 RM'000	Unaudited Corresponding Quarter ended 31.03.2010 RM'000	Unaudited Cumulative Period to date 31.03.2011 RM'000	Unaudited Corresponding Period to date 31.03.2010 RM'000
Net profit / (loss) attributable to owners of the Company (RM'000)	1,989	(2,676)	1,989	(2,676)
Number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings / (loss) per share (sen)	2.49	(3.35)	2.49	(3.35)

(a) **Basic earnings / (loss) per share**

The basic earnings / (loss) per share is calculated based on the Group's profit / (loss) attributable to owners of the Company divided by the number of ordinary shares in issue during the reporting period.

(b) **Fully diluted earnings / (loss) earnings per share**

Fully diluted earnings / (loss) per share were not computed as there were no outstanding potential ordinary shares to be issued as at the end of the reporting period.

28. **REALISED AND UNREALISED PROFITS / (LOSSES) DISCLOSURE**

The retained profits as at 31 March 2011 and 31 December 2010 are analysed as follows:-

	As at 31.03.11 RM'000	As at 31.12.10 RM'000
Total retained profits of the Company and the subsidiaries		
- Realised	15,741	14,098
- Unrealised	2,037	1,679
	<u>17,778</u>	<u>15,777</u>
Total share of losses from a jointly controlled entity		
- Realised	(130)	(118)
	<u>17,648</u>	<u>15,659</u>
Total Group retained profits		