

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2010

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

( The figures have not been audited )

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2010 RM'000	PRECEDING YEAR QUARTER 31/03/2009 RM'000	CURRENT YEAR QUARTER 31/03/2010 RM'000	PRECEDING YEAR QUARTER 31/03/2009 RM'000
Revenue	<b>47,068</b>	40,270	<b>47,068</b>	40,270
Operating expenses	<b>(45,659)</b>	(37,655)	<b>(45,659)</b>	(37,655)
Other operating income	<b>5,284</b>	1,396	<b>5,284</b>	1,396
Profit from operations	<b>6,693</b>	4,011	<b>6,693</b>	4,011
Finance costs	<b>0</b>	0	<b>0</b>	0
Profit before taxation	<b>6,693</b>	4,011	<b>6,693</b>	4,011
Taxation	<b>(1,591)</b>	(676)	<b>(1,591)</b>	(676)
Profit for the period	<b>5,102</b>	3,335	<b>5,102</b>	3,335
Other comprehensive income, net of tax				
Available-for-sale financial assets	<b>193</b>	0	<b>193</b>	0
Total comprehensive income for the period	<b>5,295</b>	3,335	<b>5,295</b>	3,335
Earnings per share Basic (in sen)	<b>6.86</b>	4.48	<b>6.86</b>	4.48

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2010

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

( The figures have not been audited )

	( UNAUDITED ) AS AT END OF CURRENT QUARTER 31/03/2010 RM'000	( AUDITED ) AS AT PRECEDING FINANCIAL YEAR END 31/12/2009 RM'000
<b>ASSETS</b>		
Non-Current Assets		
Property, plant and equipment	71,641	71,712
Investment properties	59,699	58,607
Available-for-sale investments	34,920	26,713
	<u>166,260</u>	<u>157,032</u>
Current Assets		
Inventories	26,879	24,934
Trade and other receivables	39,374	41,180
Advance due from holding company	90,000	90,000
Cash and cash equivalents	31,611	43,173
	<u>187,864</u>	<u>199,287</u>
<b>TOTAL ASSETS</b>	<u><b>354,124</b></u>	<u><b>356,319</b></u>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Equity		
Share capital	74,408	74,408
Reserves	234,335	231,767
Total Equity	<u>308,743</u>	<u>306,175</u>
Non-Current Liabilities		
Provisions	6,168	6,019
Deferred tax	8,290	7,601
	<u>14,458</u>	<u>13,620</u>
Current Liabilities		
Trade and other payables	30,495	36,406
Taxation	428	118
	<u>30,923</u>	<u>36,524</u>
Total Liabilities	<u>45,381</u>	<u>50,144</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>354,124</b></u>	<u><b>356,319</b></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.15</u>	<u>4.11</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2010

**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	Fair Value Reserve	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 31 March 2010</b>						
Balance at 1 January 2010	74,408	13,917	3,983	0	213,867	306,175
Effects of applying FRS 139	0	0	0	1,737	0	1,737
Restated balance	74,408	13,917	3,983	1,737	213,867	307,912
Interim dividend for the year ended 31 December 2009	0	0	0	0	(4,464)	(4,464)
Total comprehensive income for the period	0	0	0	193	5,102	5,295
Balance at 31 March 2010	<b>74,408</b>	<b>13,917</b>	<b>3,983</b>	<b>1,930</b>	<b>214,505</b>	<b>308,743</b>
<b>3 months ended 31 March 2009</b>						
Balance at 1 January 2009	74,408	13,917	3,983	0	209,793	302,101
Total comprehensive income for the period	0	0	0	0	3,335	3,335
Balance at 31 March 2009	74,408	13,917	3,983	0	213,128	305,436

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2010

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**

( The figures have not been audited )

	<b>(UNAUDITED)</b> 3 months ended 31/03/2010 RM'000	<b>(AUDITED)</b> 12 months ended 31/12/2009 RM'000
Net profit before tax	6,693	22,721
Adjustment for non-cash flow:-		
Non-cash items	569	10,015
Non-operating items	<b>(1,856)</b>	<b>(11,444)</b>
Operating profit before changes in working capital	<b>5,406</b>	21,292
Changes in working capital		
Net change in current assets	<b>(2,148)</b>	3,857
Net change in current liabilities	<b>(3,094)</b>	7,467
Cash from operations	164	32,616
Tax paid	<b>(598)</b>	<b>(2,647)</b>
Net cash (used in) / from operating activities	<b>(434)</b>	29,969
Investing activities		
- Equity investments	<b>(3,513)</b>	2,471
- Other investments	<b>(3,151)</b>	8,531
Net cash (used in) / from investing activities	<b>(6,664)</b>	11,002
Financing activities		
- Transactions with owners as owners	<b>(4,464)</b>	<b>(15,626)</b>
Net cash used in financing activities	<b>(4,464)</b>	<b>(15,626)</b>
Net (decrease) / increase in cash & cash equivalents	<b>(11,562)</b>	25,345
Cash and cash equivalents at beginning of period	43,173	17,828
Cash and cash equivalents at end of period	<b>31,611</b>	43,173

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2009)

## UAC BERHAD (5149-H)

Interim report for the three months ended 31 March 2010

### 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 2009. 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 2009.

The accounting policies applied are consistent with those adopted for the annual financial statements for the year ended 31 December 2009 except for the adoption of new standards, amendments to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2010. The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group except for the adoption of the following standards as set out below:

- a) Presentation of financial statements (FRS 101 (revised) "Presentation of financial statements")

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a statement of comprehensive income which can be presented as a single statement or two statements (comprising the income statement and statement of comprehensive income). The Group has elected to present the statement of comprehensive income in a single statement.

- b) Leasehold land (Amendment to FRS 117 "Leases")

Leasehold land is classified as a finance lease if the Group has substantially all the risks and rewards incidental to ownership. Previously, leasehold land was classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term. Following the amendment to FRS 117, the classification of leasehold land has been changed from operating to finance lease. The effect of the change is adjusted for retrospectively in accordance with the transitional provisions of the amendments.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

31 December 2009	As previously reported RM'000	Reclassification RM'000	As restated RM'000
Prepaid lease payments	10,083	(10,083)	0
Property, plant and equipment	61,629	10,083	71,712

- c) FRS 139 Financial Instruments: Recognition and Measurement, Amendments to FRS 139 Financial instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives, and Amendments to FRS 139 Financial Instruments: Recognition and Measurement

The adoption of FRS 139 does not have any significant impact on the financial instrument except as discussed below which resulted in adjustments to opening reserves of the Group as follows:

	<b>Group RM'000</b>
Fair value reserve:	
At 1 January 2010, as previously stated	<b>0</b>
Effects of applying FRS 139	<b>1,737</b>
At 1 January 2010, as restated	<b><u>1,737</u></b>

d) Amendment to FRS 116 and amendment FRS140

Prior to the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, properties that were being constructed or developed for use as investment properties were treated as capital work-in-progress and classified as property, plant and equipment. With the adoption of the Amendment to FRS 116 and the Amendment to FRS 140, such properties are treated as investment property in accordance with FRS 140. The change in accounting policy has been made prospectively in accordance with the transitional provisions of FRS 140.

e) FRS 8: Operating segments

FRS 8 requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

**A2) Audit report**

The audit report of the Group's preceding annual financial statements for the year ended 31 December 2009 was not qualified.

**A3) Seasonality 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 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 third interim dividend of 8 sen per share less tax at 25%, on paid-up capital of 74,408,000 ordinary shares of RM1.00 each, amounting to RM4,464,480 in respect of the financial year ended 31 December 2009, was paid on 30 March 2010.

#### A8) Operating segment

The Group is organised into two operating and reportable segments:

Building & Construction Products - relates to the manufacture and sale of fibre cement boards and steel roof trusses.

Others - comprises property holding.

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

	<b>Building &amp; Construction Products RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
<b>3 months ended 31 March 2010</b>			
Revenue			
Total sales	45,674	1,454	47,128
Inter segment sales	0	(60)	(60)
External sales	<u>45,674</u>	<u>1,394</u>	<u>47,068</u>
Segment result	4,329	509	4,838
Unallocated income			<u>1,855</u>
Profit before tax			6,693
Taxation			<u>(1,591)</u>
Profit for the period			<u><u>5,102</u></u>
<b>3 months ended 31 March 2009</b>			
Revenue			
Total sales	38,979	1,351	40,330
Inter segment sales	0	(60)	(60)
External sales	<u>38,979</u>	<u>1,291</u>	<u>40,270</u>
Segment result	2,196	458	2,654
Unallocated income			<u>1,357</u>
Profit before tax			4,011
Taxation			<u>(676)</u>
Profit for the period			<u><u>3,335</u></u>

#### 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 at the end of the current quarter.

#### **A13) Capital commitments**

Approved capital expenditure not provided for in the interim financial statements as at 31 March 2010 are as follows:

	<b>RM'000</b>
Property, plant and equipment	
- contracted	<b>3,087</b>
- not contracted	<b>7,813</b>
	<b>10,900</b>

#### **A14) Significant related party transactions**

The Group's significant related party transactions in the current financial year-to-date ended 31 March 2010 are as follows:

	<b>Cumulative Period 3 months ended</b>	
	<b>31.03.2010 RM'000</b>	<b>31.03.2009 RM'000</b>
Sales of goods to fellow subsidiaries	<b>5,994</b>	4,498
Purchases of goods and services from fellow subsidiaries	<b>671</b>	443
Management services rendered by holding company	<b>91</b>	78
Rental of premises charged to fellow subsidiaries	<b>202</b>	182
Interest charged to holding company	<b>888</b>	888



## B1) Review of Performance

Group revenue for the 1<sup>st</sup> Quarter 2010 at RM47.1 million was an increase of 16.9% compared with that of the equivalent quarter last year. Demand for fibre cement building products increased in the domestic as well as export markets due to the improved economic conditions compared to a year ago.

Group profit before tax at RM6.7 million was 66.9% higher than that of the comparative quarter last year. Other operating income increased by RM3.9 million with the bulk of it totaling RM3.3 million, deriving from insurance claims and liquidated ascertained damages on the construction of Menara UAC. This increase was offset by building products whose profitability was affected by lower margins due to stiff price competition and higher overhead expenses, despite the increase in sales volume.

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

Profit before tax at RM6.7 million was RM0.7 million or 9.5% lower than that of the preceding quarter. Profits were mainly affected by lower contribution from building products and less other operating income compared with that of the preceding quarter.

## B3) Prospects for the current financial year

Despite the better outlook of the Malaysian and other world economies, the Group anticipates severe challenges in its building products performance in the next three quarters. Key raw material prices such as cement and pulp are expected to increase and the impact of the weaker US dollar will affect export proceeds. Unless efforts to increase its selling price amidst stiff competition bear fruit, the Group's performance is not expected to be better than that of 2009.

## B4) Variance of actual profit from forecast profit

Not applicable.

## B5) Tax

	Individual Quarter 3 months ended		Cumulative Period 3 months ended	
	31.03.2010 RM'000	31.03.2009 RM'000	31.03.2010 RM'000	31.03.2009 RM'000
In respect of current period:				
- income tax	903	324	903	324
- deferred tax	688	352	688	352
	<b>1,591</b>	676	<b>1,591</b>	676

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

## B6) Sale of unquoted investments and properties

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

## B7) Quoted securities

### (a) Movements in quoted securities

Investments in quoted securities have been reclassified from other investments to available-for-sale financial assets upon the adoption of FRS 139 on 1 January 2010.

	<b>Individual Quarter 3 months ended 31.03.2010 RM'000</b>	<b>Cumulative Period 3 months ended 31.03.2010 RM'000</b>
Total purchase consideration	8,900	8,900
Total sale proceeds	3,046	3,046
Total profit on disposals	423	423
Reclassification adjustment to profit or loss upon disposals	(313)	(313)
Fair value gain recognised in Other Comprehensive Income	506	506

### (b) Investment as at 31 March 2010

	<b>RM'000</b>
At cost	33,653
At carrying value	34,920
At market price	34,920

## 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 March 2010.

## B10) Off balance sheet financial instruments

With the adoption of FRS 139, there is no longer any off balance sheet financial instruments items. The Company pursuant to Bursa Malaysia's directive dated 25 March 2010 confirms that there do not exist any outstanding derivatives as at 5 May 2010.

### B11) Derivative financial instruments

Summary of outstanding derivatives as at 31 March 2010:

<b>Derivative</b>	<b>Contract amount RM'000</b>	<b>Fair value RM'000</b>	<b>Purpose</b>
Currency forward contracts: - Less than 1 year	1,444	1,400	For hedging currency risk of payables

For the quarter ended 31 March 2010, there have been no significant changes to the Group's exposure credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the previous financial year end.

### B12) Fair value changes of financial liabilities

As at 31 March 2010, the Group does not have any financial liabilities measured at fair value through profit or loss.

### B13) Changes in material litigations

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

### B14) Dividends payable

No interim dividend was declared for the current quarter under review.

### B15) Earnings per share

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Period 3 months ended</b>	
	<b>31.03.2010 RM'000</b>	31.03.2009 RM'000	<b>31.03.2010 RM'000</b>	31.03.2009 RM'000
Basic earnings per share Profit for the period attributable to equity holders of the Company (RM'000)	<b>5,102</b>	3,335	<b>5,102</b>	3,335
Weighted average number of ordinary shares in issue ('000)	<b>74,408</b>	74,408	<b>74,408</b>	74,408
Basic earnings per share (sen)	<b>6.86</b>	4.48	<b>6.86</b>	4.48

**16) Economic profit/loss**

The Economic Profit for the 1st quarter ended 31 March 2010 was RM0.78 million compared with the Economic Loss of RM0.58 million for the equivalent quarter of 2009.

By order of the Board  
UAC Berhad

Sharifah Malek  
Company Secretary  
LS No. 00448

Petaling Jaya  
12 May 2010