

UAC BERHAD (5149-H)

Interim report for the three months ended 31 December 2009

Condensed Consolidated Income Statements

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/12/2009 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31/12/2008 RM'000	CURRENT YEAR TO DATE 31/12/2009 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31/12/2008 RM'000
Revenue	45,731	33,394	178,177	183,887
Operating Expenses	(43,955)	(40,690)	(170,129)	(180,737)
Other Operating Income	5,617	9,791	14,673	14,627
Profit from Operations	7,393	2,495	22,721	17,777
Finance costs	-	-	-	-
Profit before taxation	7,393	2,495	22,721	17,777
Taxation	(729)	(2,109)	(3,021)	(4,899)
Profit for the period	6,664	386	19,700	12,878
EPS - Basic (sen)	8.96	0.52	26.48	17.31

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008)

UAC BERHAD (5149-H)

Interim report for the three months ended 31 December 2009

Condensed Consolidated Balance Sheet**(The figures have not been audited)**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/12/2009 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/12/2008 RM'000
ASSETS		
Non-current assets		
Property , Plant & Equipment	61,629	61,409
Prepaid Lease Payments	10,083	10,246
Investment Properties	58,607	59,056
Other Investments	26,713	25,011
	<u>157,032</u>	<u>155,722</u>
Current assets		
Inventories	24,934	35,225
Trade & Other Receivables	41,180	43,670
Advance Due From Holding Company	90,000	90,000
Cash & Cash Equivalentents	43,173	17,828
	<u>199,287</u>	<u>186,723</u>
TOTAL ASSETS	<u>356,319</u>	<u>342,445</u>
EQUITY AND LIABILITIES		
Shareholders' Equity		
Share Capital	74,408	74,408
Reserves	231,767	227,693
Total Equity	<u>306,175</u>	<u>302,101</u>
Non-current liabilities		
Provision	6,019	5,968
Deferred Taxation	7,601	8,670
	<u>13,620</u>	<u>14,638</u>
Current liabilities		
Trade & Other Payables	36,406	25,685
Taxation	118	21
	<u>36,524</u>	<u>25,706</u>
Total Liabilities	<u>50,144</u>	<u>40,344</u>
TOTAL EQUITY AND LIABILITIES	<u>356,319</u>	<u>342,445</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.11</u>	<u>4.06</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008)

UAC BERHAD (5149-H)

Interim report for the three months ended 31 December 2009

Condensed Consolidated Statement of Changes in Equity
(The figures have not been audited)

	← Attributable to equity holders of the Company →				
	Share Capital	Share Premium	Revaluation Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000
12 months ended 31 December 2009					
Balance as at 1 January 2009	74,408	13,917	3,983	209,793	302,101
Net profit for the 12-month period	-	-	-	19,700	19,700
Final dividend for the year ended 31 December 2008	-	-	-	(5,581)	(5,581)
Interim dividend for the year ended 31 December 2009	-	-	-	(10,045)	(10,045)
Balance as at 31 December 2009	74,408	13,917	3,983	213,867	306,175
12 months ended 31 December 2008					
Balance as at 1 January 2008	74,408	13,917	4,429	212,925	305,679
Net profit for the 12-month period	-	-	-	12,878	12,878
Deferred tax written back arising from change in tax rate	-	-	62	-	62
Reversal of revaluation reserve of an investment property on disposal	-	-	(508)	508	-
Final dividend for the year ended 31 December 2007	-	-	-	(9,911)	(9,911)
Interim dividend for the year ended 31 December 2008	-	-	-	(6,607)	(6,607)
Balance as at 31 December 2008	74,408	13,917	3,983	209,793	302,101

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008)

UAC BERHAD (5149-H)

Interim report for the three months ended 31 December 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT**(The figures have not been audited)**

	(UNAUDITED) 12 months ended 31 December 2009 RM'000	(AUDITED) 12 months ended 31 December 2008 RM'000
Net profit before tax	22,721	17,777
Adjustment for non-cash flow:-		
Non-cash items	10,015	9,381
Non-operating items	(11,444)	(6,666)
Operating profit before changes in working capital	21,292	20,492
Changes in working capital		
Net change in current assets	3,857	(3,327)
Net change in current liabilities	7,467	1,530
Cash from operations	32,616	18,695
Tax paid	(3,647)	(4,781)
Net cash from operating activities	28,969	13,914
Investing activities		
- Equity investments	2,471	(10,797)
- Other investments	8,531	(13,681)
Net cash from / (used) in investing activities	11,002	(24,478)
Financing activities		
- Transactions with owners as owners	(15,626)	(16,518)
- Advance to holding company	0	(75,000)
Net cash used in financing activities	(15,626)	(91,518)
Net increase / (decrease) in cash & cash equivalents	24,345	(102,082)
Cash & cash equivalents at beginning of period	17,828	119,910
Cash & cash equivalents at end of period	42,173	17,828

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2008)

UAC BERHAD (5149-H)

Interim report for the three months ended 31 December 2009

Notes to the Financial Information**A1) Basis of preparation**

This unaudited interim report is prepared in accordance with FRS 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board (MASB) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2008. These explanatory notes attached to the interim report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2008.

The significant accounting policies and methods of computation applied in the interim report are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2008.

A2) Audit report

The audit report of the Company's preceding annual financial statements for the year ended 31 December 2008 was not qualified.

A3) Seasonal or cyclical factors

The operations of the Group were not affected by any seasonal or cyclical factors.

A4) Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the current financial year-to-date.

A5) Changes in estimates of amount reported

There were no changes in estimates of amounts reported in prior interim quarters of the current financial year and no changes in estimates of amounts reported in prior financial years which have a material impact on the current quarter.

A6) Debt and equity securities

There were no cancellations, purchases or resale and repayment of debt and equity securities during the current financial year-to-date.

A7) Dividends paid

- a) A final dividend of 10 sen per share less tax at 25% on paid-up capital of 74,408,000 ordinary shares of RM1.00 each, amounting to RM5,580,598.68 in respect of the financial year ended 31 December 2008, was paid on 30 April 2009.
- b) A first interim dividend of 12 sen per share less tax at 25%, on paid-up capital of 74,408,000 ordinary shares of RM1.00 each, amounting to RM6,696,720.00 in respect of the financial year ended 31 December 2009, was paid on 21 October 2009.
- c) A second interim dividend of 6 sen per share less tax at 25%, on paid-up capital of 74,408,000 ordinary shares of RM1.00 each, amounting to RM3,348,358.71 in respect of the financial year ended 31 December 2009, was paid on 22 December 2009.

A8) Segmental reporting

The Group is organised into two main business segments:

- Building & Construction Products - relates to the manufacture and sale of fibre cement boards, polyethylene pipes and fittings and steel roof trusses.
- Others - comprises property holding.

Inter segment sales comprise rental charge to the building and construction products segment.

	Building & Construction Products RM'000	Others RM'000	Group RM'000
12 months ended 31 December 2009			
Revenue			
Total sales	173,005	5,412	178,417
Inter segment sales	0	(240)	(240)
External sales	173,005	5,172	178,177
Segment result	10,890	987	11,877
Unallocated income			10,844
Profit before tax			22,721
Taxation			(3,021)
Profit for the period			19,700
12 months ended 31 December 2008			
Revenue			
Total sales	181,601	2,526	184,127
Inter segment sales	0	(240)	(240)
External sales	181,601	2,286	183,887
Segment result	20,259	597	20,856
Unallocated income			5,901
Unallocated expense			(8,980)
Profit before tax			17,777
Taxation			(4,899)
Profit for the period			12,878

A9) Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward, without any amendments from the previous annual financial statements.

A10) Material events subsequent to the end of the current quarter

There are no material events subsequent to the end of the current quarter that have not been reflected in the financial statements as at the date of this announcement.

A11) Changes in composition of the Group

There were no changes in the composition of the Group for the current financial year-to-date.

A12) Changes in contingent liabilities or assets

There are no contingent liabilities or contingent assets at the last annual balance sheet date or at the end of the current quarter.

A13) Capital commitments

Approved capital expenditure not provided for in the financial statements as at 31 December 2009 is as follows:

	RM ' 000
Property, plant and equipment	
- contracted	1,553
- not contracted	9,863
	<u>11,416</u>

B1) Review of performance

4th Quarter 2009 saw a 36.9% increase in revenue compared to that of the equivalent quarter last year to bring the revenue for the whole year to close at 3.1% below that of the preceding year. Demand for building products in the 4th Quarter was considerably better than a year ago as the economies of Malaysia and the Group's key export markets have improved with business confidence returning. However despite the higher revenue achieved in the 4th Quarter of 2009 it was not sufficient to negate the low revenue in the 1st Quarter when demand for our core building products slowed considerably as the domestic and the overseas markets then were facing the brunt of the global financial crisis.

Profit for the quarter at RM7.4 million was close to three times that of the equivalent quarter last year.

Contributions from the building products sector were lower whilst the Group had the benefit of gains on disposal of equity investment of close to RM0.7 million and write back of RM2.5 million in allowance for diminution in value of quoted investments, which were no longer required due to the improved stock market conditions at the end of the year.

Profit before tax for the financial year at RM22.7 million was 27.8% higher than that of 2008. Performance of building products was slightly down but was mitigated by significantly favourable performance in equity investment and increased rental and other income.

B2) Material changes in profit before tax for the current quarter compared with the preceding quarter

Profit before tax for the current quarter at RM7.4 million was 81.4% higher than that of the preceding quarter on the back of an increase in revenue of 10.2%. The main factors were the relatively good contributions from building products as well as write back of allowance for diminution in quoted shares.

B3) Prospects for the next financial year

The Group is cautiously optimistic on the prospects for the next financial year. The Malaysian economy and those of the key export markets of the Group are expected to rebound and this may lead to better demand for the Group's products. However as the global economies have yet to stabilize, the Group expects to face challenges in 2010 and will continue to pursue enhancement in productivity and cost reduction measures.

B4) Variance of actual profit from forecast profit

The Group did not issue any profit forecast or profit guarantee during the current financial year-to-date.

B5) Tax

	Individual Quarter 3 months ended		Cumulative Period 12 months ended	
	31.12.2009 RM'000	31.12.2008 RM'000	31.12.2009 RM'000	31.12.2008 RM'000
In respect of current period:				
- income tax	2,027	2,659	3,711	4,844
- deferred tax	(1,677)	(755)	(1,069)	(150)
	<u>350</u>	<u>1,904</u>	<u>2,642</u>	<u>4,694</u>
In respect of prior years:				
- income tax	379	205	379	205
	<u>729</u>	<u>2,109</u>	<u>3,021</u>	<u>4,899</u>

The effective rate of taxation of the Group for the current quarter and financial year-to-date is lower than the statutory tax rate due to the availability of reinvestment allowance.

B6) Sale of unquoted investments and/or properties

There was no sale of unquoted investments and/or properties for the current quarter and financial year-to-date.

B7) Quoted securities

(a) Purchases and disposals

	Individual Quarter 3 months ended	Cumulative Period 12 months ended
	31.12.2009 RM'000	31.12.2009 RM'000
Total purchase consideration	9,608	12,586
Total sale proceeds	2,833	16,581
Total profit on disposal	687	3,190

(b) Investment as at 31 December 2009

	RM'000
At cost	27,600
At carrying value/book value	26,713
At market price	28,450

B8) Status of corporate proposals

There are no outstanding proposals as at the date of this announcement.

B9) Group borrowings and debt securities

There were no group borrowings and debt securities as at 31 December 2009.

B10) Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this announcement.

B11) Changes in material litigation

The Group is not engaged in any material litigation as at the date of this announcement.

B12) Dividends Payable

- i) The Directors have declared a 3rd Interim Dividend of 8 sen per share less tax at 25% (2008: nil) in respect of the year ended 31 December 2009. This dividend will be paid on 30 March 2010 to shareholders whose names appear on the Record of Depositors at the close of business on 15 March 2010.

There is a variation in the distribution pattern for a 3rd Interim Dividend as the Directors are of the opinion that it is in the best interest of shareholders to receive their dividends earlier. The Directors do not recommend any payment of a final dividend in respect of the current financial year.

- ii) The total dividends for the current financial year is 26 sen per share less tax at 25%. (2008: 22 sen per share less tax)
- iii) The financial statements for the current financial year do not reflect the 3rd Interim Dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

B13) Earnings per share

	Individual Quarter 3 months ended		Cumulative Period 12 months ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
Basic earnings per share				
Profit for the period attributable to equity holders of the Company (RM'000)	6,664	386	19,700	12,878
Weighted average number of ordinary shares in issue ('000)	74,408	74,408	74,408	74,408
Basic earnings per share (sen)	8.96	0.52	26.48	17.31

14) Economic Loss/Profit

The Economic Loss for the twelve months ended 31 December 2009 was RM3.3 million compared with the Economic Profit of RM5.02 million for the equivalent twelve months of 2008.

By Order of the Board
UAC BERHAD

Sharifah Malek
Company Secretary
LS No. 00448

Petaling Jaya
22 February 2010