

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2011

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

( The figures have not been audited )

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31/03/2011 RM'000	PRECEDING YEAR QUARTER 31/03/2010 RM'000	CURRENT YEAR QUARTER 31/03/2011 RM'000	PRECEDING YEAR QUARTER 31/03/2010 RM'000
Revenue	<b>48,093</b>	47,068	<b>48,093</b>	47,068
Operating expenses	<b>(47,487)</b>	(45,659)	<b>(47,487)</b>	(45,659)
Other operating income	<b>1,667</b>	5,284	<b>1,667</b>	5,284
Profit from operations	<b>2,273</b>	6,693	<b>2,273</b>	6,693
Finance costs	<b>0</b>	0	<b>0</b>	0
Profit before taxation	<b>2,273</b>	6,693	<b>2,273</b>	6,693
Taxation	<b>(420)</b>	(1,591)	<b>(420)</b>	(1,591)
Profit for the period	<b>1,853</b>	5,102	<b>1,853</b>	5,102
Other comprehensive income, net of tax				
Available-for-sale financial assets	<b>463</b>	193	<b>463</b>	193
Total comprehensive income for the period	<b>2,316</b>	5,295	<b>2,316</b>	5,295
Earnings per share				
Basic (in sen)	<b>2.49</b>	6.86	<b>2.49</b>	6.86

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2011

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

( The figures have not been audited )

	( UNAUDITED ) AS AT END OF CURRENT QUARTER 31/03/2011 RM'000	( AUDITED ) AS AT PRECEDING FINANCIAL YEAR END 31/12/2010 RM'000
<b>ASSETS</b>		
Non-Current Assets		
Property, plant and equipment	72,876	72,919
Investment properties	58,140	58,574
Investment in quoted shares	37,815	36,351
	<u>168,831</u>	<u>167,844</u>
Current Assets		
Inventories	34,996	34,589
Trade and other receivables	39,845	33,303
Advance due from holding company	0	90,000
Cash and cash equivalents	113,862	31,861
	<u>188,703</u>	<u>189,753</u>
<b>TOTAL ASSETS</b>	<u>357,534</u>	<u>357,597</u>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Equity		
Share capital	74,408	74,408
Reserves	236,014	238,162
Total Equity	<u>310,422</u>	<u>312,570</u>
Non-Current Liabilities		
Provisions	5,759	5,754
Deferred tax	9,295	9,121
Other payables	281	449
	<u>15,335</u>	<u>15,324</u>
Current Liabilities		
Trade and other payables	27,282	29,658
Dividend payable	4,462	0
Taxation	33	45
	<u>31,777</u>	<u>29,703</u>
Total Liabilities	<u>47,112</u>	<u>45,027</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>357,534</u>	<u>357,597</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.17</u>	<u>4.20</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2011

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

( The figures have not been audited )

	← Attributable to owners 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 2011</b>						
Balance at 1 January 2011	74,408	13,917	3,983	3,367	216,895	312,570
Total comprehensive income for the 3-month period	0	0	0	463	1,853	2,316
Interim dividend for the year ended 31 December 2010	0	0	0	0	(4,464)	(4,464)
Balance at 31 March 2011	<b>74,408</b>	<b>13,917</b>	<b>3,983</b>	<b>3,830</b>	<b>214,284</b>	<b>310,422</b>
<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
As restated	74,408	13,917	3,983	1,737	213,867	307,912
Total comprehensive income for the 3-month period	0	0	0	193	5,102	5,295
Interim dividend for the year ended 31 December 2009	0	0	0	0	(4,464)	(4,464)
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>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

**UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2011

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

( The figures have not been audited )

	(UNAUDITED) 3 months ended 31/03/2011 RM'000	(UNAUDITED) 3 months ended 31/03/2010 RM'000
Net profit before tax	2,273	6,693
Adjustment for non-cash flow:-		
Non-cash items	1,932	569
Non-operating items	(1,564)	(1,856)
Operating profit before changes in working capital	2,641	5,406
Changes in working capital		
Net change in current assets	(6,648)	(2,148)
Net change in current liabilities	(2,542)	(3,094)
Cash from operations	(6,549)	164
Net advance given to holding company	90,000	0
Tax paid	(909)	(598)
Net cash from operating activities	82,542	(434)
Investing activities		
- Equity investments	(134)	(3,153)
- Other investments	(405)	(3,151)
Net cash used in investing activities	(539)	(6,664)
Financing activities		
- Transactions with owners as owners	(2)	(4,464)
Net cash used in financing activities	(2)	(4,464)
Net (decrease) / increase in cash & cash equivalents	82,001	(11,562)
Cash and cash equivalents at beginning of period	31,861	43,173
Cash and cash equivalents at end of period	113,862	31,611

(The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2010)

## **UAC BERHAD (5149-H)**

Interim report for the three months ended 31 March 2011

### **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 2010. 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 2010.

The significant accounting policies applied are consistent with those adopted for the annual financial statements for the year ended 31 December 2010 except for the adoption of new standards, amendments and improvements to standards and IC interpretations that are mandatory for the Group for the financial year beginning 1 January 2011.

The Group has adopted the following FRSs, amendments to FRSs and IC Interpretations as of 1 January 2011:

- FRS 1 "First-time Adoption of FRS"
- FRS 3 "Business Combinations"
- FRS 127 "Consolidated and Separate Financial Statements"
- Amendments to FRS 7 "Improving Disclosures about Financial Instruments"
- Improvement to FRS
- IC Interpretation 4 "Determining whether an Arrangement Contains a Lease"
- IC Interpretation 17 "Distributions of Non-cash Assets to Owners"

The adoption of these standards, amendments and interpretations do not have a material impact on the interim financial information of the Group.

#### **A2) Audit report**

The audit report of the Group's preceding annual financial statements for the year ended 31 December 2010 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

No dividend was paid during the current financial year-to-date.

## A8) Operating segment

The Group is organised based on type of activities it engages. The two main business activities which form the reportable segments of the Group are:

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

Rental - comprises property holding.

Others segment includes investment of surplus funds in quoted securities and treasury operations.

Inter-segment sales comprise rental charge of a factory land and building to the building and construction products segment.

	<b>Building &amp; Construction Products RM'000</b>	<b>Rental RM'000</b>	<b>Others RM'000</b>	<b>Group RM'000</b>
<b>3 months ended 31 March 2011</b>				
Revenue				
Total sales	<b>46,645</b>	<b>1,508</b>	<b>0</b>	<b>48,153</b>
Inter segment sales	<b>0</b>	<b>(60)</b>	<b>0</b>	<b>(60)</b>
External sales	<b>46,645</b>	<b>1,448</b>	<b>0</b>	<b>48,093</b>
Results				
Profit before tax	<b>295</b>	<b>363</b>	<b>1,615</b>	<b>2,273</b>
Taxation				<b>(420)</b>
Profit for the period				<b>1,853</b>
<b>3 months ended 31 March 2010</b>				
Revenue				
Total sales	45,674	1,454	0	47,128
Inter segment sales	0	(60)	0	(60)
External sales	45,674	1,394	0	47,068
Results				
Profit before tax	2,829	1,934	1,930	6,693
Taxation				(1,591)
Profit for the period				5,102

#### **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 March 2011 are as follows:

	<b>RM'000</b>
Property, plant and equipment	
- contracted	<b>3,231</b>
- not contracted	<b>5,350</b>
	<hr/> <b>8,581</b> <hr/>

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

The Group's significant related party transactions in the current financial year-to-date ended 31 March 2011 are as follows:

	<b>Cumulative Period</b>	
	<b>3 months ended</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales of goods to fellow subsidiaries	<b>7,186</b>	5,994
Purchases of goods and services from fellow subsidiaries	<b>436</b>	718
Management services rendered by holding company	<b>54</b>	34
Rental of premises charged to fellow subsidiaries	<b>202</b>	202
Interest charged to holding company	<b>796</b>	888
Interest income earned from a company in which the holding company has significant influence	<b>56</b>	65

## B1) Review of Performance

Group revenue for the 1<sup>st</sup> Quarter 2011 at RM48.1 million was an increase of 2.2% compared with that of the equivalent quarter last year. Although there was increased volume of sales of building products in both the domestic and export sectors, selling prices were dampened by stiff price competition in the domestic market as a result of imported products. The weak US Dollar had severely affected export sales revenue and margins.

Profit before tax for the year at RM2.3 million was a significant decrease of 66.1% from the RM6.7million achieved in the equivalent quarter last year. The margin squeeze from lower selling prices and higher cost of production of building products meant a severe drop in profits. This was further aggravated by a lower other operating income in this quarter compared to the equivalent quarter last year, which had the benefit of a once off sundry income of liquidated ascertained damages of RM1.5 million on the construction of Menara UAC.

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

Profit before tax was RM4.7 million or 67.2% lower than that of the preceding quarter. Profits were affected by lower contribution from building products and higher production overheads and operating expenses. There was also a lower gain on disposal of equity investments compared with the preceding quarter.

## B3) Prospects for the current financial year

The roll out of projects under the Economic Transformation Programme announced by the Government should offer opportunities to sustain a robust building and construction industry. However this will depend on the speed of the implementation of projects. Currently severe challenges are faced by the Group and unless efforts to increase selling price, amidst stiff competition, bear fruit, the Group is not expected to perform better than that of 2010.

## B4) Variance of actual profit from forecast profit

Not applicable.

## B5) Tax

	Individual Quarter		Cumulative Period	
	3 months ended	3 months ended	3 months ended	3 months ended
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- income tax	247	903	247	903
- deferred tax	173	688	173	688
	<b>420</b>	<b>1,591</b>	<b>420</b>	<b>1,591</b>

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 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 31.03.2011 RM'000</b>	<b>Cumulative Period 3 months ended 31.03.2011 RM'000</b>
Total purchase consideration	<b>2,936</b>	<b>2,936</b>
Total sale proceeds	<b>2,131</b>	<b>2,131</b>
Total profit on disposals	<b>197</b>	<b>197</b>
Reclassification of fair value gains previously recognised in Other Comprehensive Income, to profit or loss upon disposals	<b>(61)</b>	<b>(61)</b>
Fair value gain recognised in Other Comprehensive Income	<b>524</b>	<b>524</b>

### (b) Investment as at 31 March 2011

	<b>RM'000</b>
At cost	<b>34,436</b>
At carrying value	<b>37,815</b>
At market price	<b>37,815</b>

## B8) Status of corporate proposals

The following is the corporate proposal that has been announced by the Company but not completed as at the date of this announcement.

On 15 April 2011, the Company announced the appointment of liquidators for the member's voluntary liquidation of its wholly-owned subsidiary, S.B. Industries (Sdn) Bhd.

Other than the above, there is no corporate proposal announced but not completed, as at the reporting date.

## B9) Group borrowings and debt securities

There were no group borrowings and debt securities as at 31 March 2011.

## B10) Off balance sheet financial instruments

With the adoption of FRS 139, there is no longer any off balance sheet financial instrument items. The Company pursuant to Bursa Malaysia's directive dated 25 March 2010 confirms that there do not exist any outstanding derivatives as at 7 May 2011.

**B11) Derivative financial instruments**

There were no outstanding derivative financial instruments as at 31 March 2011.

**B12) Fair value changes of financial liabilities**

As at 31 March 2011, the Group does not have any financial liabilities measured at fair value through profit or loss.

**B13) Disclosure of realised and unrealised profits**

	<b>Current financial period 31.03.2011 RM'000</b>	<b>Preceding financial year 31.12.2010 RM'000</b>
Total retained earnings:		
- Realised	<b>224,583</b>	227,017
- Unrealised	<b>(15,054)</b>	(14,875)
	<b>209,529</b>	212,142
Add: Consolidation adjustments	<b>4,755</b>	4,753
Total Group retained earnings	<b>214,284</b>	216,895

**B14) Changes in material litigations**

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

**B15) Dividends payable**

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

However in the preceding quarter, an interim dividend of 8 sen per share less tax at 25% in respect of the financial year ended 31 December 2010 has been declared. The interim dividend was paid on 1 April 2011 to shareholders, whose names appeared on the Record of Depositors as at the close of business on 16 March 2011.

**B16) Earnings per share**

	<b>Individual Quarter 3 months ended</b>		<b>Cumulative Period 3 months ended</b>	
	<b>31.03.2011</b>	<b>31.03.2010</b>	<b>31.03.2011</b>	<b>31.03.2010</b>
Basic earnings per share				
Profit for the period attributable to owners of the Company (RM'000)	<b>1,853</b>	5,102	<b>1,853</b>	5,102
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>2.49</b>	6.86	<b>2.49</b>	6.86

**17) Economic loss**

The Economic Loss for the 1<sup>st</sup> quarter ended 31 March 2011 was RM2.48 million compared with the Economic Profit of RM0.78 million for the equivalent quarter of 2010.

By order of the Board  
UAC Berhad

Sharifah Malek  
Company Secretary  
LS No. 00448  
Petaling Jaya  
13 May 2011

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