



UZMA BERHAD

(Company No: 769866-V)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2009

A1. Basis of reporting preparation

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

The accounting policies and methods of computation adopted by the Group in this unaudited interim financial report are in compliance with the new and revised Financial Reporting Standards issued by the MASB. The interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2008.

A2. Auditors' report

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

A3. Seasonal or cyclical factors

The principal business operations of the Group are not significantly affected by seasonal or cyclical factors during the period under review.

A4. Items of unusual nature and amount

There were no items affecting assets, liabilities, equity, net income or cashflow that are unusual because of their nature, size or incidence in the interim financial reports.

A5. Material changes in estimates

There were no changes in the estimates of amount relating to the prior financial years that have a material effect in the current quarter under review.

A6. Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

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

A7. Dividends paid

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

A8. Segmental information

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

A9. Valuation of property, plant and equipment

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

A10. Capital commitments

There are no material capital commitments for the Group as at the current quarter and financial year-to-date.

A11. Material events subsequent to the end of period reported

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

A12. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date save for the subscription of right issue shares of Uzma Oriental Co. Ltd. ("Uzma Oriental"), an associated company by Uzma Engineering Sdn Bhd as announced on 14 April 2009. However, there is no impact in the composition of the Group as all shareholders of Uzma Oriental subscribed proportionally of their respective entitlement of the rights issue.

A13. Contingent Liabilities and Contingent Assets

There are no contingent liabilities or contingent assets, which upon becoming enforceable, may have a material effect on the net assets, profits or financial position of our Group for the period under review.



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NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 30 JUNE 2009

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

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

	Current Quarter Ended 30.06.2009 RM'000	Cumulative Period to- date Ended 30.06.2009 RM'000
Revenue	29,656	55,626
Profit before taxation	2,560	4,094

For the financial year to date, the Group recorded a pre-tax profit of RM4.09 million as a result of additional contribution from pre-tax profit of the current quarter of RM2.56 million. The profit contribution of the current quarter was mainly driven by the further completion of some of the Group's on-going projects. Please refer to Note B2 for further explanation.

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

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

	Quarter Ended 30.06.2009 RM'000	Quarter Ended 31.03.2009 RM'000	Difference RM'000	%
Revenue	29,656	25,970	3,686	14.2
Profit before taxation	2,560	1,534	1,026	66.9

Compared to the previous quarter, the Group's revenue was higher by RM3.69 million in the current quarter representing an increase of 14.2%. Hence, the increase in revenue has driven profit before tax higher by RM 1.03 million representing an increase of 66.9%.

The increase in profitability of the Group was mainly due to the following :-

- (a) further completion of existing projects in the current quarter from Geoscience and Reservoir Engineering segment and Laboratory Services segment

(b) commencement of various geological laboratory work

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

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

Barring any unforeseen circumstances, the Directors remain cautiously optimistic with the Group's prospects for the current financial year in view of the gradually improving oil prices which is anticipated to result in reactivation of the exploration and production enhancement activities by our clients in the second half of 2009. In addition, with the emergence of early sign of slow recovery in general economy globally as well as locally, Board is of the view that the Group will remain profitable.

The Group's new geological laboratory is fully operational in June 2009. We are planning for an official launching in Q4 2009.

The Group has not previously disclosed or announced any revenue or profit forecast, estimate, projection or internal targets since the beginning of financial year ending 2009.

B4. Variance between Actual Profit and Forecast Profit

Not applicable as the Group has not previously disclosed or announced any revenue or profit forecast, estimate, projection or internal targets since the beginning of financial year ending 2009..

B5. Taxation

	Current Quarter Ended 30.6.2009 RM	Corresponding Quarter Ended 30.6.2008 RM	Cumulative Year To Date 30.6.2009 RM	Corresponding Year To Date 30.6.2008 RM
Current taxation	733,197	338,852	1,174,230	376,497

B6. Profit from sale of unquoted investments and/ or properties

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

B7. Quoted securities

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

B8. Status of Corporate Proposal

Utilisation of proceeds

The listing proceeds from the IPO exercise have been utilised in the following manner:

Purpose	Proposed utilisation RM'000	Actual utilisation up to 30 June 2009 RM'000	Time frame for utilisation Months	Deviation RM'000	Explanation
Setting up geological laboratory	2,400	2,400	18	-	
Purchase of computer equipment	1,800	1,800	18	-	
Repayment of borrowing	7,000	3,000	6	4,000	Note 1
Estimated listing expenses	2,500	2,500	Immediate	-	
Working capital	20,500	24,500	Immediate	(4,000)	Note 1
	<u>34,200</u>	<u>34,200</u>		<u>-</u>	

Note 1 : As proposed, RM4.0 million was used to repay a term loan granted by Alliance Bank Berhad. However, the management realised that early full settlement of the term loan within 5 years of the loan tenure will attract penalty of 3% on the approved amount of RM4,720,000. The potential penalty is amounting to RM141,600. In addition, the recent announcement by Bank Negara Malaysia on reduction of Overnight Policy Rate of 0.25% will effectively reduce the Base Lending Rate ("BLR"). Hence, taking into consideration of the saving of potential penalty and interest saving from lower BLR in coming months, the management has decided to continue servicing the loan. The balance unutilised amount were used as working capital for the core business of the Group.

B9. Group borrowings and debt securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowing:-</u>			
Bank borrowing	2,329	-	2,329
Hire Purchases	78	-	78
Bank overdraft	1,866	-	1,866
	<u>4,273</u>	<u>-</u>	<u>4,273</u>
<u>Long Term borrowings:-</u>			
Bank borrowing	6,821	-	6,821
Hire Purchases	206	-	206
	<u>7,027</u>	<u>-</u>	<u>7,027</u>
Total	<u>11,300</u>	<u>-</u>	<u>11,300</u>

B10. Off Balance Sheet Financial Instruments

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

B11. Material Litigation

As at 21 August 2009, neither our Company nor any of our subsidiaries is involved in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company or our subsidiaries.

B12. Proposed Dividend

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

B13. Earnings per share

	Current quarter ended 30.6.2009 RM'000	Corresponding quarter ended 30.6.2008 RM'000	Cumulative Year to date 30.6.2009 RM'000	Corresponding Year to date 30.6.2008 RM'000
Net profit for the period	1,759	5,872	2,803	6,802
Weighted Average number of ordinary shares in issue ('000)	80,000	80,000	80,000	80,000
Basic earnings per share (sen)	2.20	7.34 *	3.50	8.50 *

(a) * Basic earnings per share

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

(b) Fully diluted earnings per share

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

By order of the Board,

Dato' Kamarul Redzuan Muhamed
Managing Director/Chief Executive Officer
Date: 28 August 2009