

6. APPROVALS AND CONDITIONS**6.1 APPROVALS AND CONDITIONS**

The SC had approved our Listing Scheme, under Section 212(5) of the CMSA and the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests, vide its letter dated 12 December 2007. Subsequently, the SC had approved an extension of time of an additional six (6) months up to 11 December 2008 for the completion of our Listing Scheme, vide its letter dated 2 May 2008. The conditions imposed by the SC and the status of compliance is as follows: -

Conditions Imposed By SC					Status of Compliance
(i) Moratorium on the sale of shares on our Promoters, whereby they are not allowed to sell, transfer or assign their shareholdings in our Company for a period of one year from the date of admission of our Company to the Second Board of Bursa Securities, as follows: -					Complied. The Promoters have provided the SC with a letter of undertaking that they will not sell, transfer or assign their shareholdings in Uzma under moratorium for a period of one (1) year from the date of admission to the Second Board of Bursa Securities.
Promoters	Shareholdings after the Public Issue and Offer for Sale		Shareholdings under moratorium		
	No. of shares	% of enlarged issued and paid-up share capital ^	No. of shares	% of enlarged issued and paid-up share capital ^	
Dato' Kamarul Datin Rozita	39,999,957	50.00	27,692,280	34.62	
	12,000,039	15.00	8,307,720	10.38	
Total	51,999,996	65.00	36,000,000	45.00	
^ Based on the enlarged issued and paid-up share capital after the Public Issue and Offer for Sale, excluding pink form allocation;					
(ii) In relation to the public issue portion to be issued via private placement, AmInvestment Bank / our Company is to fully comply with the relevant provisions in Chapter 5 of the SC Guidelines;					Will be complied, where applicable.
(iii) Our Company should comply with the National Development Policy (NDP) requirement whereby at least 30% of our enlarged share capital is to be held by Bumiputera shareholders upon listing, to be recognised by MITI;					Complied. 65% of our enlarged issued and paid-up capital will be held by our Promoters upon the IPO, who have been recognised by MITI as Bumiputeras vide its letter dated 19 November 2007.
(iv) Uzma Malaysia should maintain 51% Bumiputera equity at all times as required by the Ministry of Finance under the Certification of Bumiputera Contractor Registration;					Noted.

6. APPROVALS AND CONDITIONS (Cont'd)

Conditions Imposed By SC	Status of Compliance
(v) An Investment Bank / our Company should inform the SC on the status of compliance with the NDP requirement upon completion of the listing exercise;	Will be complied. An Investment Bank / we will inform the SC on our status of compliance with the NDP requirement upon completion of our Listing.
(vi) An Investment Bank / our Company are to fully comply with the relevant requirements of the SC Guidelines relating to the implementation of the flotation exercise; and	Will be complied, where applicable.
(vii) An Investment Bank / our Company are to inform the SC upon completion of the proposal.	Will be complied.

The SC noted that the equity structure relating to Bumiputera, non-Bumiputera and foreign shareholdings in our Company would change arising from the implementation of our Listing Scheme, as follows: -

	Before implementation of Listing Scheme *	After completion of Listing Scheme
	%	%
Bumiputera	100.00	65.00
Non-Bumiputera	-	35.00
Foreigners	-	-
Total	100.00	100.00

Note: -

* As at incorporation.

The SC had approved certain exemptions from compliance with the SC's Prospectus Guidelines, vide its letter dated 23 May 2008. The details of the exemptions, approval and condition imposed by the SC and the status of compliance is as follows: -

Details of exemptions from the SC's Prospectus Guidelines	Details of approval and condition imposed by SC	Status of compliance
Paragraphs 8.09(m) and 20.01(c) of the Prospectus Guidelines – waiver from disclosure of certain sensitive and confidential information of the technical assistance agreements as set out in Section 4.2.6 (i), (iii) and (iv) of this Prospectus, and waiver from making available for public inspection the sensitive and confidential information contained in the said agreements.	Approved, subject to Uzma submitting to the SC two (2) certified true copies of the said agreements, one (1) of which in its original form, and one (1) of which with the relevant terms blackened out.	Complied.

6. APPROVALS AND CONDITIONS (Cont'd)

The MITI had approved our Listing Scheme vide its letter dated 19 November 2007. The conditions imposed by the MITI and the status of compliance is as follows: -

Conditions imposed by MITI	Status of Compliance												
<p>(i) SC's approval and compliance with the Guidelines on the Acquisition of Interests, Mergers and Take-overs by Local and Foreign Interests.</p> <p>(ii) MITI recognises the shareholdings of the Bumiputera investors in our Company upon completion of the Proposed Listing as follows: -</p> <table border="1" data-bbox="352 779 1027 1010"> <thead> <tr> <th>Shareholder</th> <th>Shareholdings</th> <th>% shareholdings</th> </tr> </thead> <tbody> <tr> <td>Dato' Kamarul Redzuan bin Muhamed</td> <td>39,999,957</td> <td>50.00</td> </tr> <tr> <td>Datin Rozita binti Mat Shah</td> <td>12,000,039</td> <td>15.00</td> </tr> <tr> <td>Total</td> <td>51,999,996</td> <td>65.00</td> </tr> </tbody> </table> <p>subject to the following condition:-</p> <p>approval of the MITI is required for the sale / transfer of the recognised shareholdings. However, the sale / transfer for up to 30% of the said shareholdings is allowed without obtaining approval of the MITI.</p> <p>(iii) Our Company is to inform the MITI of the shareholdings of the recognised Bumiputera shareholders, six (6) months after the listing of Uzma for the purpose of ascertaining compliance.</p>	Shareholder	Shareholdings	% shareholdings	Dato' Kamarul Redzuan bin Muhamed	39,999,957	50.00	Datin Rozita binti Mat Shah	12,000,039	15.00	Total	51,999,996	65.00	<p>Complied. The SC had approved the Listing Scheme vide SC's letter dated 12 December 2007 subject to certain conditions. Please refer to above for the conditions imposed by the SC.</p> <p>Will be complied, if applicable.</p> <p>Will be complied. We will inform MITI on our equity holding structure six (6) months after the completion of our Listing.</p>
Shareholder	Shareholdings	% shareholdings											
Dato' Kamarul Redzuan bin Muhamed	39,999,957	50.00											
Datin Rozita binti Mat Shah	12,000,039	15.00											
Total	51,999,996	65.00											

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6. APPROVALS AND CONDITIONS (Cont'd)

Bursa Securities had approved-in-principle our Listing vide its letter dated 30 May 2008. The conditions imposed by Bursa Securities and the status of compliance is as follows: -

Conditions imposed by Bursa Securities	Status of compliance
<p>(i) Listing and quotation of our enlarged issued and paid-up share capital of 80,000,000 Shares will commence immediately two (2) clear market days after receipt of the following: -</p> <ul style="list-style-type: none"> (a) confirmation from the Adviser that the public share spread based on the entire enlarged issued and paid-up share capital of 80,000,000 Shares complies with Paragraph 3.05 of the Listing Requirements and a statement on the percentage of the total number of Shares for which listing is sought which are held by the public, the number of public shareholders and a certificate of distribution of the Shares in the format contained in Paragraph (c), Part C, Appendix 3A of the Listing Requirements; (b) a copy of the latest Return of Allotment duly filed with the Companies Commission of Malaysia; (c) an undertaking that all notices of allotment will be issued and despatched to all successful applicants prior to the date of listing and quotation of the Shares; (d) confirmation from Bursa Depository of the receipt of allotment information for the crediting of the Shares; (e) confirmation from the Adviser that all conditions, including conditions imposed by the relevant authorities, which are required to be met prior to the listing and quotation of the Shares have been met; (f) confirmation from the Adviser that there are no circumstances or facts which have the effect of preventing or prohibiting the issuance, listing and / or quotation of the Shares including any order, injunction or any other directive issued by any court of law; (g) confirmation from the Adviser that the Shares rank pari passu in all respects with each other; (h) the following information in respect of the moratorium on the sale of Shares as imposed by the SC: - <ul style="list-style-type: none"> (i) names of shareholders; (ii) number of Shares; and (iii) date of expiry of the moratorium for each block of Shares; (i) confirmation that the information in (h) above has been submitted to Bursa Depository; (j) a cheque drawn to the order of Bursa Securities for the initial and annual listing fee together with a copy of the details of the computation of the amount of initial and annual listing fees payable; (k) one specimen copy (not a photocopy) of each denomination of certificates of the class to be listed; and 	<p>Will be complied in due course. The application for the listing and quotation of our enlarged issued and paid-up share capital will be made two (2) clear market days before our Listing date.</p>
<p>(ii) Our Company is required to announce our latest quarterly results (if applicable) at least two (2) Market Days prior to our Listing date.</p>	<p>Will be complied in due course if applicable.</p>

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6. APPROVALS AND CONDITIONS (Cont'd)**6.2 MORATORIUM ON SHARES**

As one of the conditions imposed by the SC via its approval letter dated 12 December 2007, the SC imposed a moratorium on the disposal of Shares held by certain of our shareholders.

Our existing shareholders whose Shares are subjected to the moratorium as imposed by the SC are as follows: -

Name	Shares held after the IPO		Shareholdings to be placed under Moratorium after Listing	
	No. of Shares	%*	No. of Shares	%*
Dato' Kamarul	39,999,957 [^]	50.00	27,692,280	34.62
Datin Rozita	12,000,039 [^]	15.00	8,307,720	10.38
Total	51,999,996	65.00	36,000,000	45.00

Notes: -

* Based on the enlarged issued and paid-up share capital of 80,000,000 Shares after the IPO

[^] Excluding the respective entitlements for the pink form Share allocation pursuant to the IPO

The abovementioned shareholders, who are our Promoters, will not be allowed to sell, transfer or assign their shareholdings amounting to 45% of our enlarged issued and paid-up capital for one (1) year from the date of our admission to the Official List of the Second Board of Bursa Securities. This restriction has been fully accepted by the abovementioned shareholders.

The abovementioned shareholders have provided separate undertaking letters to the SC that they will not sell, transfer or assign their respective shareholdings under moratorium for the moratorium period as stipulated above.

The moratorium is specifically endorsed on the Share certificates representing the shareholdings of our Promoters to ensure that our registrars do not register any transfer not in compliance with the moratorium restrictions. In compliance with the restrictions, Bursa Depository will, on our registrars' instructions in the prescribed forms, ensure that trading of these Shares are not permitted during the moratorium period.

The endorsement affixed on the Share certificates are as follows: -

*"The shares comprised herein are not capable of being sold, transferred or assigned for a period as determined by the SC ("**Moratorium Period**"). Accordingly, the shares comprised herein will not constitute good delivery pursuant to the Rules of the Exchange during the Moratorium Period. No share certificate or certificates will be issued to replace this certificate unless the same shall be endorsed with this restriction".*

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7. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST**7.1 EXISTING AND PROPOSED RELATED-PARTY TRANSACTIONS AND CONFLICT OF INTEREST**

Save as disclosed below, for the past three (3) FYEs up to 31 December 2007 and the subsequent financial period up to 31 March 2008, our Group does not have any other existing and / or proposed related party transactions or other subsisting contracts of arrangement entered into by our Group which involved the interest, direct or indirect, of our Directors, substantial shareholders and / or key management and / or persons connected to them as defined under the Listing Requirements: -

(a) Recurrent Related Party Transactions

Save as disclosed below, for the past three (3) FYEs up to 31 December 2007 and the subsequent financial period up to 31 March 2008, our Group does not have any other existing and / or proposed recurrent related-party transactions entered into by our Group that involved the interest, direct or indirect, of our Directors, substantial shareholders and / or key management and / or persons connected to them as defined under the Listing Requirements: -

Related Party	Nature of Transaction and Potential / Actual Conflict of Interest and / or Related-Party Transaction	Transaction Value (RM)			
		FYE 31 December			3 months period up to 31 March 2008
		2005	2006	2007	
Uzma Malaysia and AKK Management	AKK Management, in which Dato' Kamarul has 99.9% equity interests, supplies chemicals and Reverse Osmosis System used in projects to us	-	1,501,601 [^]	180,046 [^]	-
Uzma Malaysia and DKM2 Sdn Bhd ("DKM2")	DKM2, which is owned by Kamarul Azman Muhamed, the brother of Dato' Kamarul, are sub-contractors for our in-house project design and media production	-	118,145	164,333	24,750
Uzma Australia and Comter Technologies Pty Ltd ("Comter")	Comter, in which a Director of Uzma Australia, Mark Allan, has 100% equity interests, provides management consultancy services to Uzma Australia	-	AUD20,250	-	-

Note: -

[^] The transaction value between Uzma Malaysia and AKK Management decreased in 2007 as a substantial portion of the Reverse Osmosis System supplied by AKK Management which cost approximately RM1.0 million was delivered in 2006

7. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)**(b) Non-Recurrent Related Party Transactions**

Save for the Acquisitions and as disclosed below, for the past three (3) FYEs up to 31 December 2007 and the subsequent financial period up to 31 March 2008, our Group does not have any other existing and / or proposed non-recurrent related-party transactions entered into by our Group that involved the interest, direct or indirect, of our Directors, substantial shareholders and / or key management and / or persons connected to them as defined under the Listing Requirements: -

Related Party	Nature of Transaction	Transaction Value (RM)			
		FYE 31 December			3 month period up to 31 March 2008
		2005	2006	2007	
Uzma Malaysia and Kartika and Co.	Kartika and Co., in which Kartika Wati Muhamed, Dato' Kamarul's sister, is a partner of the firm, has acted as the solicitor for Uzma Malaysia's purchase of landed properties for office use	-	-	41,148	-

The Directors are of the opinion that all business transactions between our Group and our Directors and substantial shareholders and / or key management and / or persons connected to them as defined under the Listing Requirements are on arm's length basis and on terms not more favourable to the related parties than those generally available to the public. The Audit Committee will supervise the terms of related party transactions, and our Directors will report related party transactions, if any, annually in our annual report.

7.2 TRANSACTIONS THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS

Our Directors have confirmed that to the best of their knowledge and belief, there are no transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, to which we or our subsidiaries was a party in respect of the past three (3) financial years up to 31 December 2007 and subsequent financial period thereof up to the LPD.

7.3 OUTSTANDING LOANS (INCLUDING GUARANTEES OF ANY KIND) MADE BY US OR ANY OF OUR SUBSIDIARIES TO / FOR THE BENEFIT OF RELATED PARTIES

There is no outstanding loan (*including guarantees of any kind*) that has been granted by us and / or any other company within our Group to / for the benefit of related parties as at the end of each of the past three (3) FYEs 31 December 2005 to 31 December 2007 and as at 30 April 2008, being the latest practicable date prior to the printing of this Prospectus.

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7. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

7.4 INTEREST IN SIMILAR BUSINESS

As at the LPD, to the best knowledge and belief of our Directors and substantial shareholders, none of our Directors or substantial shareholders and / or key management are interested, directly or indirectly in any business carrying on a similar trade as our Group.

7.5 PROMOTIONS OF ANY MATERIAL ASSETS ACQUIRED / TO BE ACQUIRED

Save for the Acquisitions and as set out in Section 7.1 of this Prospectus, none of our other Directors and / or substantial shareholders has any interest, direct or indirect, in the promotion of or in any material assets acquired or proposed to be acquired or disposed or proposed to be disposed of or leased or proposed to be leased to us or any of our subsidiaries within the three (3) FYEs up to 31 December 2007 and the subsequent financial period up to the LPD.

7.6 CONTRACTS OR ARRANGEMENTS IN WHICH OUR DIRECTORS OR SUBSTANTIAL SHAREHOLDERS ARE INTERESTED AND SIGNIFICANT IN RELATION TO THE BUSINESS OF OUR GROUP

As at LPD, save as disclosed in Section 7.1 of this Prospectus, none of our Directors and / or substantial shareholders has any interest in any contract or arrangement subsisting at the date of this Prospectus, which is significant in relation to the business of our Group taken as a whole.

7.7 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Pursuant to Paragraph 10.09 of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of related party transactions involving recurrent transactions of a revenue or trading in nature which are necessary for its day to day operations subject to, inter-alia, the following: -

- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
- (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold under paragraph 2.1 of Practice Note No. 12 / 2001 of the Listing Requirements;
- (c) the circular to our shareholders for the shareholders' mandate shall include the information required under the Listing Requirements; and
- (d) in a meeting to obtain shareholders' mandate, the interested Director, interested major shareholder or interested person connected with a Director or major shareholder; and where it involves the interest of an interested person connected with a Director or major shareholder, such Director or major shareholder, must not vote on the resolution approving the transactions. An interested Director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

Our Group would, in the ordinary course of our business, enter into transactions, including but not limited to the transactions described as related party transactions set out in Section 7.1 of this Prospectus, with persons who are considered "related parties" as defined in the Listing Requirements. It is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

7. RELATED-PARTY TRANSACTIONS / CONFLICT OF INTEREST (Cont'd)

Due to the time-sensitive nature of commercial transactions, the shareholders mandate will enable us, in our normal course of business, to enter into the categories of related party transactions, provided such related party transactions are made at arm's length and on normal commercial terms.

Transactions that do not fall within the ambit of the shareholders' mandate shall be subject to the relevant provisions of the Listing Requirements.

Bursa Securities has approved an extension of time up to our next annual general meeting or extraordinary general meeting, whichever is held earlier, to obtain shareholders' ratification and mandate for recurrent related-party transactions. The said transactions shall be of a revenue or trading nature to be entered between us or any of our subsidiaries and our Directors or substantial shareholders or persons connected with such Directors or substantial shareholders, commencing from our Listing date up to the annual general meeting or extraordinary general meeting.

7.8 DECLARATIONS BY THE ADVISERS

AmInvestment Bank has given its confirmation that, as at the date of the Prospectus, there is no conflict of interest with respect to its capacity as Adviser to our Group for the IPO.

AmInvestment Bank is the Sole Underwriter and Sole Placement Agent for the IPO Shares. AmInvestment Bank hereby confirms that, as at the date of this Prospectus, there is no conflict of interest with respect to its capacity as the Sole Underwriter and Sole Placement Agent for the IPO Shares. The Underwriting Agreement, which certain details are as set out in Section 2.8, was entered into on an arms-length basis and on market terms.

Messrs. Shook Lin & Bok has given its confirmation that there is no conflict of interest in its capacity as Solicitors to our Group for the IPO.

Antares Consulting Limited has given its confirmation that there is no conflict of interest in its capacity as the Due Diligence Solicitors in relation to Uzma Thailand.

Messrs David Taylor Solicitors has given its confirmation that there is no conflict of interest in its capacity as the Due Diligence Solicitors in relation to Uzma Australia.

Messrs. Horwath has given its confirmation that there is no conflict of interest in its capacity as Auditors and Reporting Accountants to our Group for the IPO.

Vital Factor Consulting Sdn Bhd has given its confirmation that there is no conflict of interest in its as the Independent Business and Market Research Consultants for the IPO.

Messrs Ernst and Young has given its confirmation that there is no conflict of interest in its capacity as the Independent Business Valuer to undertake the valuation of the entire equity interest in the three (3) combined entities, namely Uzma Malaysia, Uzma Thailand and Uzma Australia, in relation to the Listing.

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8. OTHER INFORMATION CONCERNING OUR CORPORATION / GROUP

8.1 INFORMATION ON LAND AND BUILDINGS

A summary of the land and buildings owned by our Group is as follows: -

No.	Name of Registered Owner / Postal Address / Title Identification	Approximate Age of Building / Tenure / Date of Expiry of Lease	Description and existing Use / Express Condition	Land area / Built up area (sq ft)	Restriction in Interest / Major Encumbrances	Purchase Consideration (RM) / Date of Transaction	Audited Net Book Value As at 31 December 2007 (RM)
1.	Uzma Malaysia / No.68, Jalan Metro Pudu 2, 55200 Kuala Lumpur / Title Identification: H.S.(D) 110396 P. T. No. 550 Seksyen 92 Bandar Kuala Lumpur Daerah Kuala Lumpur	0.5 year / Freehold	Shoplot / For use as multi-storey building for purpose of shop / office only [#]	1,722 sq ft / 8,034 sq ft	1. Charge in favour of Alliance Bank Malaysia Berhad vide presentation number 1914 / 2008 and registered on 6 February 2008 2. Charge in favour of Alliance Bank Malaysia Berhad vide presentation number 1915 / 2008 and registered on 6 February 2008	RM2,800,000 / 25 April 2007	- [^]
2.	Fraser & Neave (Malaya) Sdn Bhd* / No.70, Jalan Metro Pudu 2, 55200 Kuala Lumpur / Title Identification: H.S.(D) 110395 P. T. No. 549 Seksyen 92 Bandar Kuala Lumpur Daerah Kuala Lumpur	0.5 year / Freehold	Shoplot / For use as multi-storey building for purpose of shop / office only [#]	1,722 sq ft / 8,034 sq ft	Nil	RM2,750,000 / 25 April 2007	- [^]

8. OTHER INFORMATION CONCERNING OUR CORPORATION / GROUP (Cont'd)

Notes: -

- * *As at LPD, the land has yet to be transferred into the name of Uzma Malaysia*
- ^ *Subsequent to 31 December 2007, a total deposit of RM1,036,480 has been paid to the vendors of the properties for the purchase of the two (2) properties*
- # *The shop / office is a five (5) storey building*

The Listing Scheme does not involve any revaluation of the above-mentioned properties.

In respect of our land and buildings as set out above, our Directors wish to confirm that, save as disclosed above and to the best of their knowledge and belief: -

- (i) the above buildings have been issued with a Certificate of Fitness for Occupation dated 22 February 2008;
- (ii) there are no other restrictions in interest or major encumbrances;
- (iii) there has not been any breach of land-use conditions / permissible land use; and
- (iv) there has not been any material non-compliance with current statutory requirements, land rules or building regulations.

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8. OTHER INFORMATION CONCERNING OUR CORPORATION / GROUP (Cont'd)

A summary of the land and buildings leased by our Group is as follows: -

No.	Name of Lessor / Postal Address of the Leased Property / Title Identification / Lessee	Approximate Age of Building / Date of Expiry of Lease	Description and Existing Use	Built up area of the Leased Property	Restriction in Interest and Encumbrances in Respect of Lease	Monthly Rental (THB)
1.	Peyanarongwit Co., Ltd. / 29 Vanissa Building, 6 th Floor Soi Chidlom, Ploenchit Rd, Lumpini, Pathumvan, Bangkok, 10330 Thailand /	16 years / 15 April 2010	Lease for office of Uzma Thailand	88 square metres	Nil	22,000
	Title Identification: Title deed numbers 2348, 4377 and 13899 Uzma Thailand					

Our Directors wish to highlight that, to the best of their knowledge and belief, in respect of the property leased by Uzma Thailand stated above: -

- (i) there has not been any breach of any of the land-use conditions / permissible land use; and
- (ii) there has not been any material non-compliance with current statutory requirements, land rules or building regulations.

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8. OTHER INFORMATION CONCERNING OUR CORPORATION / GROUP (Cont'd)

8.2 MATERIAL PLANT AND EQUIPMENT

As our Group is primarily engaged in providing services that are predominantly dependant on skilled personnel, our Group does not have any material plant or equipment.

8.3 ACQUISITION OF PROPERTIES

Apart from as disclosed in Section 8.1, no properties were acquired by our Group during the last two (2) years preceding the date of this Prospectus.

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9. FINANCIAL INFORMATION

9.1 HISTORICAL FINANCIAL INFORMATION

The following table sets out a summary of the proforma consolidated results of our Group for the past three (3) FYEs 31 December 2005 to 31 December 2007. The proforma consolidated results prepared on the assumption that our Group had been in existence throughout the periods under review. The proforma consolidated results are prepared for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the proforma consolidated financial information set out in Section 9.7 of this Prospectus.

	FYE 31 December		
	2005 RM'000	2006 RM'000	2007 RM'000
Revenue	44,573	87,005	128,151
Cost of sales	(35,520)	(66,100)	(100,289)
Gross profit	9,053	20,905	27,862
Other income	12	34	265
	9,065	20,939	28,127
Other expenses	(3,751)	(8,576)	(14,363)
Profit from operations	5,314	12,363	13,764
Finance costs	(29)	(320)	(546)
Profit before taxation	5,285	12,043	13,218
Depreciation	94	285	337
Interest expense	5	80	520
Interest income	(12)	(29)	(74)
Earnings before interest, depreciation and taxation	5,372	12,379	14,001
Depreciation	(94)	(285)	(337)
Interest expense	(5)	(80)	(520)
Interest income	12	29	74
Profit before taxation	5,285	12,043	13,218
Income tax expense	(1,434)	(3,466)	*(4,827)
Profit after taxation	3,851	8,577	8,391
Attributable to: -			
- Equity holders of the parent	3,832	8,263	8,238
- Minority interests	19	314	153
	3,851	8,577	8,391
Number of Shares in Uzma had our Group been in existence ⁽¹⁾	62,000	62,000	62,000
EPS (sen)			
- Before IPO ⁽²⁾	6.18	13.33	13.29
- After IPO ⁽³⁾	4.79	10.33	10.30
Gross profit margin (%)	20.31	24.03	21.74
Profit after tax margin (%)	8.64	9.86	6.55
Effective tax rate (%)	27.13	28.78	36.52

9. FINANCIAL INFORMATION (Cont'd)Notes: -

- (1) *Based on the issued and paid-up share capital of 62,000,000 Shares immediately prior to the Public Issue.*
- (2) *Calculated based on profit attributable to equity holders of the Company for the respective financial years under review divided by the number of Shares in issue immediately prior to the Public Issue of 62,000,000 Shares*
- (3) *Calculated based on profit attributable to equity holders of the Company for the respective financial years under review divided by the enlarged number of Shares after the IPO of 80,000,000 Shares.*
- * *Inclusive of approximately RM818,000 of additional tax liabilities for the years of assessment 2002 to 2004. These additional tax liabilities include penalties imposed by the Inland Revenue Board amounting to RM271,000. The impact on additional tax liabilities should be reduced by foreign withholding tax recoverable of approximately RM295,000 pending submission of Uzma Malaysia's tax return for the year of assessment 2007.*

The proforma consolidated results of our Group are based on the following audited financial statements: -

- (a) Uzma : for the financial period ended from 17 April 2007 to 31 December 2007
- (b) Uzma Malaysia : for the financial year ended 31 December 2005 to 31 December 2007
- (c) Uzma Thailand : for the financial year ended 31 December 2005 to 31 December 2007
- (d) Uzma Australia : for the financial period from 3 March 2006 (date of incorporation) to 31 December 2007

The proforma consolidated results of our Group are based on the accounting principles and bases consistent with those adopted in the preparation of the audited financial statements of Uzma Malaysia, Uzma Thailand and Uzma Australia for the FYE 31 December 2007, which have been prepared in accordance with applicable approved Financial Reporting Standards ("**FRS**") in Malaysia and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

Further information on the proforma consolidated results is set out in Section 9.7 of this Prospectus.

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9. FINANCIAL INFORMATION (Cont'd)

9.2 CAPITALISATION AND INDEBTEDNESS

The following table summarises our cash and cash equivalents, capitalisation and indebtedness: -

- (i) as at 31 December 2007 based on our proforma consolidated financial information after the Acquisitions; and
- (ii) as adjusted for the net proceeds arising from the issue of the 18,000,000 IPO Shares pursuant to our IPO and the utilisation of proceeds as set out in Section 2.6 of this Prospectus.

	Proforma as at 31 December 2007 after the Acquisitions RM'000	After the IPO and utilisation of proceeds RM'000
Cash and cash equivalents	(866)	23,695
Indebtedness		
Short-term indebtedness: -		
- Bank overdraft (secured and guaranteed)	5,761	1,700
- Promissory note (secured and unguaranteed)	2,939	-
- Hire purchase (unsecured and unguaranteed)	26	26
Long-term indebtedness: -		
- Hire purchase (unsecured and unguaranteed)	133	133
Total indebtedness	8,859	1,859
Capitalisation		
Total shareholders' equity	22,732	54,432
Total capitalisation	22,732	54,432
Total capitalisation and indebtedness	31,591	56,291

9.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION, RESULTS OF OPERATIONS AND PROSPECTS

The following management's discussion and analysis of our Group's past financial performances and results of operations should be read in conjunction with the proforma consolidated financial information and the related notes thereon for the past three (3) FYEs 31 December 2005, 2006 and 2007 included in Section 9.7 of this Prospectus.

This discussion and analysis contains data derived from our audited financial statements as well as forward-looking statements that involve risks and uncertainties. The results may differ significantly from those projected in the forward-looking statements. Factors that may cause future results to differ significantly from those included in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 3 of this Prospectus.

9. FINANCIAL INFORMATION (Cont'd)

9.3.1 Overview of Operations**Revenue**

In the FYE 31 December 2006, our Group's revenue increased significantly to RM87.0 million from RM44.6 million, an increase of approximately 95.1% as compared to the previous financial year. This was mainly driven by the continued market demand for our services from existing and new customers. Despite the strong demand from our existing services rendered, our Group ventured into Resource Management Services ("**RMS**"), which contributed approximately RM18.0 million to the earnings of our Group. Provision of professional manpower management services to a PSC Operator / Contractor in Malaysia was the significant contributor to our revenue from Project and Operation - Resource Management.

Our Group's revenue increased significantly to RM128.2 million from RM87.0 million in the FYE 31 December 2006. This was driven by the surge in market demand for Drilling Services (20.7% increase) and Project and Operations Services (91.7% increase) year-on-year. The continued demand for our services was underpinned by the uptrend surging of oil price. The spot price of Brent Crude Oil increased from USD61 per barrel in December 2006 to USD94 per barrel in December 2007 (*Source: Bloomberg*). In 2007, there was a delay in the provision of professional manpower management services to the aforementioned PSC Operator / Contractor, which resulted in a shortfall on our projected revenue from Project & Operation Services ("**POS**"). In addition, there was a delay in Phase 2 of Temana field review due to change in work scope, resulting in a corresponding change in the date of project commencement. Despite the above delay, the corresponding impact to our bottom line was moderated as our Group was awarded a few Geoscience and Reservoir Engineering ("**GRE**") projects in 2007, which were not forecasted.

Gross Profit

Gross profit increased by 130.9% in 2006 from RM9.1 million to RM20.9 million on the back of continued increase in demand for GRE Services following further increase in crude oil prices during the year. This provided us with a gross profit margin of 24.0% in 2006 from 20.3% in 2005.

Gross profit from FYE 31 December 2006 to FYE 31 December 2007 increased due to lower increase in cost of sales as compared to the increase in revenues. This can be attributed to our efforts in implementing cost control mechanisms to keep costs low such as technical software utilisation policy and we actively negotiated the cost of manpower to ensure it remained at pre-2007 levels.

Operating Profits

In line with the significant increase in gross profit for FYE 2006 as compared to FYE 2005, operating profits surged 132.6% to RM12.3 million from RM5.3 million. This was despite an increase in other operating expenses of 128.6% or RM4.8 million year-on-year from higher operating overheads, namely staff costs, entertainment and traveling and accommodation expenses.

Operating profits rose another 11.3% or RM1.4 million in FYE 2007 due to higher gross profits despite further increases in other expenses such as (i) staff costs due to additional investment in manpower, especially in our GRE Services to facilitate preparation for our on-going expansion plans and new target markets, as detailed in Section 4.7 of this Prospectus, and (ii) the additional cost incurred due to unexpected requirement for software customization incurred by Uzma Thailand during the FYE 2007. In addition, foreign exchange losses due to depreciation in the value of the USD have also contributed to the rise in other operating expenses in FYE 2007.

9. FINANCIAL INFORMATION (Cont'd)**Finance Cost**

Finance costs remained relatively low up until FYE 2006 due to low borrowings, apart from hire purchase and lease payables. For FYE 2006, bank overdrafts increased to RM1.5 million from approximately RM640,000 in the previous year, while new promissory note facilities utilised amounted to RM2.0 million compared to none in the year before. The low gearing prior to FYE 2006 was due to low capital requirements. This changed in year 2007 whereby borrowings were required due to significant increase in cashflow requirement for Project and Operation Services.

Finance costs increased by approximately RM226,000 during the FYE 31 December 2007 due to increased borrowings for working capital requirements.

Tax

The effective tax rates for the FYE 31 December 2005 was lower than the statutory tax rate mainly due to Uzma Malaysia being eligible for a lower corporate tax rate of 20% for the first RM500,000 of chargeable income.

Income tax expense increased by RM2.0 million in FYE 2006 increasing the effective tax rate from approximately 27.1% to 28.8%. The effective tax rate for the FYE 2006 was higher than the statutory tax rate due to certain expenses being not tax-deductible.

Income tax expense increased again in 2007 due to higher profit before taxation, as well as additional tax liabilities imposed by the Inland Revenue Board (IRB) for prior years assessment. The effective tax rate for the FYE 31 December 2007 was higher than the statutory tax rate at 36.5%.

The IRB had conducted a field audit on Uzma Malaysia in August 2007 for the years of assessment 2002 to 2004. Resulting thereto, the IRB has imposed additional tax liabilities on Uzma Malaysia amounting to approximately RM818,000. The taxable income as assessed by the IRB has increased for the years of assessment 2002 to 2004 mainly due to certain expenses claimed by the Company's tax agent for the above-mentioned years of assessment not allowable for deduction by the IRB. The additional tax liabilities imposed above included penalties amounting to approximately RM271,000 imposed by the IRB under Section 113(2) of the Income Tax Act 1967 in relation to difference in tax returns arising from the non-deductible expenses above. The penalty is calculated at 45% of the tax payable in accordance with the IRB's published schedule of penalties under the Self Assessment System.

In addition to the above, a total of foreign withholding tax of approximately RM295,000 has not been reflected in our audited results in FYE 31 December 2007 pending submission of Uzma Malaysia's tax return for the year of assessment 2007.

Financial Condition

On the whole, our financial condition as derived from the proforma consolidated financial information for the past three (3) FYEs 31 December 2005, 2006 and 2007 can be summarized as favourable. This can be substantiated by our strong growth in revenue, gross profit and profit before tax year-on-year throughout the financial years under review. Our venture into RMS and better margins from GRE, coupled with higher growth in POS have boosted revenues while prudent cost control measures have all contributed to our positive bottom-line results these past 3 years.

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9. FINANCIAL INFORMATION (Cont'd)**Factors and Trends Affecting Future Financial Condition and Results**

After taking into consideration the risk factors relating to our business and industry, and our ability to mitigate such risk factors set out in Section 3.1 and Section 3.2 of this Prospectus, we are of the opinion that our future financial condition and results will remain favourable. Despite our dependence on two major customers, our longstanding business relationship with them ensures our future continuing revenues. Similarly, despite the other business risks detailed in Section 3.1, we have taken appropriate measures to ensure that these risks are mitigated. Despite industry specific risks detailed in Section 3.2, the probability of these factors affecting the financial performance of our Company remains remote at this point in time, or has already been mitigated by us.

Furthermore, our international clientele network and strong industry knowledge provides us with a sound platform for us to weather any adverse changes to the industry climate that might occur in the future. Our competitive strengths as set out in Section 4.2.3 of this Prospectus provide the foundation for the sustainability of our business and financial growth.

Our future plans as set out in Section 4.7 of this Prospectus, are to further develop and expand our service capabilities and range, in the Oil and Gas industry. With the inflow of funds from the IPO exercise, we will set up a new Geological Laboratory, in addition to other related facilities in the country, as detailed in Section 4.7. As part of our business plans in the same section, our Group plans to expand our business to India and North Africa, and expand on our current business coverage in Indonesia, Middle East, Thailand and Australia.

Despite the uncertain outlook for the global economy as set out in Section 4.4.1 of this Prospectus, the outlook for the Malaysian economy remains favourable, as set out in Section 4.4.2 of this Prospectus, including the crude oil production sector. Domestic demand, private investment and consumption spending are all expected to experience growth, contributing to expansion in GDP and GNP. Malaysia's Reserves of Natural Gas, continue to increase, while domestic sales of Refined Petroleum Products continued to grow in 2007, as set out in Section 4.4.3. Also on the Oil and Gas industry, exports of Petroleum Oils, Crude and Crude Oils obtained from Bituminous Minerals, Refined Petroleum Products and Natural Gas (whether Liquefied or Not) also increased in 2007 as compared to the previous year.

9.3.2 Segmental Analysis

The following is the segmental analysis by company, where possible, of the proforma consolidated results of our Group for the past three (3) FYEs 31 December 2005 to 31 December 2007. The proforma consolidated results are provided for illustrative purposes only and on the assumption that the current structure of our Group has been in existence throughout the financial years under review.

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9. FINANCIAL INFORMATION (Cont'd)

Analysis of Revenue and Profits by Companies

	FYE 31 December					
	2005		2006		2007	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Revenue						
Uzma	-	-	-	-	-	-
Uzma Malaysia	43,723	98.09	80,627	92.67	119,052	92.90
Uzma Thailand	850	1.91	7,868	9.04	12,955	10.11
Uzma Australia	-	-	124	0.15	678	0.53
Total	44,573	100.00	88,619	101.86	132,685	103.54
Less: Consolidation adjustments	-	-	(1,614)	(1.86)	(4,534)	(3.54)
Consolidated revenue	44,573	100.00	87,005	100.00	128,151	100.00
Profit before tax						
Uzma	-	-	-	-	(13)	(0.10)
Uzma Malaysia	5,227	98.90	13,876	115.22	13,170	99.64
Uzma Thailand	58	1.10	851	7.07	459	3.47
Uzma Australia	-	-	(155)	(1.29)	(302)	(2.28)
Total	5,285	100.00	14,572	121.00	13,314	100.73
Less: Consolidation adjustments	-	-	(2,529)	(21.00)	(96)	(0.73)
Consolidated profit before tax	5,285	100.00	12,043	100.00	13,218	100.00

Analysis of Revenue and Profits by Services

	FYE 31 December					
	2005		2006		2007	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Revenue						
Geosciences and Reservoir Engineering Services	12,217	27.41	25,471	29.28	34,378	26.83
Drilling Services^	20,606	46.23	32,426	37.27	39,138	30.54
Project and Operations Services	11,016	24.71	28,549	32.81	54,733	42.71
Other Services	734	1.65	2,173	2.50	4,436	3.46
Total	44,573	100.00	88,619	101.86	132,685	103.54
Less: Consolidation adjustments	-	-	(1,614)	(1.86)	(4,534)	(3.54)
Consolidated revenue	44,573	100.00	87,005	100.00	128,151	100.00
Gross profit						
Geosciences and Reservoir Engineering Services	3,566	39.39	13,022	62.29	14,809	53.15
Drilling Services^	4,187	46.25	3,883	18.57	6,341	22.76
Project and Operations Services	1,097	12.12	2,588	12.38	4,581	16.44
Other Services	203	2.24	1,412	6.76	2,131	7.65
Consolidated gross profit	9,053	100.00	20,905	100.00	27,862	100.00

9. FINANCIAL INFORMATION (Cont'd)Note: -

- ^ The revenue for Drilling Services increased in 2006 as compared to 2005 but the corresponding gross profit dropped as the majority of work in 2005 was carried out by internal staffs as compared to external consultants in 2006. Also, we have more overseas projects in 2005 compared to 2006 which on average have higher margin compared to domestic projects

Analysis of Revenue and Profits by Markets / Geographical Location

	FYE 31 December					
	2005		2006		2007	
	(RM'000)	(%)	(RM'000)	(%)	(RM'000)	(%)
Revenue						
Domestic	39,859	89.42	67,352	77.41	100,583	78.49
Overseas	4,714	10.58	21,267	24.45	32,102	25.05
Total	44,573	100.00	88,619	101.86	132,685	103.54
Less: Consolidation adjustments	-	-	(1,614)	(1.86)	(4,534)	(3.54)
Consolidated revenue	44,573	100.00	87,005	100.00	128,151	100.00
Gross profit						
Domestic	7,851	86.72	14,558	69.64	16,185	58.09
Overseas	1,202	13.28	6,347	30.36	11,677	41.91
Consolidated gross profit	9,053	100.00	20,905	100.00	27,862	100.00

9.3.3 Significant Factors Affecting Our Profits

Section 3.3 of this Prospectus details a number of risk factors relating to the Oil and Gas Industry. Some of these risk factors have an impact on our Group's revenue and operating profits. The main factors which affect revenues and profits include but are not limited to the following: -

(i) Hydrocarbon Prices and Effect on Demand

The main factors which can directly affect revenues and profits is the price of hydrocarbons. A substantial fall in the price of hydrocarbons could reduce demand for our services which would directly affect us in the following ways: -

(a) Prices and Margins

Our Group's business is primarily based on contractual agreements on specific projects basis between our Group and our customers. This is in accordance with normal industry practices as the scope of work, requirements, specifications, pricing and timing varies from project to project. A severe drop in hydrocarbon prices could have a negative effect on demand and the elasticity of pricing with a knock on effect on revenues and profits.

(b) Demand on Umbrella Contracts

Our Group has a number of "umbrella contracts" with clients. These contracts are long term but do not guarantee any minimum amount of work. A severe drop in hydrocarbon prices could have a net effect on the demand from customers for the services in these umbrella contracts.

9. FINANCIAL INFORMATION (Cont'd)

Oil prices are currently increasing and this contributes to the favourable outlook for the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry in Malaysia as discussed in Section 4.4.7 of this Prospectus.

The favourable outlook of the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry in Malaysia is based on the observations and analyses as discussed in Section 4.4.7 of this Prospectus.

(ii) Scarcity of Petroleum Engineers and Technicians

The provision of Oil and Gas Geoscience and Reservoir Engineering Services, Drilling Services, and Project and Operations Services is dependent on the application of advanced technology and knowledge, and is highly technical. Qualified geoscientists, engineers and technicians with advanced degrees (usually with a minimum of a bachelor degree, with master degrees and doctorates common) or qualifications, and industry experience are typically required to carry out complex technical tasks.

The number of personnel with the required qualifications and experience is small, and competition to acquire their services between PSC Operators / Contractors, other Oil and Gas Industry companies, and providers of Oil and Gas Geoscience and Reservoir Engineering Services, Drilling Services, and Project and Operations Services, and other services is usually intense.

However, we have built a database of qualified geoscientists, engineers and technicians, with detailed information regarding their area of expertise and experience to best match available personnel to tasks and projects. In addition, we have also built a network of relationships with these geoscientists, engineers and technicians.

(Source: Independent Assessment of the Oil and Gas Drilling Services, and Geoscience and Reservoir Engineering Services Industry prepared by Vital Factor Consulting Sdn Bhd)

We focus on recruiting and retaining good personnel by offering competitive packages and providing stimulating work challenges.

(iii) Delays in Completion of Projects and Project Margins

The profit from individual projects can be affected by a number of factors, some of which are outside our control. These include, amongst others, the availability of data and delays in client input. We have a Management System in place to avoid delays and overruns by facilitating framing sessions to agree on project objectives and methodologies. It also organises detailed process workflow with key interfaces and tollgates, ensuring ownership and technical governance. While we have experienced delays in the past, these were caused by data discrepancies and unavailability, and were beyond our control.

9.3.4 Exceptional and Extraordinary Items

There were no exceptional and extraordinary items for the past three (3) FYEs 31 December 2005 to 31 December 2007.

9.3.5 Material Changes in Sales / Revenue

A discussion on the reasons on material changes in our revenue for the past three (3) FYEs 31 December 2005 to 31 December 2007 is as set out in Section 9.3.1 of this Prospectus.

9. FINANCIAL INFORMATION (Cont'd)

9.3.6 Impact of Foreign Exchange / Interest Rates / Commodity Prices

Except as disclosed in Section 9.3.1 and Section 9.5.6 of this Prospectus, there is no material impact of foreign exchange, interest rates and commodity prices on the operating profits of our Group for the past three (3) FYEs 31 December 2005 to 31 December 2007.

9.3.7 Impact of Inflation

There is no material impact of inflation on our historical profits for the past three (3) FYEs 31 December 2005 to 31 December 2007.

9.3.8 Government / Economic / Fiscal / Monetary Policies

Risks relating to government, economic, fiscal or monetary policies or factors, which may materially affect our operations, are as set out in Section 3.1 and Section 3.2 of this Prospectus.

There is no government, economic, fiscal or monetary policies or factors that have materially impacted our historical profits for the past three (3) FYEs 31 December 2005 to 31 December 2007.

9.4 TREND INFORMATION

As at the LPD, to the best of our Group's knowledge and belief, our conditions and operations have not been and are not expected to be affected by any of the following: -

- (i) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's financial performance, position and operations other than those discussed in this section, Section 3 and Section 4 of this Prospectus;
- (ii) material commitment for capital expenditure, as disclosed in Section 9.5.8 of this Prospectus;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of our Group save as disclosed in this section and in Section 3 of this Prospectus;
- (iv) known trends, demands, commitments, events or uncertainties that have resulted in a material impact on our Group revenue and / or profits, save for those that had been disclosed in this section and Section 4.4 of this Prospectus; and
- (v) known trends, demands, commitments, events or uncertainties that are reasonably likely to make our Group's historical financial statements not indicative of the future financial performance and position other than those disclosed in this section and in Section 3 of this Prospectus;
- (vi) known trends, demands, commitments, events or uncertainties that have had or that we reasonably expect to have, a material favourable or unfavourable impact on our Group's liquidity and capital resources, other than those discussed in this section, Section 3 and Section 4 of this Prospectus; and

Our Board is optimistic about the future prospects of our Group given the favourable outlook of the Oil and Gas Geoscience and Reservoir Engineering, and Drilling Services Industry set out in Section 4.4.7, our Group's competitive advantages set out in Section 4.2.3 and our Group's dedication to implement the future plans and strategies set out in Section 4.7.

9. FINANCIAL INFORMATION (Cont'd)

9.5 LIQUIDITY AND CAPITAL RESOURCES**9.5.1 Working Capital**

Our Group has been financing our operations through cash generated from our operations and external sources of funds. Our Group's external sources of funds mainly comprises of shareholders' equity and bank borrowings. As at 31 December 2007, our Group has cash and cash equivalents of approximately negative RM866,000 and banking facilities amounting to approximately RM26.6 million, of which RM8.8 million was utilised.

As at 31 December 2007, our Group has total current assets of RM54.3 million and current liabilities of RM32.4 million, amounting to RM21.9 million of net working capital. Net working capital is defined as the difference between current assets and current liabilities. The current assets comprise mainly of trade receivables. Trade receivables turnover for the FYEs 31 December 2005 to 31 December 2007 was 2.6 months, 3.8 months and 3.3 months, respectively.

Our consistent trade receivables turnover for the past three (3) financial years indicate that they are well-managed. Our current ratio of 1.68 times as at 31 December 2007, reflects well on our Group's ability to meet our short-term obligations.

Our Directors are of the opinion that after taking into account the consolidated cashflow forecast, banking facilities available and the gross proceeds from the IPO Shares, our Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

At this juncture, we do not foresee any circumstances which may materially affect the liquidity of our Group. Most of our customers normally settle outstanding bills within the granted credit period. However, from our past experience, some of our customers settled outstanding balances slower than expected even though the product or service has been delivered satisfactorily. In relation thereto, our accounts department cum credit control division will highlight such customers to our operations department. Our operations department will then remind these customers on outstanding balances. This measure has proven to be effective as we enjoy cordial relationship with our customers.

As we are a service provider, we have low capital expenditure requirement. With the current low regime of borrowing, we have yet to fully utilise our borrowing capacity to maximise expansion. However, our low gearing enables us to have the flexibility to take advantage of new projects and investments, as and when the need arises.

Our ability to attract highly skilled human capital resources provides us a platform to move up the value chain in the Oil and Gas Industry. Nevertheless, the cost of maintaining highly skilled human capital resources is high.

9.5.2 Cash Flow

A summary of our Group's proforma cash flow for the FYE 31 December 2007 based on the proforma consolidated cash flow statement as disclosed in Section 9.7 of this Prospectus is set out below: -

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9. FINANCIAL INFORMATION (Cont'd)

	FYE 31 December 2007⁽¹⁾ RM'000
Net cash used in operating activities	(2,036)
Net cash from investing activities	815
Net cash used in financing activities	(302)
Net decrease in cash and cash equivalents	(1,523)
Effects of foreign currency translation	(83)
Cash and cash equivalents at beginning of year	740
Cash and cash equivalents at end of the year	(866)

Note: -

(1) *After the Acquisitions and payments thereof.*

Net Cashflow Used in Operating Activities

During the FYE 31 December 2007, our Group's net cash used in operations before adjustment for working capital was RM14.3 million. After adjusting for the changes in working capital of RM12.6 million, income tax paid of RM3.2 million and interest paid of approximately RM520,000, our Group's net cash used in operating activities was RM2.0 million. The net outflow of cash is largely attributable to unexpected delays in invoicing of customers as the result of the implementation of a change in accounting software. This had resulted in funds being tied up as receivables, which is a one-off occurrence and is not expected to repeat in the foreseeable future.

Net Cashflow from Investing Activities

During the FYE 31 December 2007, our Group generated net cash from investing activities of approximately RM815,000. A significant inflow of cash was due to settlement of advances from certain related parties prior to the Acquisitions. This was offset by the payment for acquisition of certain equipment during the year.

Net Cashflow Used in Financing activities

During the FYE 31 December 2007, our Group's net cash used in financing activities amounted to approximately RM302,000. The net negative effect on our cash flow was mainly attributable to the repayment of approximately RM699,000 to a related party for consultancy services rendered and hire purchase repayment of RM449,000. This is offset by a drawdown on a promissory note facility from Alliance Bank Malaysia Berhad.

9.5.3 Borrowings

As at 31 December 2007, the total outstanding bank borrowings in the form of bank overdrafts, promissory notes and hire purchase financing amounted to approximately RM8.8 million. The borrowings can be analysed further as follows: -

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9. FINANCIAL INFORMATION (Cont'd)

Outstanding Borrowings	Amount (RM'000)
Long term borrowings	
• Interest-bearing	133
• Non-interest bearing	-
Short term borrowings	
• Interest-bearing	8,726
• Non-interest bearing	-
Total Borrowings	8,859
Gearing ratio as at 31 December 2007*	0.39
Gearing ratio after IPO and utilisation of proceeds**	0.16

Notes: -

* Based on borrowings and proforma shareholders' funds as at 31 December 2007 of RM22.7 million upon completion of the Acquisitions.

** Based on borrowings and proforma shareholders' funds as at 31 December 2007 of RM54.4 million upon completion of the Public Issue and after the utilisation of proceeds as set out in Section 2.6 of this Prospectus.

Our Group has not defaulted on payments of either interest and / or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent financial period thereof up to 31 May 2008.

9.5.4 Breach of Terms and Conditions / Covenants Associated with Credit Arrangement / Bank Loan

To the best of our Directors' knowledge, as at 31 May 2008, neither us nor any of our subsidiaries are in breach of any terms and conditions or covenants associated with credit arrangement or bank loan, which can materially affect our financial results or business operations, or the investments by holders of securities in our Company.

9.5.5 Type of Financial Instruments Used

Our Group is exposed to fluctuations in foreign exchange rates through the revenue earned and purchases made that were transacted in foreign currencies.

Where possible, our Group mitigates against foreign exchange risk by using our foreign currency earnings to pay for purchases denominated in the same foreign currency. This could provide some natural hedging against foreign exchange fluctuations.

9.5.6 Treasury Policies and Objectives

We have been financing our operations through cash generated from our operations and external source of funds. Our external source of funds mainly comprises bank borrowings.

We have short-term and long-term bank borrowings facilities available to our Group. Our short-term bank borrowings are mainly bank overdrafts and promissory note facility, which are used for purchases of equipment and to fund manpower costs. The interest rates for our short-term bank borrowings are based on the market rates prevailing at the dates of the respective transactions.

9. FINANCIAL INFORMATION (Cont'd)

Our long-term bank borrowings are mainly term loans obtained to finance the purchase of our new corporate office. The interest rates for our term loans are based on the prevailing base lending rate plus a margin agreed upon by our bankers when the respective term loans were granted.

We conduct our operations in RM, as well as other foreign currencies, which mainly include USD, THB, AUD and GBP. Therefore, we maintain cash accounts in RM, USD, THB, AUD and GBP.

Our revenue is mainly denominated in RM and USD whereby domestic contracts are mainly in RM, whilst foreign contracts are mainly in USD. Our operational expenses, mainly incurred for manpower and purchases of consumables and equipment, are denominated in RM for domestic expenses, whilst foreign expenses are paid for mainly in USD. For foreign revenue sources and payment of operational expenses, we would either hedge the transaction forward with a bank, whereby we currently have a foreign exchange hedging facility with RHB Bank Berhad, or by natural hedging, whereby we will use our proceeds in USD to pay for our labour expenses and cost of acquisition of equipment in the same foreign currency. By hedging forward or natural hedging, we minimise our foreign exchange exposure risk.

9.5.7 Key Financial Ratios

The key financial ratios of our Group are as follows: -

	2005	FYE 2006	2007
Gross profit margin (%)	20.3	24.0	21.7
Trade receivables turnover (months)	2.6	3.8	3.3
Trade payables turnover (months)	0.3	0.2	0.4

9.5.8 Material Commitments

Save as disclosed below, as at 31 May 2008, our Directors are not aware of any material commitments for capital expenditure, which upon becoming enforceable, may have a material effect on the financial position of our Group: -

	RM'000
Approved and contracted for	
- Purchase of property, plant and equipment	1,000
Approved but not contracted for	
- Purchase of property, plant and equipment	2,539

The material commitments above will be mainly funded from working capital and short-term borrowings.

9.5.9 Material Litigation / Arbitration and Contingent Liabilities**(i) Material Litigation / Arbitration**

As at 31 May 2008, our Group is not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of our Group, and our Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Group.

9. FINANCIAL INFORMATION (Cont'd)**(ii) Contingent Liabilities**

As at 31 May 2008, our Directors are not aware of any material contingent liabilities incurred by us or our subsidiaries, which upon becoming enforceable, may have a material effect on our financial position or our subsidiaries.

9.5.10 Trade Debtors

An aging analysis of the trade debtors of our Group (*excluding inter-company trade debtors*) as at 31 December 2007 is set out below: -

As at 31 December 2007	Ageing Analysis				Total RM'000
	0 – 30 days RM'000	31 – 60 days RM'000	61 – 90 days RM'000	> 90 days RM'000	
	Group trade debtors	22,656	5,372	3,547	
Bad and doubtful debts provided for: Debtors > 90 days	-	-	-	-	-
Net Group trade debtors	22,656	5,372	3,547	3,948	35,523
Percentage of total Group trade debtors (%)	63.8	15.1	10.0	11.1	100.0

The normal credit period given to our trade debtors ranges from 30 days to 60 days.

No provision for doubtful debts has been made in the financial statements of our Group.

Our Directors are of opinion that trade debts exceeding credit period are recoverable taking into consideration the long term relationship between our Group and these customers, and various credit control measures being implemented by our Group to minimise customer default. As at 31 May 2008, approximately RM30.3 million of the above has been collected. In addition, there had only been one instance of bad debts written off historically of approximately RM35,000 since our Group commenced operations.

9.6 DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividend are subject to the discretion of our Board and any final dividend for the year is subject to shareholders' approval. It is our intention to pay dividends to shareholders in the future; however, such payments will depend upon a number of factors, including our Group's financial performance, capital expenditure requirements, availability of tax credits, general financial condition and any other factors considered relevant by our Board.

Actual dividends proposed and declared may vary depending on the financial performance and cash flow of our Group, and may be waived if the payment of the dividends would adversely affect the cash flows and operations of our Group.

9. FINANCIAL INFORMATION (Cont'd)

9.7 PROFORMA CONSOLIDATED FINANCIAL INFORMATION TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

(Prepared for inclusion in this Prospectus)



Horwath AF No 1018
Kuala Lumpur Office
Chartered Accountants
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

6 June 2008

The Board of Directors
Uzma Berhad
No. 68 & 70 Fraser Business Park
Jalan Metro Pudu 2
Off Jalan Yew
55200 Kuala Lumpur
Dear Sirs/Madam

+6 03 2166 0000 Main
+6 03 2166 1000 Fax

www.horwath.com.my
info@horwathkl.com

**UZMA BERHAD ("UB")
PROFORMA CONSOLIDATED FINANCIAL INFORMATION**

We have reviewed the proforma consolidated financial information of Uzma Berhad and its subsidiaries ("UB Group" or "the Group") from the financial years ended 31 December 2005 to 2007, together with the accompanying notes thereto, for which the Directors are solely responsible, as set out in the accompanying statements (initialled by us for the purpose of identification only) prepared for illustrative purposes for the inclusion in the Prospectus of UB to be dated 30 June 2008.

It is our responsibility to form an opinion on the proforma consolidated financial information as required by the Prospectus Guidelines issued by the Securities Commission and to report our opinion to you.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the audited financial statements, considering the evidence supporting the adjustments, and discussing the proforma consolidated financial information with the Directors of the Group.

As the proforma consolidated financial information has been prepared for illustrative purposes only, such information may not, because of its nature, reflect the actual financial position, results and cash flows of the Group. Furthermore, such information does not purport to predict the future financial position, results and cash flows of the Group.

In our opinion,

- (a) the proforma consolidated financial information has been properly prepared on the bases set out in the accompanying notes to the proforma consolidated financial information and such bases are consistent with the accounting policies of UB Group unless otherwise stated;
- (b) the financial statements used in the preparation of the proforma consolidated financial information were prepared in accordance with applicable approved Financial Reporting Standards in Malaysia; and
- (c) each material adjustment made to the information used in the preparation of the proforma consolidated financial information is appropriate for the purposes of preparing such proforma consolidated financial information.

9. FINANCIAL INFORMATION (Cont'd)



We understand that this letter will be used solely for the purpose stated above. 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

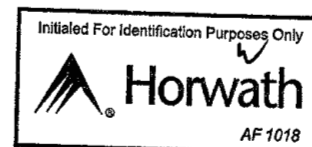
A handwritten signature in black ink, appearing to be "H. K.", written over the name "Horwath".

Horwath
Firm No : AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "KWL", written over the name "Lee Kok Wai".

Lee Kok Wai
Approval No : 2760/06/08(J)
Partner

9. FINANCIAL INFORMATION (Cont'd)

**UZMA BERHAD****PROFORMA CONSOLIDATED FINANCIAL INFORMATION****1. PROFORMA GROUP AND BASIS OF PREPARATION****1.1 Proforma Group**

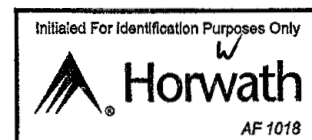
The proforma consolidated financial information of Uzma Berhad ("UB") and its subsidiaries ("UB Group"), comprising the financial information of UB, Uzma Engineering Sdn. Bhd. ("Uzma Malaysia"), Uzma Consulting Limited ("Uzma Thailand"), and Uzma Engineering Pty. Ltd. ("Uzma Australia"), are presented for the purpose of illustration only.

The relevant financial period for the purpose of this report ("Relevant Financial Period") is as follows:-

Company	Relevant Financial Period
UB	- Financial period from 17 April 2007 (date of incorporation) to 31 December 2007.
Uzma Malaysia	- Financial years ended ("FY") 31 December 2005 to 2007.
Uzma Thailand	- FY 31 December 2005 to 2007.
Uzma Australia	- FP from 3 March 2006 (date of incorporation) to 31 December 2006 and FY 31 December 2007.

The proforma consolidated financial information of UB Group is prepared on the assumption that UB Group had been in existence throughout the financial years ended 31 December 2005 to 2007. The proforma consolidated financial information comprises the following:-

- Section 2 - Proforma Consolidated Income Statements for the Relevant Financial Periods;
- Section 3 - Proforma Consolidated Balance Sheets as at 31 December 2007; and
- Section 4 - Proforma Consolidated Cash Flow Statement for the financial year ended 31 December 2007.

9. FINANCIAL INFORMATION (Cont'd)**UZMA BERHAD****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1.2 Basis of Preparation**

The proforma consolidated financial information is prepared using the audited financial statements of UB, Uzma Malaysia, Uzma Thailand and Uzma Australia for the Relevant Financial Period.

The proforma consolidated financial information has been prepared in accordance with applicable approved Financial Reporting Standards in Malaysia consistent with those previously adopted in the preparation of the audited financial statements of Uzma Malaysia, Uzma Thailand and Uzma Australia for the financial year ended 31 December 2007, and after incorporating adjustments that are appropriate for the preparation of the proforma consolidated financial information.

The proforma consolidated financial information have been prepared using the merger method for consolidating Uzma Malaysia, and the purchase method for consolidating Uzma Thailand and Uzma Australia. Under the merger method, the difference between the acquisition cost and the nominal value of the share capital of the subsidiary is taken to the merger reserve or merger deficit.

The proforma consolidated balance sheets together with the accompanying notes thereto, have been prepared solely for illustrative purposes, to show the effects of the following schemes had the schemes been implemented and completed on 31 December 2007:-

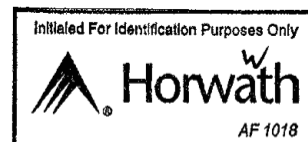
Listing Scheme

UB seeks a listing on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities"). The listing scheme comprises the following:-

1) Acquisitions

- (a) Acquisition of the entire issued and paid-up share capital of Uzma Malaysia for a purchase consideration of RM31,000,000, satisfied by an issuance of 61,999,996 new ordinary shares of RM0.50 each ("Share") in UB at an issue price of approximately RM0.50 per Share ("Acquisition of Uzma Malaysia"). The purchase consideration was arrived at on a willing buyer-willing seller basis and took into consideration the valuation conducted by Messrs Ernst & Young on the businesses of the Group.

9. FINANCIAL INFORMATION (Cont'd)

**UZMA BERHAD****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****1.2 Basis of Preparation (Cont'd)****Listing Scheme (Cont'd)**

1) Acquisitions (Cont'd)

- (b) Acquisition of the following companies from Uzma Malaysia ("Acquisition of Uzma Australia and Uzma Thailand):-
- (i) the entire issued and paid-up share capital of Uzma Australia for a cash consideration of RM1. The purchase consideration was arrived at on a willing buyer-willing seller basis and based on the net tangible liabilities position of Uzma Australia as at 31 December 2006 of AUD30,706; and
 - (ii) 48.98% of the issued and paid-up share capital of Uzma Thailand for a cash consideration of RM459,144. The purchase consideration was arrived at on a willing buyer-willing seller basis and based on the net tangible assets of Uzma Thailand as at 31 December 2006 of THB 9,374,118.

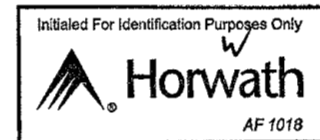
The Acquisition of Uzma Malaysia, Uzma Australia and Uzma Thailand are collectively referred to as the "Acquisitions".

The Acquisitions were completed on 20 May 2008.

2) Public Issue

The public issue of 18,000,000 new Share ("Public Issue Shares") at an issue price of RM1.90 per Share ("Public Issue") are to be allocated and allotted in the following manner:-

- (a) 6,000,000 Public Issue Shares, representing 7.50% of the enlarged issued and paid-up share capital, to be allocated via balloting, will be made available for application by the Malaysian Public, of which at least 30% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions;
- (b) 3,000,000 Public Issue Shares, representing approximately 3.75% of the enlarged issued and paid-up share capital, by way of private placement to selected investors; and
- (c) 9,000,000 Public Issue Shares, representing 11.25% of the enlarged issued and paid-up share capital, will be made available for application by eligible Directors and employees, and persons who have contributed to the success of the UB Group.



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

1.2 Basis of Preparation (Cont'd)

Listing Scheme (Cont'd)

3) Offer For Sale

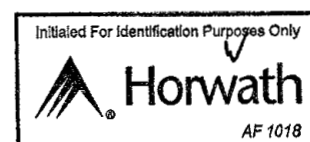
The Offer For Sale of 10,000,000 Offer Shares, representing 12.50% of the enlarged issued and paid-up share capital, are offered at an offer price of RM1.90 per Share payable in full on application and will be allocated and allotted by way of private placement to selected investors.

(The Public Issue and the Offer For Sale are collectively referred to as the "IPO".)

4) Listing and Quotation on the Second Board of Bursa Securities

The listing of and quotation for the enlarged issued and paid-up share capital comprising 80,000,000 Shares on the Second Board of Bursa Securities.

9. FINANCIAL INFORMATION (Cont'd)



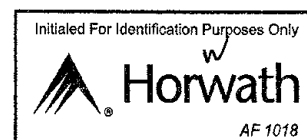
UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF UB GROUP

	Financial Years Ended 31 December		
	2005 RM'000	2006 RM'000	2007 RM'000
Revenue	44,573	87,005	128,151
Cost of sales	(35,520)	(66,100)	(100,289)
Gross profit ("GP")	9,053	20,905	27,862
Other income	12	34	265
Other expenses	(3,751)	(8,576)	(14,363)
Profit from operations	5,314	12,363	13,764
Finance costs	(29)	(320)	(546)
Profit before taxation ("PBT")	5,285	12,043	13,218
Depreciation	94	285	337
Interest expense	5	80	520
Interest income	(12)	(29)	(74)
Earnings before interest, depreciation and taxation	5,372	12,379	14,001
Depreciation	(94)	(285)	(337)
Interest expense	(5)	(80)	(520)
Interest income	12	29	74
PBT	5,285	12,043	13,218
Income tax expense	(1,434)	(3,466)	(4,827)
Profit after taxation ("PAT")	3,851	8,577	8,391
Attributable to:-			
Equity holders of the parent	3,832	8,263	8,238
Minority interests ("MI")	19	314	153
	3,851	8,577	8,391

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

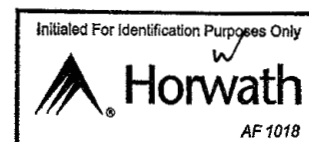
2. PROFORMA CONSOLIDATED INCOME STATEMENTS OF UB GROUP (CONT'D)

	Financial Years Ended 31 December		
	2005	2006	2007
GP margin	20.3%	24.0%	21.7%
PBT margin	11.9%	13.8%	10.3%
PAT margin	8.6%	9.9%	6.5%
Effective tax rate	27.1%	28.8%	36.5%
Interest coverage (times)	>1,000.0	151.5	26.4
Trade receivables turnover period (months)	2.6	3.8	3.3
Trade payables turnover period (months)	0.3	0.2	0.4
Gearing ratio (times)	0.1	0.3	0.4
Assumed number of shares in issue of RM0.50 # ('000)	62,000	62,000	62,000
Gross earnings per share ("EPS") based on assumed number of shares in issue * (sen)	8.5	18.9	21.1
Net EPS based on assumed number of shares in issue * (sen)	6.2	13.3	13.3

Notes:-

- # - Assumed number of ordinary shares in issue after the Acquisitions but before the Public Issue.
- * - The Gross EPS and Net EPS were computed by dividing the PBT and PAT after MI respectively by the assumed number of shares in issue during the Relevant Financial Year.

9. FINANCIAL INFORMATION (Cont'd)



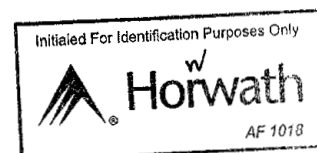
UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007

	NOTE	Audited as at 31.12.2007 RM'000	Proforma I After Acquisitions RM'000	Proforma II After Proforma I and Public Issue and Utilisation of Proceeds RM'000
ASSETS				
NON-CURRENT ASSETS				
Equipment	3.3	-	1,581	5,781
Other investment		-	23	23
			<u>1,604</u>	<u>5,804</u>
CURRENT ASSETS				
Amount owing by contract customers	3.4	-	6,382	6,382
Trade receivables	3.5	-	35,523	35,523
Other receivables, deposits and prepayments	3.6	653	6,758	6,758
Amount owing by related parties	3.7	-	697	697
Fixed deposits with licensed banks	3.8	-	3,984	3,984
Cash and bank balances	3.9	#	911	21,411
		<u>653</u>	<u>54,255</u>	<u>74,755</u>
TOTAL ASSETS		<u>653</u>	<u>55,859</u>	<u>80,559</u>
EQUITY AND LIABILITIES				
EQUITY				
Share capital	3.10	#	31,000	40,000
Share premium	3.11	-	-	22,700
Retained profits		(13)	21,449	21,449
Merger deficit		-	(29,700)	(29,700)
Foreign exchange translation reserve		-	(17)	(17)
		<u>(13)</u>	<u>22,732</u>	<u>54,432</u>
SHAREHOLDERS' EQUITY		<u>(13)</u>	<u>22,732</u>	<u>54,432</u>
MINORITY INTERESTS		<u>-</u>	<u>520</u>	<u>520</u>
TOTAL EQUITY		<u>(13)</u>	<u>23,252</u>	<u>54,952</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities	3.12	-	75	75
Hire purchase and lease payables	3.13	-	133	133
		<u>-</u>	<u>208</u>	<u>208</u>
CURRENT LIABILITIES				
Amount owing to contract customers	3.4	-	1,900	1,900
Trade payables	3.14	-	3,246	3,246
Other payables and accruals	3.15	666	15,980	15,980
Provision for taxation		-	2,547	2,547
Hire purchase and lease payables	3.13	-	26	26
Bank overdraft	3.16	-	5,761	1,700
Promissory note	3.17	-	2,939	-
		<u>666</u>	<u>32,399</u>	<u>25,399</u>
TOTAL LIABILITIES		<u>666</u>	<u>32,607</u>	<u>25,607</u>
TOTAL EQUITY AND LIABILITIES		<u>653</u>	<u>55,859</u>	<u>80,559</u>

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)

	Audited as at 31.12.2007	Proforma I After Acquisitions	Proforma II After Proforma I and Public Issue and Utilisation of Proceeds
Number of ordinary shares in issue ('000)	^	62,000	80,000
Net Tangible Assets ("NTA") (RM'000)	(13)	22,732	54,432
NTA per ordinary share (RM)	0.50	0.37	0.68

Notes:-

- RM2.

^ - Issued and paid-up capital of RM2 comprising 4 ordinary shares of RM0.50 each.

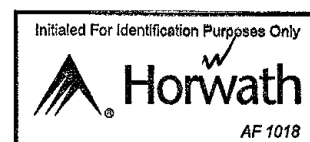
3.1 Proforma I

Proforma I incorporates the acquisition by Uzma Berhad of the following:-

- (a) Acquisition of the entire issued and paid-up share capital of Uzma Malaysia for a purchase consideration of RM31,000,000 satisfied by an issuance of 61,999,996 new ordinary shares of RM0.50 each ("Share") in UB at an issue price of approximately RM0.50 per Share ("Acquisition of Uzma Malaysia").
- (b) Acquisition of the following companies from Uzma Malaysia ("Acquisition of Uzma Australia and Uzma Thailand):-
 - (i) the entire issued and paid-up share capital of Uzma Australia for a cash consideration of RM1; and
 - (ii) 48.98% of the issued and paid-up share capital of Uzma Thailand for a cash consideration of RM459,144.

The Acquisition of Uzma Malaysia, Uzma Australia and Uzma Thailand are collectively referred to as the "Acquisitions". The Acquisitions were completed on 20 May 2008.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)

3.2 Proforma II

Proforma II incorporates the effects of Proforma I and the Public Issue. The proceeds will be utilised as follows:-

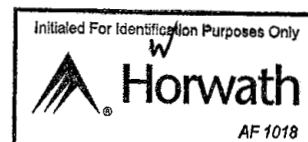
	RM'000
Setting up of geological lab	2,400
Purchase of computer equipment	1,800
Repayment of bank borrowings	7,000
Estimated listing expenses	2,500
Working capital	20,500
	34,200

3.3 Equipment

	Cost RM'000	Accumulated Depreciation RM'000	Net Book Value as per Proforma I RM'000	Utilisation of Proceeds - Additions RM'000	Net Book Value as per Proforma II RM'000
Office equipment	229	(71)	158	-	158
Furniture, fittings and renovation	370	(193)	177	2,400	2,577
Computer and EDP	1,519	(477)	1,042	1,800	2,824
Motor vehicles	246	(42)	204	-	204
	2,364	(783)	1,581	4,200	5,781

The motor vehicles with a total net book value of approximately RM202,000 at the balance sheet date were acquired under hire purchase terms.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)

3.4 Amounts Owning By/(To) Contract Customers

	RM'000
Contract costs incurred to date	9,313
Attributable profits	8,190
	17,503
Progress billings	(13,021)
	4,482
The net amount owing by contract customers comprise the following:-	
Amount owing by contract customers	6,382
Amount owing to contract customers	(1,900)
	4,482

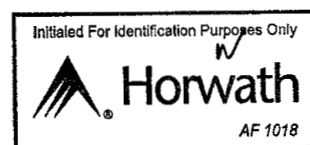
3.5 Trade Receivables

	RM'000
Trade receivables	35,523
Allowance for doubtful debts:-	
As at 1 January 2007	(35)
Write-off during the financial year	35
As at 31 December 2007	-
As per Proforma I/II	35,523

UB Group's normal credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables are accrued billings amounting to approximately RM7,453,000.

9. FINANCIAL INFORMATION (Cont'd)

**UZMA BERHAD****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)****3.5 Trade Receivables (Cont'd)**

The foreign currency exposure profile of the trade receivables is as follows:-

	RM'000
Australian Dollar	155
Sterling Pound	92
Euro	133
Thai Baht	2,155
United States Dollar	14,558
	<hr/>

3.6 Other Receivables, Deposits And Prepayments

The foreign currency exposure profile of the other receivables, deposits and prepayments is as follows:-

	RM'000
Thai Baht	249
	<hr/>

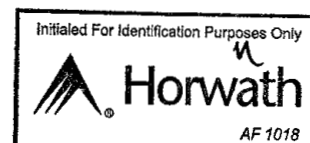
3.7 Amounts Owning By Related Parties

The amount owing is non-trade in nature, unsecured, interest-free and not subject to fixed terms of repayment.

The foreign currency exposure profile of the amount owing by related parties is as follows:-

	RM'000
Thai Baht	71
	<hr/>

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)

3.8 Fixed Deposits With Licensed Banks

Fixed deposits of the Group of approximately RM3,974,000 are pledged to licensed banks for banking facilities granted to the Group.

The effective interest rates of the fixed deposits of the Group at the balance sheet date ranged from 3.10% to 3.80% per annum. The fixed deposits have maturity periods of 12 months.

The foreign currency exposure profile of the fixed deposits with licensed banks is as follows:-

	RM'000
Thai Baht	218

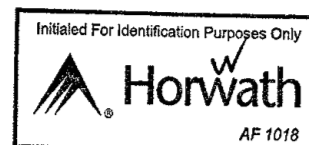
3.9 Cash And Bank Balances

	RM'000
Audited as at 31 December 2007	#
Arising from the Acquisitions	911
As per Proforma I	911
Proceeds from the Proposed Public Issue	34,200
Utilisation of proceeds:	
- setting up of geological lab	(2,400)
- purchase of computer equipment	(1,800)
- repayment of bank borrowings	(7,000)
- estimated listing expenses	(2,500)
As per Proforma II	21,411

Note:-

- RM2.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)

3.10 Share Capital

The issued and paid-up share capital of UB as at 31 December 2007 was RM2 comprising 4 ordinary shares of RM0.50 each.

The movements in the issued and paid-up share capital of UB are as follows:-

	Number of Ordinary Shares (^{'000})	Amount of Share Capital RM ^{'000}
Audited as at 31 December 2007	^	#
Issuance of shares for the Acquisition of Uzma Malaysia	62,000	31,000
As per Proforma I	62,000	31,000
Public Issue	18,000	9,000
As per Proforma II	80,000	40,000

Notes:-

- ^ - 4 ordinary shares.
- RM2.

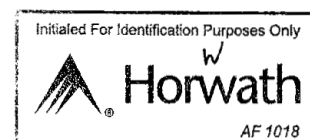
3.11 Share Premium

The movements in the share premium account are as follows:-

	RM ^{'000}
As per Proforma I	-
Public Issue	25,200
Estimated listing expenses	(2,500)
As per Proforma II	22,700

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.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)

3.12 Deferred Tax Liabilities

Deferred tax liabilities are mainly in respect of accelerated capital allowances on qualifying cost of equipment.

3.13 Hire Purchase And Lease Payables

	RM'000
Future minimum hire purchase payments	
- not later than one year	34
- later than one year and not later than five years	149
	183
Less: Future finance charges	(24)
	159
Current:	
- not later than one year	133
Non-current	
- later than one year and not later than five years	26
	159

The effective interest of the hire purchase and lease payables at the balance sheet date ranged from 7.16% to 8.00% per annum.

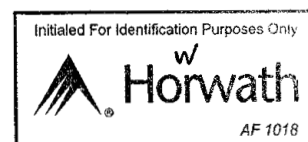
3.14 Trade Payables

The normal trade credit terms granted to UB Group range from 7 to 30 days.

The foreign currency exposure profile of the trade payables is as follows:-

	RM'000
Australian Dollar	218
Euro	119
Thai Baht	256
United States Dollar	2,634
	2,634

9. FINANCIAL INFORMATION (Cont'd)

**UZMA BERHAD****PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)****3. PROFORMA CONSOLIDATED BALANCE SHEETS/STATEMENT OF ASSETS AND LIABILITIES OF UB GROUP AS AT 31 DECEMBER 2007 (CONT'D)****3.15 Other Payables And Accruals**

The foreign currency exposure profile of the other payables and accruals is as follows:-

	RM'000
Australian Dollar	23
Thai Baht	314
	<hr/>

3.16 Bank Overdraft

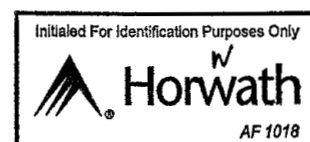
The bank overdraft bore an effective interest rate of 8.75% per annum and is secured by way of:-

- (i) a pledge of certain fixed deposits of a subsidiary; and
- (ii) a joint and several guarantee of the directors of a subsidiary.

3.17 Promissory Note

The promissory note bore an effective interest rate of 7.50% per annum and is secured in the same manner as the bank overdraft as disclosed in Section 3.16.

9. FINANCIAL INFORMATION (Cont'd)



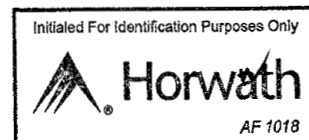
UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF UB GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

	NOTE	RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Profit before taxation		13,218
Adjustments for:-		
Depreciation of equipment		337
Interest expense		520
Loss on disposal of equipment		20
Loss on foreign exchange - unrealised		289
Interest income		(74)
Operating profit before working capital changes		14,310
Increase in net amount owing by contract customers		(4,439)
Increase in trade and other receivables		(12,507)
Increase in trade and other payables		4,363
CASH FROM OPERATIONS		1,727
Interest paid		(520)
Income tax paid		(3,243)
NET CASH FOR OPERATING ACTIVITIES		(2,036)
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in other assets		(12)
Repayment from related parties		1,078
Proceeds from disposal of equipment		50
Purchase of equipment	4.1	(375)
Interest received		74
NET CASH FROM INVESTING ACTIVITIES		815
CASH FLOWS FOR FINANCING ACTIVITIES		
Net repayment to related parties		(699)
Dividend paid to minority		(100)
Drawdown of promissory note		946
Repayment of hire purchase and lease obligations		(449)
NET CASH FOR FINANCING ACTIVITIES		(302)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,523)
EFFECTS OF FOREIGN CURRENCY TRANSLATION		(83)
CASH AND CASH EQUIVALENTS AT 1.1.2007		740
CASH AND CASH EQUIVALENTS AT 31.12.2007	4.2	(866)

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

PROFORMA CONSOLIDATED FINANCIAL INFORMATION (CONT'D)

4. PROFORMA CONSOLIDATED CASH FLOW STATEMENT OF UB GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2007 (CONT'D)

4.1 Purchase Of Equipment

	RM'000
Cost of equipment purchased	560
Amount financed through hire purchase	(185)
	<hr/>
Cash disbursed for the purchase of equipment	375
	<hr/>

4.2 Cash And Cash Equivalents

	RM'000
Cash and bank balance	911
Fixed deposits with licensed banks	3,984
Bank overdraft	(5,761)
	<hr/>
	(866)
	<hr/>

Note:-

The proforma consolidated cash flow statement of UB Group has been prepared after the Acquisitions but before taking into account the payment of special dividend, Public Issue and utilisation of proceeds.

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 6 June 2008.

On behalf of the Board,

**Dato' Kamarul Redzuan
Bin Muhamed**

**Datin Rozita Binti Mat Shah
@ Hassan**

9. FINANCIAL INFORMATION (Cont'd)

9.8 CONSOLIDATED PROFIT FORECAST OF OUR GROUP FOR THE FYE 31 DECEMBER 2008 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON

(Prepared for inclusion in this Prospectus)



Horwath AF No 1018
Kuala Lumpur Office
Chartered Accountants

6 June 2008

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

Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

+6 03 2166 0000 Main
+6 03 2166 1000 Fax

www.horwath.com.my
info@horwathkl.com

Dear Sirs/Madam

**UZMA BERHAD ("UB")
PROFORMA CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING 31
DECEMBER 2008**

We have reviewed the proforma consolidated profit forecast of UB and its subsidiaries ("UB Group" or "the Group") for the financial year ending 31 December 2008, as set out in the accompanying statements which we have initialled for the purpose of identification in accordance with International Standard on Assurance Engagements 3400 - The Examination of Prospective Financial Information, applicable to the review of forecasts. The forecast has been prepared solely for inclusion in the Prospectus of UB to be dated 30 June 2008, in connection with the proposed listing of and quotation for the entire enlarged issued and paid-up share capital of UB on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and should not be relied on for any other purposes.

The listing scheme comprises the following:-

- 1) Acquisitions
 - (a) Acquisition of the entire issued and paid-up share capital of Uzma Malaysia for a purchase consideration of RM31,000,000, satisfied by an issuance of 61,999,996 new ordinary shares of RM0.50 each ("Share") in UB at an issue price of approximately RM0.50 per Share ("Acquisition of Uzma Malaysia"). The purchase consideration was arrived at on a willing buyer-willing seller basis and took into consideration the valuation conducted by Messrs Ernst & Young on the businesses of the Group.
 - (b) Acquisition of the following companies from Uzma Malaysia ("Acquisition of Uzma Australia and Uzma Thailand):-
 - (i) the entire issued and paid-up share capital of Uzma Australia for a cash consideration of RM1. The purchase consideration was arrived at on a willing buyer-willing seller basis and based on the net tangible liabilities position of Uzma Australia as at 31 December 2006 of AUD30,706; and
 - (ii) 48.98% of the issued and paid-up share capital of Uzma Thailand for a cash consideration of RM459,144. The purchase consideration was arrived at on a willing buyer-willing seller basis and based on the net tangible assets of Uzma Thailand as at 31 December 2006 of THB 9,374,118.

Horwath Offices in Malaysia:

Johor Bahru • Klang • Kota Kinabalu • Kuala Lumpur • Kuching • Labuan • Melaka • Penang

9. FINANCIAL INFORMATION (Cont'd)



1) Acquisitions (Cont'd)

The Acquisition of Uzma Malaysia, Uzma Australia and Uzma Thailand are collectively referred to as the "Acquisitions".

The Acquisitions were completed on 20 May 2008.

2) Public Issue

The public issue of 18,000,000 new Share ("Public Issue Shares") at an issue price of RM1.90 per Share ("Public Issue") are to be allocated and allotted in the following manner:-

- (a) 6,000,000 Public Issue Shares, representing 7.50% of the enlarged issued and paid-up share capital, to be allocated via balloting, will be made available for application by the Malaysian Public, of which at least 30% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions;
- (b) 3,000,000 Public Issue Shares, representing approximately 3.75% of the enlarged issued and paid-up share capital, by way of private placement to selected investors; and
- (c) 9,000,000 Public Issue Shares, representing 11.25% of the enlarged issued and paid-up share capital, will be made available for application by eligible Directors and employees, and persons who have contributed to the success of the UB Group.

3) Offer For Sale

The Offer For Sale of 10,000,000 Offer Shares, representing 12.50% of the enlarged issued and paid-up share capital, are offered at an offer price of RM1.90 per Share payable in full on application and will be allocated and allotted by way of private placement to selected investors.

(The Public Issue and the Offer For Sale are collectively referred to as the "IPO".)

4) Listing and Quotation on the Second Board of Bursa Securities

The listing of and quotation for the enlarged issued and paid-up share capital comprising 80,000,000 Shares on the Second Board of Bursa Securities.

9. FINANCIAL INFORMATION (Cont'd)

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, is properly prepared on the basis of the assumptions made by the Directors and is presented on a basis consistent with the accounting policies adopted and disclosed by Uzma Malaysia in its audited financial statements for the financial year ended 31 December 2007. The Directors of the UB Group are solely responsible for the preparation and presentation of the forecast and assumptions on which the forecast is based.

Forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which the management expects to take place and the actions which the management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which the forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

In our opinion:-

- i) nothing has come to our attention which causes us to believe that the assumptions made by the Directors, as set out in the accompanying statements, do not provide a reasonable basis for the preparation of the proforma consolidated profit forecast; and
- ii) in our opinion, the proforma consolidated profit forecast so far as the calculation are concerned, is properly prepared on the basis of the assumptions made by the Directors and is presented, unless stated otherwise, on a basis consistent with the accounting policies adopted and disclosed by Uzma Malaysia and its subsidiaries in their audited financial statements for the financial year ended 31 December 2006.

Yours faithfully

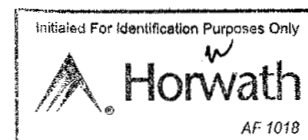
A handwritten signature in black ink, appearing to be "J. K.", written over the Horwath logo.

Horwath
Firm No : AF 1018
Chartered Accountants

A handwritten signature in black ink, appearing to be "KW", written over the name "Lee Kok Wai".

Lee Kok Wai
Approval No : 2760/06/08(J)
Partner

9. FINANCIAL INFORMATION (Cont'd)

**UZMA BERHAD****A. Proforma Consolidated Profit Forecast For The Financial Year Ending 31 December 2008**

The Directors of Uzma Berhad ("UB") forecast that, based on the bases and assumptions set out below, the proforma consolidated profit after taxation and minority interests of UB and its subsidiaries ("UB Group" or "the Group") for the financial year ending 31 December 2008 will be as follows:-

	RM'000
Revenue	190,433
Proforma consolidated profit before taxation	20,207
Income tax expense	(5,549)
Proforma consolidated profit after taxation	14,658
Attributable to:	
Equity holders of the Company	14,261
Minority interests	397
	14,658
Assumed number of shares in issue ('000)	80,000
Basic earnings per share ("EPS") (sen)	17.8
Price-earnings multiple ("PE Multiple")	10.7

B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast

Details of the Scheme to be undertaken in relation to the listing of UB on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") are as follows:-

1) Acquisitions

- (a) Acquisition of the entire issued and paid-up share capital of Uzma Malaysia for a purchase consideration of RM31,000,000, satisfied by an issuance of 61,999,996 new ordinary shares of RM0.50 each ("Share") in UB at an issue price of approximately RM0.50 per Share ("Acquisition of Uzma Malaysia"). The purchase consideration was arrived at on a willing buyer-willing seller basis and took into consideration the valuation conducted by Messrs Ernst & Young on the businesses of the Group.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast (Cont'd)

1) Acquisitions (Cont'd)

(b) Acquisition of the following companies from Uzma Malaysia ("Acquisition of Uzma Australia and Uzma Thailand):-

- (i) the entire issued and paid-up share capital of Uzma Australia for a cash consideration of RM1. The purchase consideration was arrived at on a willing buyer-willing seller basis and based on the net tangible liabilities position of Uzma Australia as at 31 December 2006 of AUD30,706; and
- (ii) 48.98% of the issued and paid-up share capital of Uzma Thailand for a cash consideration of RM459,144. The purchase consideration was arrived at on a willing buyer-willing seller basis and based on the net tangible assets of Uzma Thailand as at 31 December 2006 of THB 9,374,118.

The Acquisition of Uzma Malaysia, Uzma Australia and Uzma Thailand are collectively referred to as the "Acquisitions".

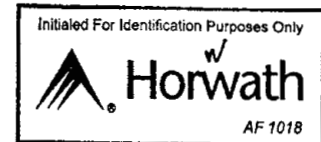
The Acquisitions were completed on 20 May 2008.

2) Public Issue

The public issue of 18,000,000 new Share ("Public Issue Shares") at an issue price of RM1.90 per Share ("Public Issue") are to be allocated and allotted in the following manner:-

- (a) 6,000,000 Public Issue Shares, representing 7.50% of the enlarged issued and paid-up share capital, to be allocated via balloting, will be made available for application by the Malaysian Public, of which at least 30% will be set aside for Bumiputera individuals, companies, societies, co-operatives and institutions;
- (b) 3,000,000 Public Issue Shares, representing approximately 3.75% of the enlarged issued and paid-up share capital, by way of private placement to selected investors; and
- (c) 9,000,000 Public Issue Shares, representing 11.25% of the enlarged issued and paid-up share capital, will be made available for application by eligible Directors and employees, and persons who have contributed to the success of the UB Group.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast (Cont'd)

3) Offer For Sale

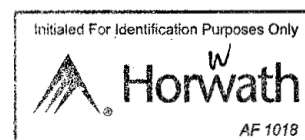
The Offer For Sale of 10,000,000 Offer Shares, representing 12.50% of the enlarged issued and paid-up share capital, are offered at an offer price of RM1.90 per Share payable in full on application and will be allocated and allotted by way of private placement to selected investors.

(The Public Issue and the Offer For Sale are collectively referred to as the "IPO".)

4) Listing and Quotation on the Second Board of Bursa Securities

The listing of and quotation for the enlarged issued and paid-up share capital comprising 80,000,000 Shares on the Second Board of Bursa Securities.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast (Cont'd)

Specific Assumptions

- 1) The Group forecasts the revenue for the financial year ending 31 December 2008 to be approximately RM190 million with a growth rate of 48.6%. The table below shows the breakdown of the forecasted revenue by its products/services:-

	Uzma Malaysia RM'000	Uzma Thailand RM'000	Uzma Australia RM'000	Total forecast revenue RM'000
Geoscience and Reservoir Engineering Services	46,168	11,337	3,091	60,596
Drilling Services	48,317	1,185	612	50,114
Project and Operations Services	75,470	2,299	612	78,381
Other Services	590	182	570	1,342
	170,545	15,003	4,885	190,433

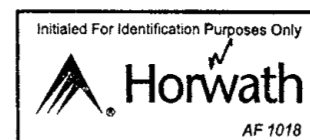
The Group anticipates that there will be no cancellation of work orders and work orders secured will be commence and complete within the time frame forecasted.

- 2) The Group forecasts the gross profit for the financial year ending 31 December 2008 will be approximately RM37.9 million with a gross profit margin of 19.9%. The gross profit margin is 1.8% lower than the proforma group gross profit margin of 21.7% in the financial year ended 31 December 2007 ("FY 2007"), mainly attributed to the change in sales mix and a marginal drop in forecasted gross profit margin for Geoscience and Reservoir Engineering Services. The percentage of revenue for Geoscience and Reservoir Engineering Services over total revenue and its gross profit margin are 31.8% (FY 2007 - 23.8%) and 43.5% (FY 2007 - RM48.6%) respectively.

Details of the gross profits are as follows:-

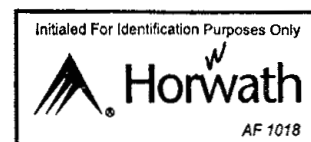
	Uzma Malaysia RM'000	Uzma Thailand RM'000	Uzma Australia RM'000	Total forecast gross profit RM'000
Geoscience and Reservoir Engineering Services	14,906	8,598	2,859	26,363
Drilling Services	5,563	178	92	5,833
Project and Operations Services	4,346	353	92	4,791
Other Services	188	182	570	940
	25,003	9,311	3,613	37,927

9. FINANCIAL INFORMATION (Cont'd)

**UZMA BERHAD****B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast (Cont'd)****Specific Assumptions (Cont'd)**

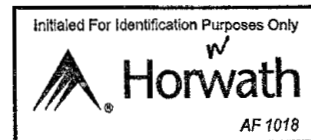
- 3) Total staff costs are forecasted to be approximately RM979,000 per month whilst the directors' remuneration is approximately RM76,000 per month.
- 4) The forecasted capital expenditure of approximately RM8.3 million will be incurred as scheduled. Total depreciation charge of property, plant and equipment is expected to be approximately RM0.5 million with no material changes to the existing depreciation rates adopted by the Group.
- 5) The Group will continue to enjoy the existing credit and financing facilities and the additional credit and financing facilities that will be obtained as required. Interest rates on the existing and additional credit and financing facilities will not vary significantly from the forecast level of between 7.16% and 8.75% per annum.
- 6) There will be no doubtful debts exceeding RM300,000 in the forecast year.
- 7) The Public Issue is assumed to be completed and the proceeds from the Public Issue will be received by the third quarter of 2008. The estimated listing expenses of RM2,500,000 to be incurred in respect of the Public Issue will be set off against the share premium account.
- 8) The proceeds from the Public Issue will be received in the financial year ending 31 December 2008 and will be utilised in accordance with the proposed utilisation of proceeds as follows:-

	RM'000
Setting up of geological lab	2,400
Purchase of computer equipment	1,800
Repayment of bank borrowings	7,000
Estimated listing expenses	2,500
Working capital	20,500
	34,200

9. FINANCIAL INFORMATION (Cont'd)**UZMA BERHAD****B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast (Cont'd)****General Assumptions**

- 1) There will be no significant changes in the principal activities and existing group structure of the UB Group, other than those incorporated in the forecast.
- 2) There will not be any loss of the Group's existing customers and business alliances that will materially affect the revenue of the Group, and it is assumed that there will be no significant occurrences of bad and doubtful debts.
- 3) There will be no significant changes in the key management and operating structure of the Group.
- 4) There will be no major disruptions in the supply of manpower or any other abnormal factors which will adversely affect the operations, income and expenditure of the Group at the forecasted level.
- 5) Inflation and foreign currency exchange rates will not fluctuate significantly from the present and forecast level. Administrative and other operating expenses are forecast to increase in tandem with the level of operations of the Group and the effects of inflation, where applicable, have been incorporated in the forecast of administrative and other operating expenses. The Malaysian Ringgit to the United States Dollar ("USD") will not fluctuate significantly from the average currency exchange rate used in the forecast of USD1 = RM3.22.
- 6) There will be no significant changes to the prevailing political conditions in Malaysia and the foreign markets in which the Group operates and intends to penetrate into that may have an adverse effect on the activities and performance of the Group.
- 7) The Malaysian economy will perform in line with the government's projections during the forecast year without any unfavourable global economic impact.
- 8) There will be no significant changes in the present legislation or government regulations, direct or indirect taxes and duties, which will adversely affect the activities of the Group. The income tax rate in Malaysia for the year of assessment 2008 is 26% with no significant changes in the bases of taxation, applicable to the Group.
- 9) There will be no major proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the financial position or business of the Group.

9. FINANCIAL INFORMATION (Cont'd)



UZMA BERHAD

B. Principal Bases And Assumptions Relating To The Proforma Consolidated Profit Forecast (Cont'd)

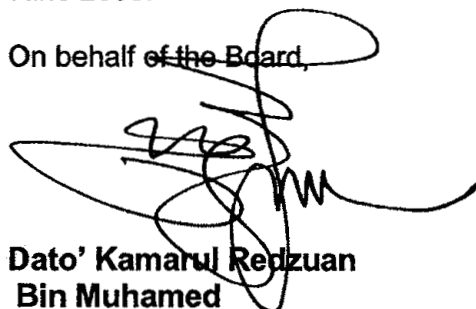
General Assumptions

- 10) There will be no significant changes in the accounting policies presently adopted by the Group except for the following Financial Reporting Standards ("FRSs") which have been issued and are effective for financial periods beginning on or after 1 July 2007 and will be effective for the Group's financial statements for the financial year ending 31 December 2008:-
- FRS 107 - Cash Flow Statements
 - FRS 111 - Construction Contracts
 - FRS 112 - Income Taxes
 - FRS 118 - Revenue
 - FRS 120 - Accounting for Government Grants and Disclosure of Government Assistance
 - FRS 137 - Provisions, Contingent Liabilities and Contingent Assets
- 11) There will be no material disposal of property, plant and equipment or investments in the forecast year.

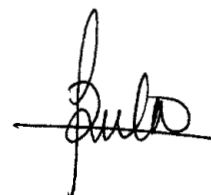
APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 6 June 2008.

On behalf of the Board,



**Dato' Kamarul Redzuan
Bin Muhamed**



**Datin Rozita Binti Mat Shah
@ Hassan**

9. FINANCIAL INFORMATION (Cont'd)

9.9 DIRECTORS' COMMENTS ON THE PROFIT FORECAST

The consolidated profit forecast of our Group for the year ending 31 December 2008 has been prepared based on our Directors' assessment of the present economic and operating conditions, and a number of best estimate assumptions regarding future events and actions which, at the date the forecast was approved, our Directors expect to take place. These future events may or may not take place. The principal bases and assumptions upon which the consolidated profit forecast have been prepared are set out in Section 9.8.

A forecast, by its very nature, is hypothetical and subject to uncertainties and unexpected events, many of which are outside the control of our Group and our Directors. Also, events and circumstances often do not occur as anticipated and therefore actual results are likely to differ from the forecast, and the differences may be material and may materially affect the financial information projected. Accordingly, the Directors cannot and do not guarantee the achievement of the forecast. Notwithstanding the uncertainties and hypothetical assumptions associated with our projections, the consolidated profit forecast has been prepared with due care, skill and objectivity so as to represent the stated assumptions, and not to purport unreasonable hypotheses and assumptions.

The consolidated profit forecast has been prepared based on information available and conditions prevailing as at 31 May 2008.

Overview of Consolidated Profit Forecast**Revenue**

For the FYE 31 December 2008, revenue is forecasted to increase 48.6%% to RM190.4 million, which is derived from contracts with more than 20 clients in 15 countries with 78% from domestic and the remainder from overseas sources. This is compared to RM128.1 million of revenue as at 31 December 2007. Based on the revenue forecasted, revenue from GRE Services and POS constitute more than 70%, while revenue from Drilling Services ("DS") make up another 26.3%.

GRE Services is expected to generate the highest gross profit as compared to our other business activities. Notable GRE projects secured as at 31 May 2008 include, inter-alia, the following: -

- (a) full field review study for a field in Malaysia;
- (b) chemical EOR study for an offshore field in Malaysia;
- (c) production enhancement consultancy, equipment and operation for an oil company in Malaysia; and
- (d) provision of digital-analog database software to a client in Malaysia.

We are confident on achieving our forecasted revenue in 2008 due to a combination of factors, including, inter-alia, the following: -

- (a) as at 31 May 2008, RM126.9 million of the projects that form the basis of our forecasted revenue have been secured, amounting to approximately 68.3% of revenue forecasted. Secured GRE and POS projects amounted to approximately RM31.3 million and RM53.9 million respectively;
- (b) flowover of a portion of the revenue initially expected to be realised in FYE 2007 (e.g. the RMS project from a PSC Operator / Contractor in Malaysia);
- (c) continuous support for our products and services;

9. FINANCIAL INFORMATION (Cont'd)

- (d) strong demand for our services due to increased activity in the Oil and Gas Industry arising from high crude oil prices, resulting in a cascading effect throughout the upstream and downstream sectors; and
- (e) strong reputation of our Group.

Gross Profit

Gross profit is forecasted to increase 36.1% to RM37.9 million in FYE 2008, in accordance with the expected increase in revenue, albeit at a lower rate. This is due to the higher costs expected in year 2008 which we will absorb in order to keep prices of our services competitive. Hence, lower margins are expected from our POS and DS segments despite some buffer from contributions from our high margin GRE segment.

Profit before Tax

Profit before tax is expected to increase 52.9% year-on-year to RM20.2 million, from RM13.2 in FYE 31 December 2007. This is on the back of expected lower increase in other operating expenses (23.4% increase) as a percentage as compared to revenue (48.6% increase) and gross profits (36.1% increase). For the FYE 2008, we expect to incur operating expenses amounting to RM17.7 million, as compared to RM14.4 million a year ago. This is substantiated primarily by our expectations of: -

- (a) lower expansion of our work force, as we have already met most of our personnel requirements; and
- (b) more prudent foreign exchange management control in 2008.

Although we expect higher operating overheads, mostly related to staff costs, entertainment and travelling expenses, these are not expected to negatively impact our profits significantly.

Tax

For the FYE 31 December 2008, we estimate tax expense to be in the region of 25% to 27% as compared to the Malaysian corporate tax rate of 26%. We expect income from foreign source and international income to comprise about 20% of our revenue for the year, thus mitigating our income tax expense. Lower income tax expense are expected in FYE 31 December 2008 as compared to FYE 31 December 2007, which were high due to the tax penalties imposed on us in year 2007, as detailed in Section 9.3.1 of this Prospectus. As a result, we expect profit after tax to increase to RM14.7 million, or an increase of approximately RM6.3 million.

Except as detailed in our discussion on the profit forecast above and in Section 3 and Section 4.4.1, Section 4.4.2 and Section 4.4.3 of this Prospectus, we do not expect any likely change in business and operating conditions that might materially affect our profit forecast.

The Board confirms that the consolidated profit forecast of our Group and the underlying bases and assumptions stated therein have been reviewed by the Directors. Nevertheless, these bases and assumptions cover future periods for which there are inherent risks, and therefore, should be treated with caution. These bases and assumptions are subject to significant uncertainties and contingencies, which are often outside the control of our Group. Therefore, certain assumptions used in the preparations of the consolidated profit forecasts may differ significantly from the actual situation after the date of this profit forecast.

After due and careful enquiry, and having taken into account the contracts secured and potential contract(s) to be secured, favourable outlook for the Malaysian economy as well as the Oil and Gas Industry, our plans to expand our business activities in the domestic markets and also to venture overseas, our Directors are of the opinion that the consolidated profit forecast is achievable under the prevailing business and economic environment.

9. FINANCIAL INFORMATION (Cont'd)

9.10 SENSITIVITY ANALYSIS

The following sensitivity analysis is prepared by the management of our Group and has not been independently verified by the Reporting Accountants. It is based on the forecast assumptions set out in Section 9.8 above and assuming all factors remain unchanged except for the 5% and 10% upward or downward variations in key variables.

After considering the factors that may affect our Group's profitability, such as our contract prices, volume of projects, cost of sales, financing costs and other costs affecting our profitability, our Directors opine that the following are the key factors that may materially impact our Group's profitability: -

- (a) variations in revenue; and
- (b) variations in cost of sales.

Notwithstanding the impacts of the variations in revenue and cost of sales as outlined here, there may exist other factors which have not been taken into account, which may have a significant effect, either positively or negatively, on the financials of our Group. The sensitivity analysis is as follows: -

9.10.1 Variations in Revenue

The sensitivity analysis on revenue is prepared based on the assumption that an upward and downward variation in revenue of 5% and 10% would result in all sub-categories of cost of sales remaining the same, except for those linked to POS and DS, which would increase and decrease correspondingly with the same percentage as the revenue variation: -

	Revenue	Cost of Sales	Gross Profit	Other Expenses	Profit Before Tax	Gross Profit Margin
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(%)
+10%	209,476	164,293	45,183	17,720	27,463	21.57
+5%	199,955	158,399	41,556	17,720	23,836	20.78
Base case	190,433	152,506	37,927	17,720	20,207	19.92
-5%	180,911	146,612	34,299	17,720	16,579	18.96
-10%	171,390	140,719	30,671	17,720	12,951	17.90

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9. FINANCIAL INFORMATION (Cont'd)**9.10.2 Variations in Cost of Sales**

The sensitivity analysis on cost of sales is prepared based on the assumption that an upward and downward variation in cost of sales of 5% and 10% would result in all sub-categories of revenue remaining the same, except for POS and DS, which would increase and decrease correspondingly with the same percentage as the cost of sales variation: -

	Revenue	Cost of Sales	Gross Profit	Other Expenses	Profit Before Tax	Gross Profit Margin
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(%)
+10%	203,283	167,756	35,527	17,720	17,807	17.48
+5%	196,858	160,131	36,727	17,720	19,007	18.66
Base case	190,433	152,506	37,927	17,720	20,207	19.92
-5%	184,008	144,881	39,127	17,720	21,407	21.26
-10%	177,584	137,255	40,329	17,720	22,609	22.71

Based on the above assumptions, the sensitivity analysis shows that our Group will continue to remain profitable for the forecast period even if revenue is varied downward by 10%, or if cost of sales are varied upward by 10%.

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