



2008

uzma berhad (769866-V)
annual report



NOTICE OF SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second Annual General Meeting of the Company will be held at Empress Garden at Kelab Golf Sultan Abdul Aziz Shah, No.1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 22 June 2009 at 10.00 a.m. to transact the following businesses:-

AGENDA

- | | | |
|----------|--|------------------------------|
| 1 | To receive the Audited Financial Statements for the financial year ended 31 December 2008 and the Reports of Directors and Auditors thereon. | Ordinary Resolution 1 |
| 2 | To approve the payment of Directors' Fees. | Ordinary Resolution 2 |
| 3 | To re-elect Encik Nordin Bin Md. Nor who retire in accordance with Article 77 of the Company's Articles of Association. | Ordinary Resolution 3 |
| 4 | To re-elect Encik Mohd Khalid Embong who retire in accordance with Article 77 of the Company's Articles of Association. | Ordinary Resolution 4 |
| 5 | To re-elect Encik Khalid Bin Sufat who retire in accordance with Article 77 of the Company's Articles of Association. | Ordinary Resolution 5 |
| 6 | To appoint Messrs Horwath as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |
| 7 | As Special Business to consider and if thought fit, to pass the following Ordinary Resolution, with or without modifications: - | Ordinary Resolution 7 |

ORDINARY RESOLUTION – AUTHORITY TO ISSUE SHARES

"THAT subject always to the Companies Act, 1965 ("Act") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Act, to issue and to allot shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

- | | | |
|----------|--|--|
| 8 | To transact any other business of which due notice shall have been received. | |
|----------|--|--|

BY ORDER OF THE BOARD

KANG SHEW MENG
SEOW FEI SAN
Secretaries

Selangor Darul Ehsan
Date : 28 May 2009

-
- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
 - 2 A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy.
 - 3 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
 - 4 The instrument appointing a proxy must be deposited at Level 26, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.
 - 5 Explanatory notes on Special Business:

Ordinary Resolution 7

The proposed Resolution 7, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the issued share capital of the Company subject to the approvals of all the relevant authorities and for such purposes as the Directors consider would be in the interest of the Company.

This authorisation will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF SECOND ANNUAL GENERAL MEETING

DIRECTORS STANDING FOR RE-ELECTION

Names of Directors who are standing for re-election as in Ordinary Resolutions 3, 4 and 5 of the Notice of Annual General Meeting are :

-
- 1 Encik Nordin Bin Md. Nor
 - 2 Encik Mohd Khalid Embong
 - 3 Encik Khalid Bin Sufat
-

Further details of the above Directors are set out in the Directors' Profile on page 14 to 15 of the Annual Report.

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Corporate Information

Corporate Information
Corporate Structure

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee
(Independent Non-Executive Chairman)

Dato' Kamarul Redzuan Muhamed
(Managing Director / Chief Executive Officer)

Datin Rozita Mat Shah
(Executive Director, Corporate Services)

Mr. Peter Angus Knowles
(Executive Director, International Business)

Encik Che Nazahatuhisamudin Che Haron
(Executive Director, Sales and Marketing)

Encik Mohd Khalid Embong
(Executive Director, Strategic and Business Planning)

Encik Nordin Md Nor
(Independent Non-Executive Director)

Encik Khalid bin Sufat
(Independent Non-Executive Director)

AUDIT COMMITTEE

Encik Khalid bin Sufat - Chairman
(Independent Non-Executive Director)

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee - Member
(Independent Non-Executive Chairman)

Encik Nordin Md Nor - Member
(Independent Non-Executive Director)

NOMINATING COMMITTEE

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee - Chairman
(Independent Non-Executive Chairman)

Encik Khalid bin Sufat - Member
(Independent Non-Executive Director)

Encik Nordin Md Nor - Member
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee - Chairman
(Independent Non-Executive Chairman)

Dato' Kamarul Redzuan Muhamed - Member
(Managing Director / Chief Executive Officer)

Encik Nordin Md Nor - Member
(Independent Non-Executive Director)

CORPORATE INFORMATION

SECRETARIES

Kang Shew Meng
(MAICSA 0778565)

Seow Fel San
(MAICSA 7009732)

REGISTRAR

Symphony Share Registrar Sdn. Bhd. (378993-D)
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur
Tel : 03-2721 2222
Fax : 03-2721 2530

REGISTERED OFFICE

312, 3rd Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7803 1126
Fax : 03-7806 1387

AUDITORS

Horwath (AF1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur.
Tel : 03- 2166 0000
Fax : 03- 2166 1000

CORPORATE OFFICE

No. 68 & 70, Fraser Business Park
Jalan Metro Pudu 2
Off Jalan Yew
55200 Kuala Lumpur
Tel : 03-9232 1000
Fax : 03-9232 1032
Email : info@uzmagroup.com
Website : www.uzmagroup.com

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad (88103-W)
Ground & 1st Floor
No. 2, Jalan Murni 25/ 61
Taman Sri Muda, Seksyen 25
40400 Shah Alam, Selangor
Tel : 03-5121 9336
Fax : 03-5121 9373

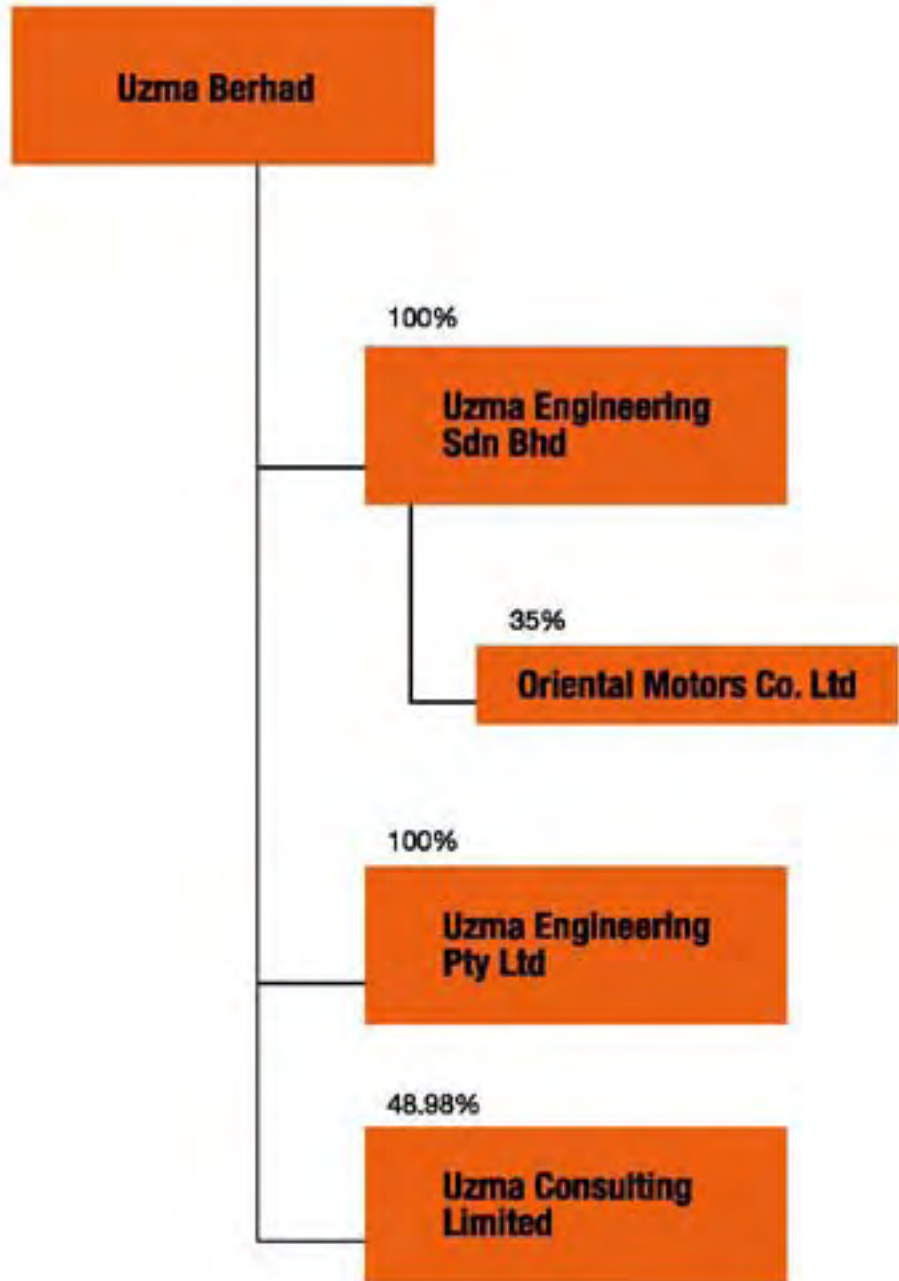
RHB Bank Berhad (6171-M)
Head Office
Tower Two and Three, RHB Centre
Jalan Tun Razak
50400 Kuala Lumpur
Tel : 03-9281 3030
Fax : 03-9287 4173

STOCK EXCHANGE LISTING

Second Board
Bursa Malaysia Securities Berhad

Listed Since : 29 July 2008
Stock Name : UZMA
Stock Code : 7250

CORPORATE STRUCTURE





Board of Directors

Chairman's Statement
CEO's Statement
Profile of Board of Directors
Corporate Governance Statement

CHAIRMAN'S STATEMENT

Dear Shareholders,

INAUGURAL ANNUAL REPORT

On behalf of the Board of Directors, it gives me a great pleasure to present Uzma Group Inaugural Annual Report and Audited Financial Statements of the Group for financial year ended 31 December 2008.

The period under review marks a historic moment of the Company. Uzma Group Bhd. was successfully listed on the Second Board of the Bursa Malaysia Securities Bhd on 29 July, 2008.

FINANCIAL PERFORMANCE

The year under review was exciting ,challenging and full of uncertainties. We witnessed a severe global financial crisis affecting the local and international economies. The rise of oil price to historic level and subsequently plummeted by a more than 70% has created an element of uncertainty in the industry resulting in oil and gas companies reassessing their investments decisions which culminating into some oil and gas producers rephrasing their capital expenditure spending on exploration, development and production activities.

Given the challenging business environment, Uzma Group's performance over the review period remains satisfactory. The Group recorded revenue of RM134.6 million, an increase of 5.0 % compared to RM 128.2 million in 2007, and generated profit after tax of RM 10.5 million, an increase of 24.8% compared to RM 8.4 million generated in 2007. The revenue and PAT are however, 29.3 % and 28.6% respectively lower than our forecast due to defement of some projects, cancellation of a project in Pakistan and delays in some projects as a result of work order variation. Nevertheless, the revenue of some of these projects are expected to be realised in financial year 2009. In addition, we manage to maintain our profit margin by refocusing our resources to higher margin Geoscience and Reservoir Engineering ("GRE") services and by providing Integrated and Total Solutions to the clients.

MAJOR EVENTS

Inline with the growth strategy outlined in the prospectus, Uzma Group continue to focusing on strengthening its capabilities and creating competitive advantage to our Group. During the period under review, we have acquired a premise in Shah Alam, Selangor Darul Ehsan for the establishment of a new Geological Laboratory in Malaysia. The Geological Laboratory is expected to be completed and fully operationalised by 2nd quarter of 2009. It will be utilised to provide core handling, analysis and storage services to our clients as well as to support our GRE and Drilling Services.

During the reviewed period, Uzma Group have entered into Collaboration Agreements with three Technology Partners in the technology area of Production Enhancement Technology, Integrated Field Development Planning and Production modeling, and Seismic Processing. This has enable our Group to provide a more comprehensive and integrated offerings to our clients. We have successfully completed a pilot project on the application of the 'non intrusive' low pressure system technology in one of the oil field in Malaysia. Following the success of the pilot project, we are now in negotiation for the implementation of the technology in several other oil fields.

At the International front, Uzma Group has entered into an exclusive long-term Master Project Management Agreement with Hefei Xing Xing Petrochemical CO. Ltd of China to develop and produce an oil field in Inner Mongolia. Uzma Group is also making inroad into India market and has secured several projects under GRE services and Drilling services.

OUTLOOK

Taking cognisance of the current economic turmoil across the globe, volatile oil price and in anticipation of potentially reduced and rephrasing of Exploration, Development and Production ("E&P") activities by the E&P oil and gas players worldwide, the business environment in the near term is expected to continue to be challenging. However, potential economy recovery is foreseen in 2010. The oil price is expected to remain volatile in the near term, but is expected to stabilise at a higher level in view of potentially widening of the supply – demand gap in the long term. At the domestic front, in light of PETRONAS' assurance and commitments on the ongoing and sanctioned projects, the upstream sector of the oil and gas industry in the country is expected to be robust.

To be resilient and to ensure future growth, Uzma Group will continue focusing on enhancing shareholders value by further expanding and integrating our GRE services and Project & Operations Services, have a balanced portfolio of domestic and international business via a more focused approach, and a more efficient and effective project deliveries by continuously improving our management and internal control system.

DIVIDEND

For the financial year ended 31 December 2008, the Company had paid an interim dividend of 2.5 sen per share on 19 February 2009. To meet the upcoming challenging business environment, the need to invest for future growth and capturing opportunities in the coming year, the Board of Directors has decided to retain the profits earned in the review period and no further Dividend is recommended for the financial year ended 31 December 2008.

APPRECIATION

Year 2008 has been an exciting and challenging year for the group. In this regard we wish to express our sincere appreciation to our clients, board members, management team, our people and business associates for their continuing support. We also would like to express our appreciation to our Bankers and regulatory bodies for their guidance and advice in the conduct of our business activities.



Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee
Independent Non-Executive Chairman
29 April 2009

**Despite the challenging business environment,
our performance remains resilient.**



CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Shareholders,

INAUGURAL ANNUAL REPORT

The period under review marks a historic moment of the Company. Uzma Group was successfully listed on the Second Board of the Bursa Malaysia Securities Bhd on 29 July 2008. We are the 1st oil and gas company listed on Bursa Malaysia Securities Bhd. ("Bursa Securities") with core business in the subsurface areas of the petroleum industry. The listing at the Bursa Securities marked the beginning of a new growth era for the Company.

In this report I would like to share with you the status of the various plans as outlined in our IPO Prospectus.

BUSINESS OPERATIONS

The year under review was exciting, challenging and full of uncertainties. We witnessed a severe global financial crisis affecting the local and international economies. The extreme oil price volatility has created an element of uncertainty in the industry resulting in oil and gas companies reassessing their investment decisions which culminating into some oil and gas producers rephrasing their spending on exploration, development and production activities. Despite the challenging business environment, our performance remains resilient.

OVERSEAS BUSINESS EXPANSION

During the financial year ended 31 December 2008, we managed to secure several projects under Geoscience and Reservoir Engineering ("GRE") and Drilling services in India. Our deliveries were well received by the client. We will continue with business development efforts to secure more projects to put Uzma Group as a preferred oil and gas service company in the country in the future. In view of socio-political development on the Indian subcontinent

during the review period, we have decided to defer the plan to establish an operating office in India to a later year pending further assessment of the situation in the country. Currently the operations for projects in India is being carried out from our Kuala Lumpur office.

During the period under review, we received a unique opportunity to participate in the development and production activities of an oil field in China. The Board of Directors believes the investment in the project will bring benefits to Uzma Group in the long-term. Subsequently, through our investment vehicle, Uzma-Oriental Pte Ltd, we have entered into an exclusive long-term Master Project Management Agreement with Hefei Xing Xing Petrochemical Co. Ltd of China to develop and produce the oil field. The Drilling of the first batch of development wells is expected to commence in the 2nd quarter 2009, and the first production is expected in 3rd quarter 2009.

CAPABILITIES DEVELOPMENT

As a knowledge and technology based organization, it is imperative for us to be continuously upgrading and strengthening our organisational capabilities in order to stay competitive and take us to a new height. Our strength is in the area of GRE services which contribute about half to our bottom line. To further enhance our GRE Services and offerings, we have used the proceeds from the IPO to upgrade and add capacity to our existing Geocomputing infrastructure and facilities.

NEW FACILITIES

As part of our growth strategy and in line with our plan outlined in the IPO Prospectus, we have acquired a premise in Shah Alam, Selangor Darul Ehsan, for establishing a new Geological Laboratory in Malaysia. The laboratory is expected to be completed and fully operationalised by 2nd quarter, 2009.

With the establishment of this new Geological Laboratory, we are poised to capture more local Geological Laboratory business and improving our operating margin. We have received work orders for Geological Laboratory services towards the end of 2008, and the value of these work orders is expected to be realized in year 2009 onwards.



NEW TECHNOLOGY PARTNERS

In order to apply new technologies to in-house projects and to provide specialised and a more comprehensive and integrated offerings to the oil and gas industry, we had entered into a Collaboration Agreements with several Technology Providers respectively in the area of Seismic Processing Technology, Production Enhancement Technology and Integrated Field Development Planning and Production Modelling. We believe with our established capabilities in reservoir characterization and modeling, coupled with recently acquired technology and expertise in the 'non intervention' well rejuvenation and Integrated Production Modelling, we are well positioned to become a leading integrated 'Brown field rejuvenation' solution provider in the region.

We are particularly excited about our newly developed technologies and offering package named UzmaPRES.- a package utilizing Low Pressure System Technology- to revive old or ideal wells. We have implemented a pilot project in two of the field in Malaysia and has successfully rejuvenated the old wells, and improving clients oil productions. With the successful implementation of the Pilot Project, the demand for our UzmaPRES is expected to increase from year 2009 onwards.

PEOPLE

As a knowledge and technology based organization, our people are our asset. Their development, ingenuity and expertise are of paramount importance to our business success. Our people have been given the relevant exposure to keep abreast with state of the art technology and undergone formal and informal training programmes to enhance their capabilities in respective disciplines.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible organization, we are committed to sustainable development and ensuring zero harm to the people and the environment in all our business undertakings and wherever we operate.

CONCLUSIONS

The listing of Uzma group in the Bursa marked the beginning of a new growth era for the company. Despite the challenging business environment, the initiatives implemented and investment made in financial year 2008, will lay the foundation for the Group's sustainable growth. The business environment is expected to continue to be challenging in the near term and we will continue seeking opportunities to further strengthen our booked order while continuously improving our capabilities, and spending prudently to improve our operating margin.

APPRECIATION

Year 2008 has been an exciting and challenging year for the group. In this regard we wish to express our sincere appreciation to our people for making things happen, our board members and business associates for their continuing support.



Dato' Kamarul Redzuan Muhamed
Managing Director / Chief Executive Officer
29 April 2009



Board of Directors

Clockwise from top, Datin Rozita Mat Shah, Dato' Kamarul Redzuan Muhamed, Che Nazahetuhisamudin Che Haron, Mohd Khalid Embong, Khalid bin Sufat, Peter Angus Knowles, Nordin Md Nor and Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee

DIRECTOR'S PROFILE



INDEPENDENT NON-EXECUTIVE CHAIRMAN

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee, 47
Appointed to the Board 21 May 2008.

He was awarded a Professional Diploma in Leadership and Management by the New Zealand Institute of Management, New Zealand in 2003. He ventured into business in the early 1980s and held directorships in several private and public corporations involved in a diverse range of businesses. He holds a directorship in C.I. Holdings Berhad. He also holds Chairmanships in Composites Technology Research Malaysia Sdn Bhd, a company which is controlled by the Ministry of Finance, and Tanjung Offshore Berhad, a public listed company on the Main Board of Bursa Securities. Senator Datuk Wira Syed Ali was also appointed as a member of Dewan Negara (Senate) of Malaysia on 21 April 2003 and his tenure of office has expired on 21 April 2009. He is also the Chairman of Yayasan Pendidikan Cheras, Kuala Lumpur.



MANAGING DIRECTOR / CHIEF EXECUTIVE OFFICER

Dato' Kamarul Redzuan Muhamed, 38
Appointed to the Board 21 May 2008.

Dato' Kamarul attended Colorado School of Mines, which is renowned as one of the world's top petroleum universities, as part of the Government-sponsored "American Top Universities" programme. He graduated in 1995 with a Bachelor's Degree in Petroleum Engineering.

He worked as a reservoir engineer on an integrated reservoir engineering study in the USA before returning to Malaysia where he joined Esso Production Malaysia Inc. ("EPMI") as a Facilities Engineer. He worked on a number of offshore studies and projects gaining a good grounding in offshore engineering. During this time he started to develop a network of exploration and production contacts in Malaysia. Subsequently he joined Sedco Forex, a leading International Drilling Contractor as a graduate trainee, further expanding his offshore engineering knowledge. He later joined Smedvig Technologies Sdn Bhd, as a Technical Representative. He proved to be a natural entrepreneur and helped grow the company's sales expediently. He was soon promoted above the incumbent expatriate sales personnel to become Business Development Manager for the Asian Division. During his tenure, he developed a good relationship with PETRONAS and other profit sharing contractors and secured multi-million dollar contracts for Smedvig Technologies Sdn Bhd in Malaysia and the region.

Smedvig Technologies Sdn Bhd was rebranded as Roxar Sdn Bhd ("Roxar") in 1999. He was instrumental in setting up Roxar's office in Kuala Lumpur and was responsible for effectively changing the Roxar's Kuala Lumpur office to become the regional office and hub for Roxar's activities in Asia Pacific. Roxar, then, was a public company listed on the Oslo Stock Exchange. He left Roxar in May 2000 but was appointed as a member of the board of Roxar as its Non-Executive Director until his resignation in 2006.

Uzma Malaysia was formed in 2000 and he assumed the role of Chief Executive Officer leading the growth of the company from inception to what it is today.

He brings with him an academic qualification from one of the top American universities together with sound hands-on training from Exxon Mobil and Roxar, the world's largest international oil company and one of the premier oilfield service company, respectively. Despite being a competent engineer, it is his business development skills and entrepreneurship that contribute most to our Group. He has developed an established network in many Malaysian Oil and Gas companies and has earned the respect of senior management and senior personnel in many Malaysian-based Oil and Gas companies where his overseas education and working experience enables him to relate equally well with Malaysians and foreigners. He spends the bulk of his time managing our Group where he plays a role in technical governance in addition to his primary commercial responsibilities.



EXECUTIVE DIRECTOR, CORPORATE SERVICES

Datin Rozita Mat Shah, 39

Appointed to the Board on 21 May 2008.

Datin Rozita graduated with a Bachelor of Science in Chemical Engineering from Rensselaer Polytechnic Institute, New York in 1993.

She worked for an American technology company before returning to Malaysia in 1994 where she joined EPMI as a Systems Engineer. She held various technical roles during her six years with EPMI during which she developed sound project management skills and became an accomplished Project Engineer. After a short period as a Project Engineer with OGP Technical Services Sdn Bhd, a PETRONAS subsidiary, she joined Uzma Malaysia to work alongside her husband Dato' Kamarul.

Her initial role in Uzma Malaysia was to build the core consultancy business where she had successfully grown the business during her tenure. Managing the consultancy business involves developing and maintaining relationships, not only with customers, but with associate consultants from around the world. Her abilities were ideal for the consultancy business as she has strong formal technical qualifications and training, coupled with a natural ability to develop and maintain personal relationships. These skills, together with good commercial awareness and strong management techniques have won her respect from staff, customers and consultants. After the appointment of senior personnel to manage the consultancy business, she became the Operations Director, managing the back office functions for the whole business as well as performance improvement. The back office functions include logistics, human resources and information technology and fostering good community relationships. Until the appointment of our Group Finance Manager, she also managed accounting and finance, controlling cash flow and budgets.



EXECUTIVE DIRECTOR, INTERNATIONAL BUSINESS

Peter Angus Knowles, 52

Appointed to the Board on 21 May 2008.

He is a graduate from RGIT University in Aberdeen, Scotland which is renowned as a higher learning institution for offshore engineering. After graduation in 1978 he worked for an offshore engineering company before joining Southeastern Drilling Company ("Sedco"), a leading International Drilling Contractor in 1981, as a graduate trainee. He worked on a number of international assignments in Korea, USA, Norway and the Middle East attaining the level of District Manager before Sedco was acquired by Schlumberger in 1984. He subsequently worked in a number of senior engineer roles. In 1989 he joined Prodrill Ltd, an Aberdeen-based drilling consultancy, and was seconded as Senior Drilling Engineer to Petroleum Development Oman and to Shell and Conoco Phillips and the United Kingdom for a total of 4 years before being posted to Malaysia as Engineering Manager in 1992. He was subsequently promoted to Regional Manager. In 1996 Prodrill was acquired by Smedvig Inc, a leading Norwegian drilling company listed on the New York Stock Exchange. He was appointed Asian General Manager for their Smedvig Technologies division and led a period of major expansion.

In 1999 he left Smedvig and formed Engineered Management Systems (M) Sdn Bhd which by mutual agreement took over Smedvig's management systems consultancy work. Shortly afterwards, together with Dato' Kamarul (who at the time was Sales Manager with Smedvig Technologies), he formed AKK Management and then Uzma Malaysia.

He brings with him a total of 25 years hands-on international oilfield experience which earns him technical credibility and respect amongst customers throughout South East Asia and Australasia. He also has a proven track record in business development and project management providing a balance of technical understanding, entrepreneurial spirit, and commercial prudence. The continuing demand from oil companies for his performance improvement and risk management consultancy helps him to maintain his extensive client network and provides access to senior executives throughout the industry.



EXECUTIVE DIRECTOR, STRATEGIC AND BUSINESS PLANNING

Mohd Khalid Embong, 53

Appointed to the Board 21 May 2008.

He graduated with a Bachelor of Science in Petroleum Engineering from Imperial College, London, (1980). He has attended INSEAD Advanced Management Programme (2000). After graduation in 1980 he joined PETRONAS and served the company for 26 years in a wide spectrum of capacities: Technical and Management positions in various subsidiaries. The positions served include

As a Reservoir Engineer progressing through Senior Reservoir Engineer to Head of Reservoir Engineering in PETRONAS Cargill Sdn Bhd

Asset Manager for a major oil field in Malaysia

Engineering Manager for a joint operating company between between PETRONAS Cargill and PTTEPI of Thailand.

Account Manager and progressing through to Head, Exploration and Production Division of PETRONAS Research and Scientific Services Sdn Bhd.

Task force member for various corporate strategic initiatives, working alongside reknown and world-class Consulting Groups.

He has vast experience in conducting, managing and implementing geoscience and petroleum engineering projects including integrated reservoir studies, reservoir management, field development planning, enhanced oil recoveries, field rejuvenation and field operations. He is held in high regard in the Malaysian and International reservoir engineering communities for his technical capabilities and integrity. His exposure and hands on experience in various Corporate Strategy initiatives provided him with a better insight of the commercial and business aspects of the industry. He joined uzma group in Nov 2006 bringing with him 26 years of experience, and insights of the industry which is invaluable to the group in charting its future direction and realizing its vision.



EXECUTIVE DIRECTOR, SALES AND OPERATIONS

Che Nazahatuhsamudin Che Haron, 37

Appointed to the Board 21 May 2008.

He joined Uzma Malaysia in 2001 and was appointed Sales and Operations Director in 2006.

He graduated with a Bachelor of Science in Electrical Engineering from Valparaiso University, Indiana in 1996. After graduation he joined Scopetel (M) Sdn Bhd as a Project Engineer gaining four years hands-on offshore engineering and project management experience in this satellite communications company where he also assisted in business development. He joined AKK Management, our related party, in 1999 as its General Manager and helped build the company into a successful trading and water treatment company. He soon proved himself to be a natural entrepreneur and an exceptionally dedicated and trustworthy employee. During his tenure at AKK Management, he had concluded major contracts with various multinational companies. He also has been instrumental in forming formal and exclusive relationships with major suppliers in the water treatment business. In 2003, having previously built AKK Management into a viable operation, he joined Uzma Malaysia to open up business for Uzma Malaysia in the Middle East. He readily accepted this challenge and set about building, from a zero customer base, into a successful overseas business centre in the Middle East, extending into North Africa. While in Qatar, he successfully built a relationship with major Oil and Gas and petrochemical companies and subsequently secured various long term contracts with various companies in the region.

In 2007 he was invited to be our Sales and Operations Director. This is a role at which he is extremely able where he can apply his excellent human relationship and astute negotiating skills to their maximum. In addition to directing the Account Managers and managing the preparation of tenders and proposals, he spends a great deal of his time in direct customer contact for business development and marketing. His unquestionable loyalty, dedication and business skills are important for our continued growth.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Nordin Md Nor, 57

Appointed to the Board on 21 May 2008.

He is an Economics graduate from University of Malaya (1974). He has attended the International Oil and Gas Industry Course, London School of Economics (1987), Harvard Senior Management Program (1992) and INSEAD Advanced Management Program, France (1998). After graduation, he joined Citibank as Manager in the Operations Division.

He joined PETRONAS in 1978, and has more than 29 years of working experience holding several key positions in the corporation. Some of the positions held include Deputy-General Manager (Commercial) of PETRONAS Gas Sdn Bhd; General Manager, Sabah Region; General Manager, Corporate Development Unit; Managing Director / Chief Executive Office of PETRONAS Dagan-gan Sdn Bhd; Managing Director / Chief Executive Officer of Gas District Cooling Sdn Bhd and Managing Director / Chief Executive Director of PETRO-NAS Research & Scientific Services Sdn Bhd, until his retirement from the corporation in September 2006.

After his retirement, in November 2006, he joined Lloyd's Register, a UK-based company, as the Country Manager for Malaysia and as the Manag-ing Director of Lloyd's Register Technical Services Sdn Bhd, the locally incor-porated consulting company, servicing the Oil and Gas industry until now.



INDEPENDENT NON-EXECUTIVE DIRECTOR

Khalid bin Sufat, 53

Appointed to the Board on 21 May 2008.

He obtained his professional qualification from the Chartered Association of Certified Accountants (United Kingdom) in 1977 and the Malaysian Association of Certified Public Accountants (MACPA) in 1986. Currently, he is a member of the Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) and a Fellow Member of the Chartered Association of Certified Accountants (United Kingdom).

He had extensive experience and held senior positions in the Malaysian bank-ing and corporate sectors. In his early years, he was attached with Maybank Group for more than 10 years, his last position being their General Manager of Consumer Banking in 1994. He later spearheaded United Merchant Finance Berhad from an average banking institution to a major player in the banking and finance industry during his appointment as their Executive Director from 1994 to 1998.

From 1998 to 2000, he was the Managing Director of Bank Kerjasama Rakyat Malaysia Berhad and was primarily responsible for the turnaround of that bank from non-performing co-operative bank to a formidable Islamic Banking player in the Malaysian banking scene. In 2002, he served as an Executive Director in Tronoh Mines Malaysia Berhad. Among his responsibilities are the overall management of the company and overseeing corporate exercises. He directed and supervised the acquisitions of IJM and Zelan Group. In early 2003, he joined Furqan Business Organisation Berhad (FBO) as Managing Director after the successful implementation of the reverse takeover of Austral Amalgamated Berhad. He then became the Executive Deputy Chairman of FBO.

From mid 2006 to 2007, he was appointed the Group Managing Director of Seacera Tiles Berhad where he initiated the consolidation and streamlining exercises of that group.

Currently he sits on the board of four (4) other listed companies namely Binapuri Holdings Berhad, Malaysia Building Society Berhad, Amtek Holdings Berhad and Tradewinds (M) Berhad.

ADDITIONAL INFORMATION ON THE BOARD OF DIRECTORS

- There is no family relationship among the directors and substantial shareholders of the Company except for Dato' Kamarul Redzuan Muhamed and Datin Rozita Mat Shah whose relationship is of husband and wife.
- None of the directors have any conviction for offences, other than traffic offences, within the past 10 years.
- With the exception of Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee and Encik Khalid bin Sufat, none of the directors hold any directorship in other public companies.
- The Director's holdings in shares of the Company are disclosed in the Analysis of Shareholding section of the Annual Report.



We have the knowledge, resources and technology to deliver value to our stakeholders.



Corporate Governance Statement

**Board of Directors
Board Committees
Shareholders
Accountability and Audit
Responsibility Statement by Directors
Corporate Social Responsibility
Compliance With The Code**

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Uzma Berhad acknowledges that good corporate governance is fundamental in enhancing its Shareholders' value and the Group's success. Therefore, the Board is committed towards maintaining the highest standards of corporate governance in line with the Principles and Best Practices set out in the Malaysian Code of Corporate Governance ("the Code").

The Board is pleased to report to the shareholders on the manner the Group has applied the Code and the extent to which it has complied with the principles and best practices set out in the Code.

A BOARD OF DIRECTORS

The Company is led by an experienced Board comprising members whose skills, expertise and experience ranges from medical practitioners, to entrepreneurs and accountants. This wide spectrum of skills and experience provide the strength that is required to lead the Group towards its objectives and enable the Group to rest in the firm control of an accountable and competent Board. The Board is responsible for the Group's overall strategies and objectives, its acquisition and divestment policies, financial policy and major capital expenditure projects and the consideration of significant financial matters. In carrying out its function, the Board is assisted by several Board Committees, namely, the Audit Committee, Nominating Committee and Remuneration Committee.

The roles of the Chairman and the Executive Directors are separate to ensure balance of power and authority, so that no one individual has unfettered powers of decision.

The Board operates within a robust set of governance as set out below:

Composition Of The Board

The Board has a balanced composition of eight (8) Directors consisting of three (5) Executive Directors and three (3) Independent Non-Executive Directors. The Board composition is in line with the Listing Requirements of Bursa Malaysia Securities Berhad that requires one-third (1/3) of the Board members to be independent directors.

The profiles of the Board members are as set out on pages 11 to 16 of this Annual Report.

Board Meeting

Subsequent to being listed, two (2) Board of Directors' meetings were held for the financial year ended 31 December 2008 to review the Group's quarterly and annual financial statements and its operations.

The Board has a formal schedule of matters reserved specifically for its decision and the Board Meetings are conducted in accordance to a structured agenda. The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties and due notice is given to Directors with regard to issues to be discussed. All resolutions are recorded and thereafter circulated to the Directors for comments before minutes of proceedings are finalised and confirmed. The Company Secretary organises and attends all Board Meetings to ensure proper records of the proceedings.

Directors are also given access to any information within the Company and are free to seek independent professional advice at the Company's expense, if necessary, in furtherance of their duties. Towards this end, there is an agreed procedure in place for Directors to acquire independent professional advice to ensure the Board functions effectively. All Directors have access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are met and advises the Board on compliance issues.

The attendance of the Directors at the Board meetings is set out in the table below :

<i>Name of Director</i>	<i>Directorate</i>	<i>Attendance</i>
Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	Independent Non-Executive Chairman	2/2
Dato' Kamarul Redzuan Muhamed	Managing Director / Chief Executive Officer	2/2
Datin Rozita Mat Shah	Executive Director, Corporate Services	2/2
Mr. Peter Angus Knowles	Executive Director, International Business	2/2
Encik Che Nazahatuhsamudin Che Haron	Executive Director, Sales and Marketing	2/2
Encik Mohd Khalid Embong	Executive Director, Strategic and Business Planning	2/2
Encik Nordin Md Nor	Independent Non-Executive Director	2/2
Encik Khalid bin Sufat	Independent Non-Executive Director	2/2

All the Directors have attended the Mandatory Accreditation Programme ("MAP"). The Directors are mindful that they shall receive appropriate training which may be required from time to time to keep abreast with the current developments of the industry as well as the new statutory and regulatory requirements. The trainings attended by the Directors during the financial year ended 31 December 2008 are listed below:-

<i>Name of Director</i>	<i>Training Attended</i>	<i>Training Date</i>
Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee	-	-
Dato' Kamarul Redzuan Muhamed	Invest in China: Capitalising on Business Opportunities in this Emerging Market Economy	6 May 08

<i>Name of Director</i>	<i>Training Attended</i>	<i>Training Date</i>
Dato' Kamarul Redzuan Muhammed	ITD-Mega Guru Program Top Sales, Top Profit, See You at the Top with Ziglar Sales System	3-4 Nov 08
	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24 Sept 08
Datin Rozita Mat Shah	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24 Sept 08
Mr Peter Angus Knowles	Mandatory Accreditation Programme for Directors of Public Listed Companies	19 Sept 08 & 16 Dec 08
Encik Che Nazahatuhsamudin Che Haron	ITD-Mega Guru Program Top Sales, Top Profit, See You at the Top with Ziglar Sales System	3-4 Nov 08
	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24 Sept 08
Encik Mohd Khalid Embong	Invest in China: Capitalising on Business Opportunities in this Emerging Market Economy	6 May 08
	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24 Sept 08
Encik Nordin Md Nor	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24 Sept 08
Encik Khalid bin Sufat	Impact of the 2009 Budget on Business and tax Updates	14 Oct 08
	MICPA-Bursa Malaysia Business Forum 2008	20-21 Oct 08
	National Accountants Conference 2008	25-26 Nov 08

Directors' Appointment and Re-election

In accordance with the Company's Articles of Association, at every Annual General Meeting, one-third (1/3) of the Directors are subject to retirement by rotation such that each Director shall retire from office once in every three (3) years or, if their number is not three (3) or a multiple of three (3), the number nearest to one third shall retire from office such that each Director shall retire from office once in every three (3) years and if there is only one (1) Director who is subject to retirement by rotation, he shall retire. All Directors who retire from office shall be eligible for re-election.

Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors over the age of 70 are required to offer themselves for re-election at every Annual General Meeting.

Directors' Remuneration

The determination of remuneration packages of the Executive Directors are matters for the Board as a whole. The remuneration of the Executive Directors is structured to attract, retain and motivate them in order to run the Group successfully.

On the recommendation of the Remuneration Committee, the Board reviews the remuneration of the Directors whereby the respective Executive Directors abstained from discussions and decisions on their own remuneration. The remuneration of Non-Executive Directors is decided by the Board.

The aggregate remuneration of the Directors for the financial year 1 January 2008 to 31 December 2008 is as follows:

	<i>RM</i>
Executive	2,262,000.00
Non-Executive	81,000.00

The number of Directors who served during the financial year whose remuneration falls into the following bands:

<i>Range of Remuneration</i>	<i>Executive</i>	<i>Non-Executive</i>
< RM100,000	0	3
RM100,001 – RM200,000	0	0
RM200,001 – RM500,000	3	0
RM500,001 – RM1,000,000	2	0
Total:	5	3

B BOARD COMMITTEES

In discharging its fiduciary duties, the Board has set up various committees.

Audit Committee

The role of the Audit Committee is to oversee the processes for production of the financial data, review the financial reports and the internal control of the Company.

The detail roles, functions and responsibilities are as set out in the Audit Committee Report on pages 26 to 31 of this Annual Report.

Nominating Committee

The Nominating Committee comprises the following members:

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee - Chairman
(Independent Non-Executive Chairman)

Encik Khalid bin Sufat - Member
(Independent Non-Executive Director)

Encik Nordin Md Nor - Member
(Independent Non-Executive Director)

The functions of the Nominating Committee are:

- i. Recommend the nomination of a person or persons for all directorships to be filled by the shareholders or the board;
- ii. Consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder;
- iii. Recommend to the board, directors to fill the seats on board committees;
- iv. Identify, evaluate and recommend candidates for appointment as Company Secretary;
- v. Assess annually the effectiveness of the board as a whole, the committees of the board and the contribution of each existing individual director and thereafter, recommend its findings to the board; and
- vi. Review annually the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the board and thereafter, recommend its findings to the board.

Remuneration Committee

The Remuneration Committee comprises the following members:

Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee - Chairman
(Independent Non-Executive Chairman)

Dato' Kamarul Redzuan Muhamed - Member
(Managing Director / Chief Executive Officer)

Encik Nordin Md Nor - Member
(Independent Non-Executive Director)

The function of the Remuneration Committee is to recommend to the board, the remuneration packages of managing directors and executive directors of the Group of Companies and the Group in all its forms, drawing from outside advice as necessary.

The remuneration packages of non-executive directors should be determined by the Board of Directors as a whole.

C SHAREHOLDERS

Relationship with Shareholders

The Board recognizes the importance of keeping the shareholders and investors informed of the Group's business and corporate developments. Where practicable, the Board is prepared to enter into dialogue with institutional shareholders. Currently, information is disseminated through various disclosures and announcements made to the Bursa Malaysia Securities Bhd. The latest updates and development of the Group can also be found at its corporate websites, www.uzmagroup.com.

The Annual General Meeting is also the principal forum for dialogue and interaction with the shareholders of the Company. The Company values feedback from its shareholders and encourages them to actively participate in discussion and deliberations. The Board will ensure that each item of special business included in the notices of the general meetings is accompanied by a full explanation of the effects of any proposed resolution.

D ACCOUNTABILITY & AUDIT

Financial Reporting

The Board is responsible to present a balanced, clear and comprehensive assessment of the Group's financial performance and prospects through the quarterly and annual financial statements to shareholders. The Board with the assistance of the Audit Committee has to ensure that the financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia. In presenting the financial statements, the Board has reviewed and ensured that appropriate accounting policies have been used, consistently applied and supported by reasonable judgments and estimates.

Relationship with the Auditors

The Board has maintained a professional and transparent relationship with the External Auditors through the Company's Audit Committee in ensuring compliance with the applicable accounting standards in Malaysia.

Internal Control and Internal Audit Function

The Board acknowledges its responsibility for maintaining a sound system of internal controls, which provides reasonable assessment of effective and efficient operations, internal financial controls and compliance with laws and regulations as well as with internal procedures and guidelines.

The internal audit functions are outsourced to a professional services firm, which was tasked with the aim of assisting the Committee to discharge its duties and responsibilities.

The internal audit functions are outsourced to a professional services firm, which was tasked with the aim of assisting the Committee to discharge its duties and responsibilities.

The Internal Auditors prepares and tables Internal Audit Plan for the consideration and approval of the Audit Committee. The Internal Auditors adopts a risk-based approach in preparing its audit strategy and audit plan as the risk profiles of the business operations. The scope of the internal audit is based on the audit plan. The Internal Auditors reports to the Audit Committee on a regular basis and provides the Audit Committee with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

There was no internal audit fee paid for the financial year ended 31 December 2008 as the internal audit functions are outsourced in early year 2009.

A Statement of Internal Control of the Company is set out on page 32 & 33 of this Annual Report.

E RESPONSIBILITY STATEMENT BY DIRECTORS

The Board is responsible to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flow of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:-

- i.** Adopted the appropriate accounting policies and applied them consistently;
- ii.** Made judgments and estimates that are reasonable and prudent;
- iii.** Ensure applicable approved accounting standards have been followed, and any material departures have been disclosed and explained in the financial statements; and
- iv.** Ensure the financial statements have been prepared on a going concern basis.

The Board is responsible for keeping proper accounting records of the Group and Company, which disclose with reasonable accuracy the financial position of the Group and the Company, and which will enable them to ensure the financial statements have complied with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Company to prevent and detect fraud and other irregularities.

F CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible company we are committed to sustainable development and ensuring zero harm to the people and the environment in all our undertakings and wherever we operate. We are aware of our obligation to deliver profits to enhance shareholders value and at the same time, make positive social contribution to the immediate communities where we operates as well as to the

wider business community of which we belong. CSR is undertaken at many levels including Group corporate office, regional and representative offices.

Zero Harm To The People And Environment

As embodied in our core value statement, we are committed to sustainable development and "zero harm to the people and environment" philosophy in all our business undertakings and wherever we operate. Our Core values, HSE Policy and various procedures on safety and business ethics serves as our guides in all our operations.

To inculcate the 'care for the environment' values among our staff and the community at large we have participated, co-organized and co-sponsored the Pulau Manukan-Sapi-Mamutik underwater reef clean up in Sabah during the year under review.

Healthy Body, Healthy Mind

As a knowledge and technology based company, people are our asset. Their safety and health is our prime concern, we believe 'a healthy body leads to a healthy mind'. We work hard and play hard.

In this context the company has formed the Uzma Recreation Club (healthy sports and recreational activities) to foster the spirit of healthy living, competitiveness and teamwork within the organization and within the community we operate. It is a well known fact that recreational activity among a community that works together encourages better rapport among the personnel. In today's hectic workplace, it is the ideal method to alleviate stress and thus creating a favorable work environment.

We have organized and sponsored various recreational activities such as the Uzma Games 2008, taking part in friendly futsal matches and tournaments and the Annual PTTEP Charity Golf Tournament in Thailand which leads to better relationships and creates a healthy working environment within the organization and the community.

People Development

The Company is committed to the development of future generation. In addition to our internal staff development program, during the year under review, the Company has sponsored students from the Engineering Faculty of Universiti Sains Malaysia to attend the Petroleum Geology Conference and Exhibition- giving them an early exposure to the latest development in the industry.

As a caring and socially responsible corporate citizen, the Company supported and donated to Kompleks Darul Kifayah, an orphanage complex that houses about 250 orphans. It is hoped that the contributions will boost the children's spirit and will make a difference to life at a later stage.

G COMPLIANCE WITH THE CODE

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavour to improve and enhance the procedures from time to time.



Audit Committee Report

Members and Attendance

Terms of Reference

Summary of Activities of Audit Committee

AUDIT COMMITTEE REPORT

The Audit Committee of Uzma Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2008.

1 MEMBERS AND ATTENDANCE

According to the Listing Requirements of Bursa Securities, the Audit Committee shall be appointed by the Board of Directors ("Board") from amongst the Directors of the Company and its number shall not be less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Directors. The members of the Audit Committee shall elect a Chairman from amongst themselves who is an Independent Non-Executive Director.

The terms of office and performance of the Committee and each of its members shall be reviewed by the Board no less than once every three (3) years.

The Company complied with the said listing requirement during the financial year ended 31 December 2008.

Since listing on 29 July 2008, the Audit Committee met two (2) times during the financial year ended 31 December 2008. The members of the Audit Committee, their attendance at the Audit Committee Meeting held during the financial year ended 31 December 2008 are as follows:

<i>Members of Audit Committee</i>	<i>Total Meeting Attended</i>
Encik Khalid bin Sufat - Chairman <i>(Independent Non-Executive Director)</i>	2/2
Datuk Wira Syed Ali bin Tan Sri Syed Abbas Alhabshee - Member <i>(Independent Non-Executive Chairman)</i>	2/2
Encik Nordin Md Nor - Member <i>(Independent Non-Executive Director)</i>	2/2

2 TERMS OF REFERENCE

2.1 Primary Purposes

The Audit Committee shall:-

- 2.1.1 Provide assistance to the Board of Directors ("Board") in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for the Company and all its wholly and majority owned subsidiaries ("Group").

- 2.1.2** Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.
- 2.1.3** Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as internal auditors.
- 2.1.4** Enhance the independence of both the external and internal auditors functions through active participation in the audit process.
- 2.1.5** Strengthen the role of the independent directors by giving them a greater depth of knowledge as to the operations of the Company and the Group through their participation in the Committee.
- 2.1.6** Act upon the Board of Directors' request to investigate and report on any issues or concerns with regard to the management of the Group.

2.2 Composition

The Board of Directors shall appoint the members of the Audit Committee from amongst themselves, which fulfils the following requirements: -

- 2.2.1** The Audit Committee shall be composed of at least three (3) members;
- 2.2.2** The majority of the Audit Committee must be independent directors;
- 2.2.3** The Chairman of the Audit Committee shall be an independent director;
- 2.2.4** All members of the Audit Committee should be non-executive directors;
- 2.2.5** The Managing Director shall not be a member of the Audit Committee;
- 2.2.6** All members of the Audit Committee should be financially literate and at least one of the members of the Committee must:-
- (i) be a member of the Malaysian Institute of Accountants; or
 - (ii) have at least three (3) years working experience and;
 - Must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967, or
 - Must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967.
 - (iii) fulfil such other requirements as prescribed or approved by the Exchange; and
- 2.2.7** No alternate director is appointed as a member of the Audit Committee.

2.3 Retirement and Resignation

In the event of any vacancy in the Audit Committee, the Company shall fill in the vacancy within two (2) months, but in any case not later than three (3) months.

2.4 Authority

The Audit Committee shall in accordance with the procedure determined by the Board and at the cost of the Company:-

- 2.4.1 Have explicit authority to investigate any matter within its terms of reference;
- 2.4.2 Have the resources which are required to perform its duties;
- 2.4.3 Have full and unrestricted access to any information pertaining to the Company;
- 2.4.4 Have direct communication channels with the external auditors and person(s) carrying out the internal audit function;
- 2.4.5 Be able to obtain independent/external professional or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary; and
- 2.4.8 Be able to convene meetings with the external auditors excluding the attendance of the executive members of the Company, whenever deemed necessary.

2.5 Functions & Duties

The functions of the Audit Committee are as follows:-

- 2.5.1 To do the following, in relation to the internal audit function:-
 - (a) Review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - (b) Review the internal audit programme and results of the internal audit process or investigation undertaken and whether or not appropriate actions are taken on the recommendations of the internal audit function;
 - (c) Review any appraisal or assessment of the performance of members of the internal audit function;
 - (d) Approve any appointment or termination of senior staff members of the internal audit function; and
 - (e) Take cognisance of resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- 2.5.2 To do the following, in relation to the external audit function:-
 - (a) Consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment;

- (b) Discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
 - (c) Review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
 - (i) any changes in or implementation of major accounting policy and practices;
 - (ii) significant adjustments arising from the audit; the going concern assumption; and
 - (iii) compliance with accounting standards and other legal requirements.
 - (d) Review any management letter sent by the external auditors to the Company and the management's response to such letter;
 - (e) Discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
 - (f) Review the adequacy of existing external auditors audit arrangements, with particular emphasis on the scope and quality of the audit;
 - (g) Review the external auditors' audit report;
 - (h) Review the assistance given by the employees of the Company to the external auditors;
 - (i) Review all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
- 2.5.3** To consider any related party transactions and potential conflict of interests situations that may arise within the Company/Group.
- 2.5.4** To consider the major findings of internal investigations and management response.
- 2.5.5** To meet with the external auditors without executive board members present at least twice a year.
- 2.5.6** To carry out any other function that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Company and ensure the effectiveness discharge of the Committee's duties and responsibilities.
- 2.5.7** To review and verify the allocation of share options to eligible persons as being in compliance with the by-laws approved by the Board of Directors and shareholders of the Company.
- 2.5.8** The Committee actions shall be reported to the Board of Directors with such recommendations as the Committee deemed appropriate.

2.5.9 To report to Bursa Malaysia Securities Berhad ("Bursa Securities") on any matter reported by it to the Board of the Company which has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

2.6 Meetings

2.6.1 The committee shall meet at least four (4) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.

2.6.2 The quorum of the meeting is two (2) and they must be Independent Directors.

2.6.3 Upon the request of any member of the Committee, the external auditors or the internal auditors, the Chairman of the Committee shall convene a meeting of the Committee to consider matters which should be brought to the attention of the directors or shareholders.

2.6.4 The external auditors and internal auditors have the right to appear and be heard at any meeting of the Committee and shall appear before the Committee when required to do so by the Committee.

2.6.5 The Committee may invite any Board member or any member of management or any employee of the Company who the Committee thinks fit to attend its meetings to assist and to provide pertinent information as necessary.

2.6.6 The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.

2.7 Procedure of Audit Committee

The Audit Committee may regulate its own procedures, in particular:-

2.7.1 The calling of meetings;

2.7.2 The notice to be given of such meetings;

2.7.3 The voting and proceedings of such meetings;

2.7.4 The keeping of minutes; and

2.7.5 The custody, production and inspection of such minutes.

2.8 Secretary

The Company Secretary or other appropriate senior official shall be the Secretary to the Audit Committee.

3 SUMMARY OF THE ACTIVITIES OF THE AUDIT COMMITTEE

The activities undertaken by the Audit Committee during the financial year ended 31 December 2008 included the following:

- 3.1** Reviewed the External Auditors' scope of work and their audit plan.
- 3.2** Reviewed the Audit Planning Memorandum on both the audit strategy and audit approach and reviewed the adequacy of existing external audit arrangements, with emphasis on the scope and quality of the audit.
- 3.3** Reviewed the quarterly unaudited financial statements and its explanatory notes thereon for recommendation to the Board for approval.
- 3.4** Reviewed the Company's compliance with the Listing Requirements of the Bursa Malaysia Securities Berhad and the applicable approved accounting standards issued by Malaysian Accounting Standards Board.
- 3.5** Reviewed the Internal Audit services and plan for the Group.
- 3.6** Reviewed the related party transactions and to ensure that they are not more favourable to the related parties than those generally available to the public and complies with the Listing Requirements of Bursa Malaysia Securities Berhad.



Internal Control Statement

INTERNAL CONTROL STATEMENT

INTRODUCTION

Pursuant to paragraph 15.27 (b) of the Listing Requirements ("LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Bursa Malaysia's Statement on Internal Control: Guidance for Directors of Public Listed Companies ("the Guidance"), the Board of Directors ("the Board") of Uzma Berhad is pleased to include a statement on the state of the Group's internal control in this annual report.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal controls, which includes the establishment of an appropriate control environment and framework, and the review of its effectiveness and adequacy to ensure that the Group's assets and shareholders' interests are safeguarded.

Due to the inherent limitations in any system of internal controls, such system put in place by Management can only reduce rather than eliminate all risks of failure to achieve the Group's corporate objectives. Consequently, the system can only provide a reasonable rather than absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

Risk Management is regarded by the Board to be an integral part of the business operations. Key management staff and Heads of Department are delegated with the responsibility to manage identified risks within defined parameters and standards.

Management meetings, attended by the Heads of Departments and key management staffs, are held to discuss key risks and the appropriate mitigating controls. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage significant risks.

INTERNAL AUDIT FUNCTIONS

The Group's internal audit function is outsourced to external consultants to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The scope of review of the outsourced internal audit function is determined by the Audit Committee with feedback from Executive Management.

Since the external consultants were appointed in the fourth quarter of financial year ended 31 December 2008, to date, the internal audit plan has been approved by the Audit Committee and the outsourced internal audit function is currently in the process of executing the approved internal audit plan.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Company's internal control systems are:

- An organizational structure, which clearly defines the lines of responsibility, proper segregation of duties and delegation of authority;
- Relevant training and development programmes are in place to ensure that the Company has a team of employees who are well trained and equipped with all the necessary knowledge, skills and abilities to carry out their responsibility effectively.
- Rigorous review of key information such as financial performance, key business indicators, management accounts and budgets by the Board;
- The Executive Directors are closely involved in the running of business and operations of the Group and they report to the Board on significant changes in the business and external environment, which affect the operations of the Group at large;
- Regular management meetings are held to discuss the Group's performance, business operations and management issues as well as formulate appropriate measures to address them; and
- The Group has established policies and procedures to support the Group's various business activities.

CONCLUSION

The Board is of the view that the Group's system of internal controls is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal controls.

This statement was approved by the Board of Directors on 15 May 2009.



Other Compliance Information

OTHER COMPLIANCE INFORMATION

Imposition of Sanctions and/or Penalties

During the financial year, there was no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

Non-audit Fees

The Company did not pay any amount of non-audit fees to external auditors the financial year ended 31 December 2008.

Variation in Results for the Financial Year

The Group has issued profit forecast which was included in the Company's Prospectus dated 30 June 2008. The difference between the actual results (audited) and forecast results for the financial year ended 31 December 2008 are tabulated below:

	Forecast RM '000	(Audited) Actual RM '000	Variance RM '000	%
Revenue	190,433	134,591	(55,842)	(29.32)
Net Profit	14,261	10,273	(3,988)	(27.96)

Compare to the forecast, the Group's revenue recorded a shortfall of RM55.84 million in the financial year ended 2008 representing a shortfall of 29.32%. Correspondingly, the Group's net profit also recorded a shortfall of RM3.99 million representing 27.96%. The shortfall in revenue was in line with slowdown in exploration activities in the second half of 2008. The overall slowdown in exploration activities in the second half of 2008 was due to sharp fall of oil price and aftermath of bleak economic outlook arising from financial crisis affecting developed nations. As exploration activities slowdown, customers have requested Uzma to delay some of the Geosciences Reservoir Engineering projects with higher margin historically. This has significantly affected the Group's profitability.

Certain delayed projects in the second half of 2008 of which Uzma has highlighted in the fourth quarter unaudited results as announced on 25 February 2009 are as follows:

(i) Delay in awarding of Layang project by Nippon Oil. As mentioned in fourth quarter interim results, this project was originally forecast to be awarded by first quarter of 2008, instead it was only awarded to Uzma in second quarter of 2008. This project is further delayed due to some pending internal project

Hence, this project does not contribute any revenue for the financial year ended 31 December 2008.

(ii) Delay in progress of an on-going enhancement oil recovery project. Uzma was required by a customer to perform additional works in this project. Originally, Uzma expects this project to achieve 70% completion, instead by fourth quarter 2008, only 55% completion achieved.

(iii) Delay in progress of another on-going exploration studies project. Uzma was required by a customer to perform additional works in this project. Originally, Uzma expects this project to achieve 55% completion, instead by fourth quarter 2008, only 47% completion achieved.

Profit Guarantee

During the financial year, there was no profit guarantees given by the Company.

Revaluation Policy of Landed Properties

The Group does not adopt a policy of regular revaluation.

Material Contracts

There were no material contracts involving the Directors' interest during the financial year ended 31 December 2008.



Analysis of Shareholdings

ANALYSIS OF SHAREHOLDINGS

As at 20 April 2009

Class of shares : Ordinary Shares of RM0.50 each

Voting rights : One vote per shareholder on a show of hands or one vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDING

<i>Size of holding</i>	<i>No of Shareholders</i>	<i>% of Shareholders</i>	<i>No of Shares</i>	<i>% of Issued Share Capital</i>
Less than 100	5	0.59	104	0.00
100 to 1,000	626	74.26	159,500	0.20
1,001 to 10,000	103	12.22	418,700	0.52
10,001 to 100,000	89	8.18	2,917,500	3.65
100,001 to less than 5% of issued shares	37	4.39	19,394,100	24.24
5% and above of issued shares	3	0.36	57,110,096	71.39
Total	843	100	80,000,000	100.0

THIRTY LARGEST SHAREHOLDERS

<i>No</i>	<i>Name</i>	<i>No of Shares</i>	<i>% of Issued Share Capital</i>
1.	Kamarul Redzuan bin Muhamed	37,031,957	46.29
2.	Rozita binti Mat Shah @ Hassan	12,000,039	15.00
3.	Lembaga Tabung Haji	5,110,100	6.39
4.	AmInvestment Bank Berhad Investment (101P)	3,888,500	4.86
5.	Koperasi Permodalan Felda Berhad	2,000,000	2.50
6.	Amsec Nominees (Tempatan) Sdn Bhd for Thoo Soon Huat	1,600,000	2.00
7.	Malaysia Nominees (Tempatan) Sendirian Berhad for Great Eastern Life Assurance (Malaysia) Berhad (LPF)	1,107,000	1.38
8.	Kenanga Nominees (Tempatan) Sdn Bhd Kenanga Capital Sdn Bhd for Tengku Ab Malek bin Tengku Mohamed	1,000,000	1.25
9.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Che Nazahatuhisamudin	1,000,000	1.25
10.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Arman bin Rahim	1,000,000	1.25
11.	Mohd Khalid bin Embong	1,000,000	1.25

No	Name	No of Shares	% of Issued Share Capital
12.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Kamarul Redzuan bin Muhamed	854,000	1.07
13.	Kenanga Nominees (Tempatan) Sdn Bhd Kenanga Capital Sdn Bhd for Kamarul Redzuan bin Muhamed	814,000	1.02
14.	Ahmad Ridzuan bin Mohd Tahir	772,900	0.97
15.	Malaysia Nominees (Tempatan) Sendirian Berhad for Great Eastern Life Assurance (Malaysia) Berhad (LSF)	636,000	0.80
16.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Dividend Fund (UT-HLG-DIV)	500,000	0.63
17.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Penny Stock Fund (UT-HLG-PSF)	500,000	0.63
18.	EB Nominees (Asing) Sendirian Berhad Pledged Securities Account for Peter Angus Knowles (KLM-SFC)	500,000	0.63
19.	Azuddin bin Daud	491,100	0.61
20.	Lee Choon Hooi	388,000	0.49
21.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kamarul Redzuan bin Muhamed (MX3441)	353,000	0.44
22.	Amsec Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Blue Chip Fund (UT-HLG-BCF)	314,000	0.39
23.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Ahmad Nazhri bin Mohd Zain (SFC)	300,000	0.38
24.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Mohd Khalid bin Embong (KLM-SFC)	300,000	0.38
25.	EB Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Che Nazahatuhisamudin (KLM-SFC)	300,000	0.38
26.	Malaysian Nominees (Tempatan) Sendirian Berhad for Great Eastern Life Assurance (Malaysia) Berhad (LBF)	257,000	0.32
27.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ahmad Ridzuan bin Mohd Tahir	200,000	0.25
28.	Universal Trustee (Malaysia) Berhad HLG Balanced Fund (L2)	180,000	0.23
29.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kamarul Redzuan bin Muhamed (MX3453)	177,000	0.22
30.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kamarul Redzuan bin Muhamed (MX3448)	177,000	0.22
	TOTAL	74,751,596	93.44

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name	Direct	%	Indirect	%
Dato' Kamarul Redzuan Bin Muhamed	39,999,957	50.00	12,000,039 ⁽¹⁾	15.0
Datin Rozita Binti Mat Shah @ Hassan	12,000,039	15.00	39,999,957 ⁽²⁾	50.0
Lembaga Tabung Haji	5,110,100	6.40		

Notes:

- (1) Deemed interested by virtue of his Spouse, Datin Rozita Binti Mat Shah @ Hassan 's interest.
- (2) Deemed interested by virtue of her Spouse, Dato' Kamarul Redzuan Bin Muhamed's interest.

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

Name	Direct	%	Indirect	%
Dato' Kamarul Redzuan Bin Muhamed	39,999,957	50.00	12,000,039 ⁽¹⁾	15.0
Datin Rozita Binti Mat Shah @ Hassan	12,000,039	15.00	39,999,957 ⁽²⁾	50.0
Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee	100,000	0.125		
Peter Angus Knowles	500,000	0.625		
Che Nazahatuhsamudin Bin Che Haron	1,300,000	1.625		
Mohd Khalid Embong	1,400,000	1.750		
Nordin Md. Nor	100,000	0.125		
Khalid Bin Sufat	100,000	0.125		

Notes:

- (1) Deemed interested by virtue of his Spouse, Datin Rozita Binti Mat Shah @ Hassan 's interest.
- (2) Deemed interested by virtue of her Spouse, Dato' Kamarul Redzuan Bin Muhamed's interest.

LIST OF PROPERTIES

<i>Title / Location</i>	<i>Description / Existing Use</i>	<i>Registered Owner</i>	<i>Age of Building</i>	<i>Land Built-up Area Tenure</i>	<i>Original Cost Net Book Value at 31.12.2008 (RM)</i>
H.S. (D) 110396 /110395 P.T. No 549 Seksyen 92 Bandar Kuala Lumpur	Shoplot/ For use as a multi-storey building for purpose of shop /office only	Uzma Engineering Sdn. Bhd.	1 year	1,722sq ft / 8,034 sq ft per multi-storey lot Freehold	5,550,000 5,762,407
Uzma Malaysia No 68 and 70 Jalan Metro Pudu 2, 55200 KL					
Temasya Industrial Park, Glenmarie	Laboratory	Uzma Engineering Sdn. Bhd.	8 years	892 sq mtr / 9601.49 sq ft Freehold	3,600,000 Has not been capitalized as of 31.12.08



Financial Statements

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - Y

FINANCIAL REPORT *for the financial year ended 31 December 2008*

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UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2008.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of its subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation for the financial year	10,469	(518)
Attributable to:-		
Equity holders of the Company	10,273	(518)
Minority interests	196	-
	10,469	(518)

DIVIDENDS

On 19 January 2009, the directors declared an interim dividend of 2.5 sen per ordinary share amounting to RM2,000,000 in respect of the current financial year. The interim dividend was paid on 19 February 2009.

The directors do not recommend the payment of any final dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) the Company increased its authorised share capital from RM100,000 to RM100,000,000 comprising 200,000,000 ordinary shares of RM0.50 each by the creation of 199,800,000 new ordinary shares of RM0.50 each;
- (b) the Company increased its issued and paid-up share capital from RM2 to RM40,000,000 comprising 80,000,000 ordinary shares of RM0.50 each in conjunction with its flotation scheme on the Second Board of Bursa Malaysia. The issued and paid-up share capital was increased by way of:-
 - (i) Acquisition of Uzma Engineering Sdn. Bhd. ("Uzma Engineering").

Acquisition of the entire issued and paid-up share capital of Uzma Engineering comprising 1,300,000 ordinary shares of RM1.00 each for the purchase consideration of RM31,000,000 satisfied by the issuance of 61,999,996 new ordinary shares of RM0.50 each in the Company at an issue price of approximately RM0.50 per ordinary share.
 - (ii) Initial Public Offering

Public issue of 18,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.90 per ordinary share ("Public Issue").
- (c) there was no issue of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves there are no known bad debts and that no allowance for doubtful debts is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for doubtful debts in the financial statements of the Group and of the Company.

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability is disclosed in Note 38 to the financial statements. At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Dato' Kamarul Redzuan Bin Muhamed (Appointed on 21.5.2008)
Datin Rozita Binti Mat Shah @ Hassan (Appointed on 21.5.2008)
Peter Angus Knowles (Appointed on 21.5.2008)
Che Nazahatuhisamudin Bin Che Haron (Appointed on 21.5.2008)
Mohd Khalid Embong (Appointed on 21.5.2008)
Nordin Md. Nor (Appointed on 21.5.2008)
Khalid Bin Sufat (Appointed on 21.5.2008)
Senator Datuk Wira Syed Ali Bin Tan Sri Syed Abbas Alhabshee (Appointed on 21.5.2008)
Mohd Fadzir Bin Ismail (Resigned on 21.5.2008)
Ahmad Khalil Bin Mak Mon (Resigned on 21.5.2008)

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.50 EACH			
	As at 1.1.2008/ Date of Appointment	Bought	Sold	As at 31.12.2008
The Company				
<i>Direct Interests</i>				
Dato' Kamarul Redzuan Bin Muhamed	47,692,257	-	7,692,300	39,999,957
Datin Rozita Binti Mat Shah @ Hassan	14,307,739	-	2,307,700	12,000,039
Senator Datuk Wira Syed Ali Bin Tan Sri	-	100,000	-	100,000
Syed Abbas Alhabshee	-	-	-	-
Peter Angus Knowles	-	500,000	-	500,000
Che Nazahatussamudin Bin Che Haron	-	1,300,000	-	1,300,000
Mohd Khalid Embong	-	1,400,000	-	1,400,000
Nordin Md. Nor	-	100,000	-	100,000
Khalid Bin Sufat	-	100,000	-	100,000
<i>Deemed Interests</i>				
Dato' Kamarul Redzuan Bin Muhamed [^]	14,307,739	-	2,307,700	12,000,039
Datin Rozita Binti Mat Shah @ Hassan [*]	47,692,257	-	7,692,300	39,999,957

Notes:-

[^] - Deemed interested by virtue of his spouse, Datin Rozita Binti Mat Shah @ Hassan's interest.

^{*} - Deemed interested by virtue of her spouse, Dato' Kamarul Redzuan Bin Muhamed's interest.

By virtue of their interests in the Company, Dato' Kamarul Redzuan Bin Muhamed and Datin Rozita Binti Mat Shah @ Hassan are deemed to have interests in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS

The significant events during the financial year and subsequent to the balance sheet date are disclosed in Notes 43 and 44 to the financial statements respectively.

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Horwath have expressed their willingness to continue in office.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 29 APRIL 2009**



Dato' Kamarul Redzuan Bin Muhamed



Khalid Bin Sufat

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

STATEMENT BY DIRECTORS

We, Dato' Kamarul Redzuan Bin Muhamed and Khalid Bin Sufat, being two of the directors of Uzma Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 61 are drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2008 and of their results and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 29 APRIL 2009



Dato' Kamarul Redzuan Bin Muhamed



Khalid Bin Sufat

STATUTORY DECLARATION

I, Azuddin Bin Daud, being the officer primarily responsible for the financial management of Uzma Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 61 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Azuddin Bin Daud,
at Kuala Lumpur
in the Federal Territory on this

29 APR 2009



Before me



Azuddin Bin Daud

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769966 - V

Report on the Financial Statements

We have audited the financial statements of Uzma Berhad, which comprise the balance sheets as at 31 December 2008 of the Group and of the Company and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 61.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UZMA BERHAD (CONT'D)

(Incorporated in Malaysia)
Company No : 769866 - V

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2008 and of their financial performance and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports, of the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Horwath
Firm No: AF 1018
Chartered Accountants

Kuala Lumpur
29 April 2009

Lee Kok Wai
Approval No: 2760/06/10 (J)
Partner

UZMA BERHAD(Incorporated in Malaysia)
Company No : 769866 - V**BALANCE SHEETS AT 31 DECEMBER 2008**

	NOTE	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000	THE COMPANY 2008 RM'000	2007 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	6	-	-	31,675	-
Interest in a jointly controlled entity	7	2,000	-	-	-
Other investment		23	23	-	-
Property and equipment	8	10,415	1,581	-	-
		<u>12,438</u>	<u>1,604</u>	<u>31,675</u>	<u>-</u>
CURRENT ASSETS					
Trade receivables	9	43,042	35,523	-	-
Other receivables, deposits and prepayments	10	8,676	7,452	366	653
Amount owing by contract customers	11	15,239	6,382	-	-
Amount owing by subsidiaries	12	-	-	20,853	-
Short-term investments	13	8,064	-	8,064	-
Fixed deposits with licensed banks	14	5,700	3,984	-	-
Cash and bank balances	15	1,614	911	596	#
		<u>82,335</u>	<u>54,252</u>	<u>29,879</u>	<u>653</u>
TOTAL ASSETS		<u>94,773</u>	<u>55,856</u>	<u>61,554</u>	<u>653</u>

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

BALANCE SHEETS AT 31 DECEMBER 2008

	NOTE	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000	THE COMPANY 2008 RM'000	2007 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	40,000	31,000	40,000	#
Share premium	17	21,966	-	21,966	-
Merger deficit	18	(29,700)	(29,700)	-	-
Retained profits/(Accumulated losses)	19	31,718	21,445	(531)	(13)
Foreign exchange translation reserve		39	(17)	-	-
SHAREHOLDERS' EQUITY		64,023	22,728	61,435	(13)
MINORITY INTERESTS		724	520	-	-
TOTAL EQUITY		64,747	23,248	61,435	(13)
NON CURRENT LIABILITIES					
Deferred tax liabilities	20	551	75	-	-
Long-term borrowings	21	4,364	133	-	-
		4,915	208	-	-
CURRENT LIABILITIES					
Trade payables	22	8,437	3,246	-	-
Other payables and accruals	23	12,320	15,981	119	666
Amount owing to contract customers	11	805	1,900	-	-
Provision for taxation		518	2,547	-	-
Short-term borrowings	24	384	2,965	-	-
Bank overdraft	28	2,647	5,761	-	-
		25,111	32,400	119	666
TOTAL LIABILITIES		30,026	32,608	119	666
TOTAL EQUITY AND LIABILITIES		94,773	55,856	61,554	653

Note:-

- RM2

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

		THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000	THE COMPANY 1.1.2008 to 31.12.2008 RM'000	17.4.2007 to 31.12.2007 RM'000
REVENUE	29	134,591	128,151	-	-
COST OF SALES		(102,875)	(100,289)	-	-
GROSS PROFIT		31,716	27,862	-	-
OTHER INCOME		688	265	86	-
		32,404	28,127	86	-
ADMINISTRATIVE EXPENSES		(17,494)	(13,429)	(604)	(13)
OPERATING EXPENSES		(932)	(934)	-	-
FINANCE COSTS		(863)	(546)	-	-
PROFIT/(LOSS) BEFORE TAXATION	30	13,115	13,218	(518)	(13)
INCOME TAX EXPENSE	31	(2,646)	(4,827)	-	-
PROFIT/(LOSS) AFTER TAXATION		10,469	8,391	(518)	(13)
ATTRIBUTABLE TO:-					
Equity holders of the Company		10,273	8,238	(518)	(13)
Minority interests		196	153	-	-
		10,469	8,391	(518)	(13)
EARNINGS PER SHARE					
- basic (sen)	32	15	13		
- diluted (sen)	32	N/A	N/A		

UZMA BERHAD

(Incorporated in Malaysia)
Company No : 769866 - V

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008**

	← ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY →		← NON-DISTRIBUTABLE →		← DISTRIBUTABLE →		TOTAL SHAREHOLDERS' EQUITY RM'000	MINORITY INTERESTS RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	EXCHANGE RESERVE RM'000	MERGER DEFICIT RM'000	RETAINED PROFITS RM'000	FOREIGN			
PROFORMA GROUP									
Balance as at 1.1.2007	31,000	-	24	(29,700)	13,207		14,531	387	14,918
Foreign exchange translation difference	-	-	(41)	-	-		(41)	(20)	(61)
Profit after taxation for the financial year	-	-	-	-	8,236		8,236	153	8,391
Balance as at 31.12.2007/1.1.2008	31,000	-	(17)	(29,700)	21,445		22,728	520	23,248
THE GROUP									
Shares issued pursuant to the listing scheme:	9,000	25,200	-	-	-		34,200	-	34,200
- public issue	-	(3,234)*	-	-	-		(3,234)	-	(3,234)
- listing expenses	-	-	56	-	-		56	8	64
Foreign exchange translation difference	-	-	-	-	10,273		10,273	196	10,469
Profit after taxation for the financial year	-	-	-	-	-		-	-	-
Balance as at 31.12. 2008	40,000	21,966	39	(29,700)	31,718		64,023	724	64,747

Note:-

* - represents gain/(expenses) not recognised in the income statement.

The annexed notes form an integral part of these financial statements.

UZMA BERHAD

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008 (CONT'D)**

	SHARE CAPITAL RM'000	NON- DISTRIBUTABLE SHARE PREMIUM RM'000	ACCUMULATED LOSSES RM'000	TOTAL EQUITY RM'000
	#	-	-	#
	-	-	(13)	(13)
	#	-	(13)	(13)
Balance as at 31.12.2007/1.1.2008	31,000	-	-	31,000
Shares issued pursuant to the listing scheme:	9,000	25,200	-	34,200
- acquisition of subsidiaries	-	(3,234)*	-	(3,234)
- public issue	-	-	(518)	(518)
Listing expenses	-	-	-	-
Profit after taxation for the financial year	-	-	-	-
Balance at 31.12.2008	40,000	21,966	(531)	61,435

Notes:-

- RM2

* - represents gain/(expenses) not recognised in the income statement.

The annexed notes form an integral part of these financial statements.

UZMA BERHAD(Incorporated in Malaysia)
Company No : 769866 - V**CASH FLOW STATEMENTS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008**

	NOTE	THE GROUP	PROFORMA	THE COMPANY	
		1.1.2008 to 31.12.2008 RM'000	1.1.2007 to 31.12.2007 RM'000	1.1.2008 to 31.12.2008 RM'000	17.4.2007 to 31.12.2007 RM'000
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation		13,115	13,218	(518)	(13)
Adjustments for:-					
Depreciation of property and equipment		889	337	-	-
Interest expense		563	520	-	-
Loss on disposal of equipment		7	20	-	-
Loss on foreign exchange - unrealised		-	289	-	-
Gain on foreign exchange - unrealised		(317)	-	-	-
Interest income		(141)	(74)	-	-
Operating profit/(loss) before working capital changes		14,116	14,310	(518)	(13)
Increase in net amount owing by contract customers		(9,952)	(4,440)	-	-
(Increase)/Decrease in trade and other receivables		(9,852)	(12,507)	287	(653)
Increase/(Decrease) in trade and other payables		1,681	4,363	(547)	666
CASH (FOR)/FROM OPERATIONS		(3,807)	1,726	(778)	-
Interest paid		(563)	(520)	-	-
Income tax paid		(4,199)	(3,242)	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(8,569)	(2,036)	(778)	-
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Purchase of property and equipment	33	(8,496)	(374)	-	-
Interest in a jointly controlled entity		(2,000)	-	-	-
Purchase of other investments		-	(12)	-	-
Proceeds from disposal of equipment		1	50	-	-
Interest received		141	74	-	-
Repayment from related parties		-	1,077	-	-
Net cash outflow from acquisition of subsidiaries	34	-	-	(675)	-
Advances to subsidiaries		-	-	(20,853)	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(10,354)	815	(21,528)	-
BALANCE CARRIED FORWARD		(18,923)	(1,221)	(22,306)	-

The annexed notes form an integral part of these financial statements.

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UZMA BERHAD

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CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

		THE GROUP	PROFORMA	THE COMPANY	
		1.1.2008	GROUP	1.1.2008	17.4.2007
		to	to	to	to
	NOTE	31.12.2008	31.12.2007	31.12.2008	31.12.2007
		RM'000	RM'000	RM'000	RM'000
BALANCE BROUGHT FORWARD		(18,923)	(1,221)	(22,306)	-
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Proceeds from issuance of shares		34,200	-	34,200	-
Listing expenses		(3,234)	-	(3,234)	-
Dividend paid to minority shareholder by a subsidiary		-	(100)	-	-
Drawdown of promissory note		-	945	-	-
Repayment of promissory note		(2,939)	-	-	-
Drawdown of term loans		4,720	-	-	-
Repayment of term loans		(285)	-	-	-
Repayment of hire purchase obligations		(45)	(449)	-	-
Repayment to related parties		-	(699)	-	-
NET CASH FOR FINANCING ACTIVITIES		32,417	(302)	30,966	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		13,494	(1,523)	5,660	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/PERIOD		(866)	740	-	-
Effect of exchange rate differences		103	(83)	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	35	12,731	(866)	8,660	-

Notes:-

- RM2

* - less than RM1,000

UZMA BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Malaysian Companies Act 1965. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : 312, 3rd Floor, Block C, Kelana Square,
17, Jalan SS7/26, 47301 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : No. 68 & 70, Fraser Business Park,
Jalan Metro Pudu 2 Off Jalan Yew,
55200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 April 2009.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding whilst the principal activities of its subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its market, credit, liquidity and cash flow risks. The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign exchange risk on sales and purchases that are denominated in foreign currencies. It manages its foreign exchange exposure by a policy of matching as far as possible receipts and payments in each individual currency.

The Group's foreign currency transactions and balances are substantially denominated in United States Dollar, Australian Dollar and Thai Baht.

Foreign currency risk is monitored closely and managed to an acceptable level.

UZMA BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

3. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group obtains financing through banking and hire purchase facilities. Its policy is to obtain the most favourable interest rates available.

Surplus funds are placed with licensed financial institutions at the most favourable interest rates.

(iii) Price Risk

The Group does not have any quoted investments and hence is not exposed to price risks.

(b) Credit Risk

The Group's exposure to credit risks, or the risk of counterparties defaulting, arises mainly from receivables. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet reduced by the effects of any netting arrangements with counterparties.

The Group's concentration of credit risks relates to the amounts owing by two customers which constituted approximately 31% of its trade receivables at the balance sheet date.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

(c) Liquidity and Cash Flow Risk

The Group's exposure to liquidity and cash flow risks arises mainly from general funding and business activities.

It practises prudent liquidity risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

UZMA BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

4. BASIS OF PREPARATION

The Financial Statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Financial Reporting Standards ("FRS") and the Companies Act 1965 in Malaysia.

(a) During the current financial year, the Group has adopted the following:

- (i) FRSs issued and effective for financial periods beginning on or after 1 July 2007:

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 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

FRS 120 is not relevant to the Group's operations. The adoption of the other standards did not have any material impact on the form and content of disclosures presented in the financial statements.

- (ii) Amendment to FRS 121 - *The Effects of Changes in Foreign Exchange Rates Net Investment in a Foreign Operation* issued and effective for financial periods beginning on or after 1 July 2007.

The adoption of this amendment did not have any material effect on the financial statements of the Group.

UZMA BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

4. BASIS OF PREPARATION (CONT'D)

- (iii) IC Interpretations issued and effective for financial periods beginning on or after 1 July 2007:

IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129 ²⁰⁰⁴ Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The above IC Interpretations are not relevant to the Group's operations.

- (b) The Group has not adopted the following FRSs and IC Interpretations that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Group:

- (i) FRS issued and effective for financial periods beginning on or after 1 July 2009:

FRS 8 Operating Segments

FRS 8 replaces FRS 114²⁰⁰⁴ Segment Reporting and requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. The adoption of this standard only impacts the form and content of disclosures presented in the financial statements of the Group. This FRS is expected to have no material effect on the financial statements of the Group upon its initial application.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

4. BASIS OF PREPARATION (CONT'D)

- (ii) FRSs issued and effective for financial periods beginning on or after 1 January 2010:

FRS 4	Insurance Contracts
FRS 7	Financial Instruments: Disclosures
FRS 139	Financial Instruments: Recognition and Measurement

The Group considers financial guarantee contracts entered to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contract as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 is expected to have no material impact on the financial statements of the Group.

The possible impacts of FRS 7 and FRS 139 on the financial statements upon their initial applications are not disclosed by virtue of the exemptions given in these standards.

- (iii) IC Interpretations issued and effective for financial periods beginning on or after 1 January 2010:

IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

IC Interpretation 9 is not relevant to the Group's operations. IC Interpretation 10 prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation is expected to have no material impact on the financial statements of the Group upon its initial application.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iii) *Impairment of Assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) *Contracts*

Contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) *Contract Revenue*

Contract accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

(ii) *Contract Costs*

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(v) *Allowance for Doubtful Debts of Receivables*

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentrations, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the allowance for doubtful debts of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to financial instruments classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments recognised in the balance sheet are disclosed in the individual policy statement associated with each item.

(c) Functional and Foreign Currency

(i) *Functional and Presentation Currency*

The functional currency of each of the Group's entities are measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in Ringgit Malaysia which is the Group's functional and presentation currency.

(ii) *Transactions and Balances*

Transactions in foreign currency are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the balance sheet date are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are taken to the income statement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currency (Cont'd)

(iii) Foreign Operations

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:-

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of the balance sheet;
- income and expenses for income statement are translated at the average exchange rates for the year; and
- all resulting exchange differences are recognised as a separate component of equity, as a foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statements as part of the gain or loss on sale.

(d) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December 2008.

A subsidiary is defined as an enterprise in which the Company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

All subsidiaries are consolidated using the purchase method except for subsidiaries acquired which have met the criteria for merger accounting for common control combinations. These subsidiaries are accounted for using merger accounting principles.

Under the purchase method, the results of the subsidiaries acquired or disposed of are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of Consolidation (Cont'd)

Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current and previous financial years. The assets and liabilities combined are accounted based on the carrying amounts from the perspective of common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

Intragroup transactions, balances and unrealised gains on transactions are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interests are measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquired subsidiary. Separate disclosure is made for minority interest.

Minority interests are presented in the consolidated balance sheet of the Group within equity, separately from the Company's equity holders, and are separately disclosed in the consolidated income statement of the Group.

(e) Goodwill on Consolidation

Goodwill on consolidation represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable net assets of the subsidiaries at the date of purchase.

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in a subsequent period.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combination, the excess is recognised immediately in the consolidated income statement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments

(i) Investments in Subsidiaries/Jointly Controlled Entities

Investments in subsidiaries/jointly controlled entities are initially stated at cost in the balance sheet of the Company and are reviewed for impairment at the end of the financial year if events or changes in circumstances indicate that their carrying values may not be recoverable.

On the disposal of the investments in subsidiaries/jointly controlled entities, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(ii) Other Investments

Other investments held on a long-term basis are stated at cost less allowance for diminution in value.

On the disposal of these investments, the difference between the net disposal proceeds and the carrying amount of the investments is taken to the income statement.

(g) Interest in a Joint Venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, and a jointly controlled entity is a joint venture that involves the establishment of a separate entity in which each venture has an interest.

The interest in a joint venture in the consolidated financial statements is accounted for under the equity method, based on the financial statements of the joint venture made up to 31 December 2008. Under the equity method, the investment in a joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The Group's share of profit or loss after tax of the joint venture is recognised in the consolidated income statement. Where there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect of the Group's net investment in the joint venture.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Interest in a Joint Venture (Cont'd)

The joint venture is equity accounted for from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

(h) Property and Equipment

Property and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any and is not depreciated.

Depreciation is calculated under the straight-line method to write off the cost of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Lab equipment	10%
Computers, EDP and software	20%
Furniture, fittings and renovation	20%
Motor vehicles	20%
Office equipment	20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the income statement in the year the asset is derecognised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Assets

The carrying amounts of assets, other than those to which FRS 136 - Impairment of Assets does not apply, are reviewed at each balance sheet date for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' net selling price and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is charged to the income statement immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to the revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(j) Assets under Hire Purchase and Lease

Leases of equipment where substantially all the benefits and risks of ownership are transferred to the Company are classified as finance leases.

Equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements.

Finance charges are allocated to the income statement over the period of the respective lease and hire purchase agreements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Assets under Hire Purchase and Lease (Cont'd)

Equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Company, the assets are depreciated over the shorter of the lease terms or their useful lives.

(k) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the period in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the balance sheet date.

(l) Amounts Owing By/To Contract Customers

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(n) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Provisions

Provisions are recognised when the Company has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation.

(p) Interest-bearing Borrowings

Interest-bearing borrowings are recorded at the amount of proceeds received, net of transaction costs.

All borrowing costs are charged to the income statement as expenses in the period in which they are incurred.

(q) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income Taxes (Cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(r) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(s) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Related Parties

A party is related to an entity if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - (a) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (b) has an interest in the entity that gives it significant influence over the entity; or
 - (c) has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(u) Revenue Recognition

(i) *Contracts Income*

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

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5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Revenue Recognition (Cont'd)

(ii) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(iii) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iv) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(v) Segmental Information

Segment revenue and expenses are those directly attributable to the segments and include any joint venture and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of property and equipment (net of accumulated depreciation, where applicable), other investments, inventories, receivables and cash and bank balances.

Most segment assets can be directly attributed to the segments on a reasonable basis. Segment assets do not include income tax assets, whilst segment liabilities do not include income tax liabilities and borrowings from financial institutions.

Segment revenue, expenses and results include transfers between segments. The prices charged on inter-segment transactions are based on normal commercial terms. These transfers are eliminated on consolidation.

6. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2008 RM'000	2007 RM'000
Unquoted shares, at cost	31,675	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2008	2007	
<i>Direct subsidiaries:</i>				
Uzma Engineering Sdn Bhd ("Uzma Engineering")	Malaysia	100%	-	Provision of geoscience and reservoir engineering, drilling, project and operations services, and other specialised services within the oil and gas industry.
Uzma Consulting Limited ("Uzma Thailand")*	Thailand	49%	-	Provision of geoscience and reservoir engineering, drilling, projects and operations, and oil and gas engineer and personal placement services.
Uzma Engineering Pty. Ltd. ("Uzma Australia")*	Australia	100%	-	Provision of geoscience and reservoir engineering services, and management systems.

* - Uzma Thailand is considered a subsidiary although the Company does not own more than 50% of its equity shares because the Company has the power to appoint and remove the majority of the Board of Directors and therefore control the Board.

* - not audited by Horwath.

7. INTEREST IN A JOINTLY CONTROLLED ENTITY

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Unquoted shares, at cost	1,000	-
Advances to the jointly controlled entity	1,000	-
	<hr/>	<hr/>
	2,000	-
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

7. INTEREST IN A JOINTLY CONTROLLED ENTITY (CONT'D)

The details of the jointly controlled entity is as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2008	Principal Activity
Uzma-Oriental Co Ltd (formerly known as Oriental Motors Co Ltd)*	Hong Kong	35%	Investment holding.

* - not audited by Horwath.

The Group's share of the assets, liabilities and income and expenses of the jointly controlled entity are as follows:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Assets and Liabilities		
Current assets	467	-
Current liabilities	346	-
Results		
Revenue	-	-
Expenses	4	-

UZMA BERHAD(Incorporated in Malaysia)
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008****8. PROPERTY AND EQUIPMENT**

	At 1.1.2008 RM'000	ADDITIONS RM'000	DISPOSALS RM'000	DEPRECIATION CHARGE RM'000	At 31.12.2008 RM'000
THE GROUP					
NET BOOK VALUE					
Freehold land	-	4,060	-	-	4,060
Buildings	-	1,800	-	(97)	1,703
Computers, EDP and software	1,041	1,656	-	(342)	2,355
Furniture, fittings and renovation,	177	1,565	(7)	(310)	1,425
Motor vehicles	205	228	-	(74)	359
Office equipment	158	422	(1)	(66)	513
	1,581	9,731	(8)	(889)	10,415

	At 1.1.2007 RM'000	ADDITIONS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	At 31.12.2007 RM'000
PROFORMA GROUP					
NET BOOK VALUE					
Computers, EDP and software	1,064	175	-	(198)	1,041
Furniture, fittings and renovation	224	25	-	(72)	177
Motor vehicles	74	242	(70)	(41)	205
Office equipment	67	117	-	(26)	158
	1,429	559	(70)	(337)	1,581

	At Cost RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
THE GROUP			
At 31.12.2008			
Freehold land	4,060	-	4,060
Buildings	1,800	(97)	1,703
Lab equipment	28	(28)	-
Computers, EDP and software	3,175	(820)	2,355
Furniture, fittings and renovation	1,921	(496)	1,425
Motor vehicles	475	(116)	359
Office equipment	627	(114)	513
	12,086	(1,671)	10,415

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

8. PROPERTY AND EQUIPMENT (CONT'D)

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
PROFORMA GROUP			
AT 31.12.2007			
Lab equipment	28	(28)	-
Computers, EDP and software	1,519	(478)	1,041
Furniture, fittings and renovation,	370	(193)	177
Motor vehicles	247	(42)	205
Office equipment	201	(43)	158
	<u>2,365</u>	<u>(784)</u>	<u>1,581</u>

The total net book value of the motor vehicles of the Group acquired under hire purchase terms at the balance sheet date amounted to approximately RM350,000 (2007 - RM201,000).

The freehold land and buildings have been pledged to financial institutions as security for banking facilities granted to the Group.

9. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 to 45 days. Other credit terms are assessed and approved on a case-by-case basis.

Included in the trade receivables of the Group are accrued billings amounting to approximately RM11,360,000.

The foreign currency exposure profile of the trade receivables at the balance sheet date was as follows:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Australian Dollar	257	154
Euro	-	133
Sterling Pound	-	92
Thai Baht	1,380	2,155
United States Dollar	<u>14,416</u>	<u>14,558</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

Included in other receivables, deposits and prepayments are the following:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Balance of consideration for the disposal of subsidiaries	2,786	2,679
Deposit paid for the acquisition of freehold land and buildings	720	1,036
	<u> </u>	<u> </u>

The balance of the consideration for the disposal of subsidiaries bore interest at 4% per annum at the balance sheet date.

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

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Thai Baht	763	249
	<u> </u>	<u> </u>

11. AMOUNTS OWING BY/TO CONTRACT CUSTOMERS

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Contract costs incurred to date	19,188	9,313
Attributable profits	21,271	8,190
	<u> </u>	<u> </u>
Progress billings	40,459 (26,025)	17,503 (13,021)
	<u> </u>	<u> </u>
Net amount owing by contract customers	<u>14,434</u>	<u>4,482</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

11. AMOUNTS OWING BY/TO CONTRACT CUSTOMERS (CONT'D)

The net amount owing by contract customers comprises the following:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Amount owing by contract customers	15,239	6,382
Amount owing to contract customers	(805)	(1,900)
	<u>14,434</u>	<u>4,482</u>

The foreign currency exposure profile of the amount due from contract customers is as follows:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Australian Dollar	273	-
United States Dollar	3,650	1,036
	<u>3,923</u>	<u>1,036</u>

12. AMOUNT OWING BY SUBSIDIARIES

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

13. SHORT-TERM INVESTMENTS

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000	THE COMPANY 2008 RM'000	2007 RM'000
Quoted unit trusts in Malaysia, at cost	<u>8,064</u>	<u>-</u>	<u>8,064</u>	<u>-</u>
Market value	<u>8,064</u>	<u>-</u>	<u>8,064</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

13. SHORT-TERM INVESTMENTS (CONT'D)

Short-term investments represent funds placed with investment fund management companies.

14. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits at the balance sheet date was an amount of approximately RM4,864,000 which has been pledged to licensed banks as security for banking facilities granted to the Group.

The effective interest rate of the fixed deposits of the Group at the balance sheet date ranged from 1.75% to 3.40% (2007 - 3.10% to 3.80%) per annum. The fixed deposits have maturity periods ranging from 7 to 12 months (2007 - 12 months).

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

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Thai Baht	225	218

15. CASH AND BANK BALANCES

The foreign currency exposure profile of cash and bank balances is as follows:-

	THE GROUP 2008 RM'000	THE GROUP 2008 RM'000
Australian Dollar	324	28
Euro	-	21
Thai Baht	527	135
United States Dollar	154	597

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

16. SHARE CAPITAL

	THE COMPANY					
	PAR VALUE RM	2008 NUMBER OF SHARES '000	SHARE CAPITAL RM'000	PAR VALUE RM	2007 NUMBER OF SHARES '000	SHARE CAPITAL RM'000
ORDINARY SHARES						
AUTHORISED						
At 1.1.2008/17.4.2007 (date of incorporation)	0.50	200	100	1.00	100	100
Sub-division of the par value of RM1.00 each to RM0.50 each		-	-	0.50	200	100
Crested during the financial year	0.50	199,800	99,900	0.50	-	-
At 31.12.2008/2007		200,000	100,000		200	100
ISSUED AND FULLY PAID-UP						
At 1.1.2008/17.4.2007 (date of incorporation)	0.50	^	#	1.00	@	#
Sub-division of the par value of RM1.00 each to RM0.50 each		-	-	0.50	^	#
Allotment of shares pursuant to the:						
- acquisition of subsidiaries	0.50	62,000	31,000		-	-
- public issue	0.50	18,000	9,000		-	-
At 31.12.2008/2007		80,000	40,000		^	#

Notes:-

- RM2

@ - 2 ordinary shares

^ - 4 ordinary shares

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

17. SHARE PREMIUM

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000	THE COMPANY 2008 RM'000	2007 RM'000
As at 1.1.2008/17.4.2007 (date of incorporation)	-	-	-	-
Premium arising from public issue	25,200	-	25,200	-
Listing expenses	(3,234)	-	(3,234)	-
At 31.12.2008/2007	<u>21,966</u>	<u>-</u>	<u>21,966</u>	<u>-</u>

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.

18. MERGER DEFICIT

The merger deficit relates to the difference between the nominal value of shares issued for the purchase of a subsidiary amounting to RM31,000,000 and the nominal value of the shares acquired of RM1,300,000.

19. RETAINED PROFITS

The Company has elected for the irrevocable option for the single tier tax system during the current financial year. Therefore, at the balance sheet date, the Company will be able to distribute dividends, if any, under the single tier tax system.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008**

20. DEFERRED TAX LIABILITIES

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
At 1.1.2008/2007	75	75
Recognised in income statement (Note 31)	476	-
At 31.12.2008/2007	<u>551</u>	<u>75</u>

The deferred tax liabilities are attributable to the following:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Accelerated capital allowances	462	75
Other taxable temporary differences	89	-
	<u>551</u>	<u>75</u>

21. LONG-TERM BORROWINGS

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Hire purchase payables (Note 25)	260	133
Term loans (Note 26)	4,104	-
	<u>4,364</u>	<u>133</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

22. TRADE PAYABLES

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

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

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Australian Dollar	106	217
Euro	-	119
Thai Baht	712	256
United States Dollar	4,028	2,634

23. OTHER PAYABLES AND ACCRUALS

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000	THE COMPANY 2008 RM'000	2007 RM'000
Other payables	7,643	11,402	119	666
Accruals	4,677	4,579	-	-
	<u>12,320</u>	<u>15,981</u>	<u>119</u>	<u>666</u>

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

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Australian Dollar	-	23
Thai Baht	171	314
United States Dollar	43	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008****24. SHORT-TERM BORROWINGS**

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Hire purchase payables (Note 25)	53	26
Term loans (Note 26)	331	-
Promissory note (Note 27)	-	2,939
	<u>384</u>	<u>2,965</u>

25. HIRE PURCHASE PAYABLES

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Minimum hire purchase payments:		
- not later than one year	68	34
- later than one year but not later than five years	286	149
- later than five years	15	-
	<u>369</u>	<u>183</u>
Less: Future finance charges	(56)	(24)
Present value of hire purchase payables	<u>313</u>	<u>159</u>
Current (Note 24):		
- not later than one year	53	26
Non-current (Note 21):		
- later than one year but not later than five years	248	133
- later than five years	12	-
Total non-current	<u>260</u>	<u>133</u>
	<u>313</u>	<u>159</u>

The hire purchase payables bore effective interest rates ranging from 4.35% to 5.75% (2007 - 4.12% to 4.60%) per annum at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008**
26. TERM LOANS

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Current portion (Note 24):		
- repayable within one year	331	-
Non-current portion (Note 21):		
- repayable between one and two years	344	-
- repayable between two and five years	1,161	-
- repayable after five years	2,599	-
Total non-current	4,104	-
	4,435	-

Details of the repayment terms at the balance sheet date were as follows:-

TERM LOAN	MONTHLY INSTALMENT	EFFECTIVE INTEREST RATE	NUMBER OF MONTHLY INSTALMENTS	DATE OF COMMENCEMENT OF REPAYMENT	AMOUNT OUTSTANDING RM'000
1	Year 1 - RM20,151 Year 2 - RM23,836 Year 3 onwards - RM24,156	3.15% 6.50% 6.80%	144	13 February 2008	2,239
2	Year 1 - RM19,812 Year 2 - RM23,435 Year 3 onwards - RM23,750	3.15% 6.50% 6.80%	144	13 February 2008	2,196
					4,435

The term loans bore an effective interest rate of 3.15% per annum at the balance sheet date and were secured by the following:-

- (i) a first legal charge over the freehold land and buildings of a subsidiary; and
- (ii) a joint and several guarantee of two directors of the Company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

27. PROMISSORY NOTE

The promissory note of the Proforma Group in the previous financial year bore an effective interest rate of 7.50% per annum and was secured in the same manner as the bank overdrafts as disclosed in Note 28 to the financial statements.

28. BANK OVERDRAFTS

The bank overdrafts bore effective interest rates ranging from 8.25% to 10.00% (2007 - 7.50%) per annum at the balance sheet date and were secured by:-

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

29. REVENUE

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2008 to 31.12.2008 RM'000	THE COMPANY 1.1.2008 to 31.12.2008 RM'000		17.4.2007 to 31.12.2007 RM'000
Services rendered	111,635	107,001	-	-	-
Contract revenue	22,956	18,820	-	-	-
Sale of goods	-	2,330	-	-	-
	<u>134,591</u>	<u>128,151</u>	<u>-</u>	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

30. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000	THE COMPANY 1.1.2008 to 31.12.2008 RM'000	
			17.4.2007 to 31.12.2007 RM'000	
Profit before taxation is arrived at after charging/ (crediting):-				
Audit fee	81	35	20	2
Depreciation of property and equipment	889	337	-	-
Directors' fee	81	351	81	-
Directors' non-fee emoluments	2,262	673	-	-
Interest expense:				
- advances	-	64	-	-
- bank overdrafts	198	222	-	-
- hire purchase	7	30	-	-
- promissory note	-	204	-	-
- term loans	358	-	-	-
Loss on disposal of equipment	7	20	-	-
Loss on foreign exchange				
- realised	80	462	-	-
- unrealised	-	289	-	-
Rental of premises	265	380	-	-
Rental of software and equipment	53	130	-	-
Staff costs	8,262	7,158	-	-
Gain on foreign exchange:				
- realised	(26)	-	-	-
- unrealised	(317)	-	-	-
Interest income	(141)	(74)	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

31. INCOME TAX EXPENSE

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000	THE COMPANY	
			1.1.2008 to 31.12.2008 RM'000	17.4.2007 to 31.12.2007 RM'000
Current tax:				
- for the current financial year	3,606	4,009	-	-
- (over)underprovision in the previous financial year	(1,436)	818	-	-
	<u>2,170</u>	<u>4,827</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 20):				
- relating to origination and reversal of temporary differences	476	-	-	-
	<u>2,646</u>	<u>4,827</u>	<u>-</u>	<u>-</u>

During the current financial year, the statutory tax rate was reduced from 27% to 26%, as announced in the Malaysian Budget 2007.

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31. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000	THE COMPANY 1.1.2008 to 31.12.2008 RM'000	17.4.2007 to 31.12.2007 RM'000
Profit/(Loss) before taxation	13,115	13,218	(518)	(13)
Tax at the statutory tax rate of 26% (2007 - 27%)	3,410	3,569	(135)	(4)
Tax effects of:-				
Non-deductible expenses	807	424	135	4
Non-taxable gains	(128)	-	-	-
(Over)/underprovision of current tax in the previous financial year	(1,436)	818	-	-
Different tax rates in other countries	-	16	-	-
Effect of differential in tax rates on deferred tax	(7)	-	-	-
Tax for the financial year/period	2,646	4,827	-	-

32. EARNINGS PER SHARE

The basic earnings per share ("EPS") is arrived at by dividing the Group's profit attributable to the equity holders of the Company of approximately RM10,273,000 (2007 - RM8,238,000) by the weighted average number of ordinary shares in issue during the financial year of 70,186,301 shares (2007 - 62,000,000 shares after taking into consideration the effect of the acquisition of subsidiaries but before the public issue).

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the balance sheet date.

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33. PURCHASE OF PROPERTY AND EQUIPMENT

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000
Cost of property and equipment purchased	9,731	559
Deposit paid in the previous financial year (Note 11)	(1,036)	-
Amount financed through hire purchase	(199)	(185)
	<hr/>	<hr/>
Cash disbursed for purchase of property and equipment	8,496	374
	<hr/>	<hr/>

34. ACQUISITION OF SUBSIDIARIES

During the financial year, the Company acquired the entire issued and paid-up share capital of Uzma Engineering and Uzma Australia and a 49.98% equity interest of Uzma Thailand for a total purchase consideration of RM31,000,000, RM1 and RM459,144 respectively. The purchase consideration of Uzma Engineering was satisfied by way of the issuance of 61,999,996 new ordinary shares of RM0.50 each in the Company at an issue price of approximately RM0.50 per ordinary share. The total purchase consideration of Uzma Australia and Uzma Thailand was satisfied by cash.

The Company paid a sum of approximately RM216,000 for the remaining unpaid share capital of Uzma Australia during the financial year.

The details of the assets and liabilities of Uzma Australia and Uzma Thailand as at the date of acquisition are as follows:-

	THE GROUP 2008 RM'000
Non-current assets	28
Current assets	2,486
Current liabilities	(1,593)
Minority interests	(462)
	<hr/>
Fair value of net assets acquired	459
Purchase consideration	(459)
	<hr/>
Net cash outflow from acquisition of the subsidiaries	-
	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

35. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statements, cash and cash equivalents comprise the following:-

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000	THE COMPANY 2008 RM'000	2007 RM'000
Short-term investments	8,064	-	8,064	-
Fixed deposits with licensed banks (Note 14)	5,700	3,984	-	-
Cash and bank balances	1,614	911	596	#
Bank overdrafts	(2,647)	(5,761)	-	-
	<u>12,731</u>	<u>(866)</u>	<u>8,660</u>	<u>#</u>

Note:-

- Less than RM1,000

36. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000	THE COMPANY 1.1.2008 to 31.12.2008 RM'000	17.4.2007 to 31.12.2007 RM'000
Executive directors:				
- salaries and other emoluments	2,262	673	-	-
- fee	-	351	-	-
Non-executive directors:				
- fee	81	-	81	-
	<u>2,343</u>	<u>1,024</u>	<u>81</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

36. DIRECTORS' REMUNERATION (CONT'D)

Details of the number of directors of the Company and their respective remuneration bands are analysed as follows:-

	THE GROUP 1.1.2008 to 31.12.2008 No. of Directors	PROFORMA GROUP 1.1.2007 to 31.12.2007 No. of Directors	THE COMPANY 1.1.2008 to 31.12.2008 No. of Directors	
			17.4.2007 to 31.12.2007 No. of Directors	
Executive directors:				
- RM750,001 – RM800,000	1	-	-	-
- RM500,001 – RM550,000	1	-	-	-
- RM350,001 – RM400,000	1	1	-	-
- RM300,001 – RM350,000	1	1	-	-
- RM250,001 – RM300,000	1	-	-	-
Non-executive directors:				
- Below RM50,000	3	-	3	-
	<u>8</u>	<u>2</u>	<u>3</u>	<u>-</u>

37. CAPITAL COMMITMENTS

	THE GROUP 2008 RM'000	PROFORMA GROUP 2007 RM'000
Approved and contracted for:		
- property	2,880	5,514
- additional capital contribution for jointly controlled entity	2,000	-
	<u>2,000</u>	<u>-</u>

38. CONTINGENT LIABILITY

	THE COMPANY 2008 RM'000	2007 RM'000
Unsecured:-		
Corporate guarantees given to licensed banks for banking facilities granted to a subsidiary	5,200	-
	<u>5,200</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

39. SEGMENTAL REPORTING

Business Segments

	SERVICES RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	THE GROUP RM'000
THE GROUP 2008				
REVENUE				
External revenue	134,591	-	-	134,591
Inter-segment revenue	500	-	(500)	-
Total revenue	135,091	-	(500)	134,591
RESULTS				
Segment results				13,978
Finance costs				(863)
Profit from ordinary activities before taxation				13,115
Income tax expense				(2,646)
Profit from ordinary activities after taxation				10,469
Minority interests				(196)
Net profit attributable to equity holders of the Company				10,273
OTHER INFORMATION				
Segment assets	89,189	61,554	(55,970)	94,773
Segment liabilities	53,133	119	(24,295)	28,957
Unallocated liabilities				1,069
				30,026
Depreciation	889			889
Capital expenditure	9,731			9,731

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

39. SEGMENTAL REPORTING (CONT'D)

Business Segments (Cont'd)

	SERVICES RM'000	INVESTMENT HOLDING RM'000	ELIMINATIONS RM'000	PROFORMA GROUP RM'000
PROFORMA GROUP 2007				
REVENUE				
External revenue	128,151	-	-	128,151
Inter-segment revenue	4,533	-	(4,533)	-
Total revenue	132,684	-	(4,533)	128,151
RESULTS				
Segment results				13,764
Finance costs				(546)
Profit from ordinary activities before taxation				13,218
Income tax expense				(4,827)
Profit from ordinary activities after taxation				8,391
Minority interests				(153)
Net profit attributable to equity holders of the Company				8,238
OTHER INFORMATION				
Segment assets	57,188	31,653	(32,983)	55,858
Segment liabilities	31,119	666	(1,799)	29,986
Unallocated liabilities				2,622
				32,608
Depreciation	337			337
Capital expenditure	559			559

Segmental information on geographical segment is not presented as the revenue of the Group was derived mainly from customers located in Malaysia. The overseas operations accounted for less than 10% of the revenue, segment results and assets of the Group.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

40. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of foreign currency balances at the balance sheet date are as follows:-

	THE GROUP 2008	PROFORMA GROUP 2007
Australian Dollar	2.40	2.92
Euro	-	4.88
Sterling Pound	-	6.61
Thai Baht	0.10	0.10
United States Dollar	3.46	3.31

41. RELATED PARTY DISCLOSURES

- (a) For the purpose of the financial statements, the Company has related party relationships with:-
- (i) its subsidiaries as disclosed in Note 6 to the financial statements;
 - (ii) its jointly controlled entity as disclosed in Note 7 to the financial statements;
 - (iii) the key management personnel; and
 - (iv) an entity controlled by a director.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

41. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the information disclosed elsewhere in the financial statements, the Group and the Company carried out the following transactions with its related parties during the financial year/period:-

	THE GROUP 1.1.2008 to 31.12.2008 RM'000	PROFORMA GROUP 1.1.2007 to 31.12.2007 RM'000	THE COMPANY 1.1.2008 to 31.12.2008 RM'000	17.4.2007 to 31.12.2007 RM'000
(i) Subsidiaries				
Sales	500	4,533	-	-
(ii) Entity controlled by a director				
Purchases	-	386	-	-
(iii) Entity controlled by an immediate family of a director				
Administrative expenses paid	202	-	59	-
(iv) Key management personnel (including directors)				
Short-term employee benefits	3,284	1,024	81	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

42. FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(a) Hire Purchase Payables and Long-Term Borrowings

The carrying amounts approximated the fair values of these instruments. The fair values of the hire purchase payables and the long-term borrowings are determined by discounting the relevant cash flows using the current interest rates at the balance sheet date.

(b) Cash and Cash Equivalents and Other Short-Term Receivables/Payables

The carrying amounts approximated their fair values due to the relatively short-term maturity of these investments.

(c) Quoted Investments

The fair values of quoted investments are estimated based on quoted market prices for these investments.

(d) Contingent Liability

The nominal amount and net fair value of the financial instrument not recognised in the balance sheet is as follows:-

		THE COMPANY	
	Note	Nominal Amount RM'000	Net Fair Value RM
At 31 December 2008			
Contingent liability	38	5,200	*

* - The net fair value of the contingent liability is estimated to be minimal as the subsidiary is expected to fulfil its obligations.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

43. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The Company completed its flotation scheme during the financial year and on 29 July 2008, the Company's shares were listed on the Second Board of Bursa Malaysia Securities Berhad.

44. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the Company had made an additional investment of approximately RM3 million to subscribe for the rights issue of shares by Uzma Oriental Co. Ltd. (formerly known as Oriental Motors Co. Ltd.), the jointly controlled entity for working capital purposes.

45. COMPARATIVE FIGURES

There are no comparative figures for the Group as this is the first set of consolidated financial statements prepared.

The comparative figures of the proforma Group was presented based on the audited financial statements of the subsidiaries' accounted for using the merger method of accounting.



PROXY FORM

I / We _____ [FULL NAME IN BLOCK]
 of _____ [ADDRESS]
 being a member/members of UZMA BHD ("the company") hereby
 appoint _____ [NAME]
 of _____ [ADDRESS]
 or failing him/her, _____ [NAME]
 of _____ [ADDRESS]

as *my/our proxy, to vote for *me/us and on *my/our behalf at the Second Annual General Meeting ("AGM") of the Company to be held at Kelab Golf Sultan Abdul Aziz Shah, No.1, Rumah Kelab, Jalan Kelab Golf 13/6, 40100 Shah Alam, Selangor Darul Ehsan, Malaysia on Monday, 22 June 2008 at 10.00 a.m., or at any adjournment thereof.

(* strike out whichever is not desired)

With reference to the agenda set forth in the Notice of Meeting, please indicate with an "X" in the space provided below how you wish your votes to be cast on the resolutions specified. If no specific direction as to the voting is given, the Proxy will vote or abstain at his/her discretion.

	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		

Dated this _____ day of _____ 2009

Signature of Member / Common Seal

No. of ordinary shares held

Notes:

- 1 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a Member of the Company and a Member may appoint any persons to be his proxy. The provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
- 2 A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Annual General Meeting. Where a Member appoints two (2) proxies, the appointment shall be invalid unless the Member specifies the proportions of his holding to be represented by each proxy.
- 3 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.
- 4 The instrument appointing a proxy must be deposited at Level 26, Menara Multi-Purpose, Capital Square, No. 8 Jalan Munshi Abdullah, 50100 Kuala Lumpur, Malaysia at least forty eight (48) hours before the time for holding the Meeting or any adjournment thereof.

Please fold here to seal

Please Affix
Stamp Here

The Share Registrar
UZMA BERHAD (769866-V)
Level 26, Menara Multi-Purpose
Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur, Malaysia

Please fold here to seal