

**UAC BERHAD (5149-H)**

Interim report for the three months ended 30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

( The figures have not been audited )

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/09/2011 RM'000	PRECEDING YEAR QUARTER 30/09/2010 RM'000	CURRENT YEAR QUARTER 30/09/2011 RM'000	PRECEDING YEAR QUARTER 30/09/2010 RM'000
Revenue	<b>44,745</b>	47,823	<b>144,255</b>	148,666
Operating expenses	<b>(45,736)</b>	(47,868)	<b>(143,024)</b>	(145,170)
Other operating income	<b>1,185</b>	3,355	<b>5,660</b>	10,054
Profit from operations	<b>194</b>	3,310	<b>6,891</b>	13,550
Finance costs	<b>0</b>	0	<b>0</b>	0
Profit before taxation	<b>194</b>	3,310	<b>6,891</b>	13,550
Taxation	<b>(78)</b>	(832)	<b>(1,471)</b>	(3,243)
Profit for the period	<b>116</b>	2,478	<b>5,420</b>	10,307
Other comprehensive income, net of tax				
Available-for-sale financial assets	<b>(5,285)</b>	1,625	<b>(4,441)</b>	1,587
Total comprehensive (loss)/income for the period	<b>(5,169)</b>	4,103	<b>979</b>	11,894
Earnings per share				
Basic (in sen)	<b>0.16</b>	3.33	<b>7.28</b>	13.85

(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 30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

( The figures have not been audited )

	( UNAUDITED ) AS AT END OF CURRENT QUARTER 30/09/2011 RM'000	( AUDITED ) AS AT PRECEDING FINANCIAL YEAR END 31/12/2010 RM'000
<b>ASSETS</b>		
Non-Current Assets		
Property, plant and equipment	73,990	72,919
Prepaid lease payments	977	0
Investment properties	57,272	58,574
Investment in quoted shares	32,302	36,351
	<u>164,541</u>	<u>167,844</u>
Current Assets		
Inventories	31,775	34,589
Trade and other receivables	42,074	33,303
Advance due from holding company	0	90,000
Cash and cash equivalents	117,885	31,861
	<u>191,734</u>	<u>189,753</u>
<b>TOTAL ASSETS</b>	<u>356,275</u>	<u>357,597</u>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' Equity		
Share capital	74,408	74,408
Reserves	229,096	238,162
Total Equity	<u>303,504</u>	<u>312,570</u>
Non-Current Liabilities		
Provisions	5,773	5,754
Deferred tax	10,003	9,121
Other payables	1,118	449
	<u>16,894</u>	<u>15,324</u>
Current Liabilities		
Trade and other payables	35,865	29,658
Taxation	12	45
	<u>35,877</u>	<u>29,703</u>
Total Liabilities	<u>52,771</u>	<u>45,027</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>356,275</u>	<u>357,597</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	<u>4.08</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 30 September 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>9 months ended 30 September 2011</b>						
Balance at 1 January 2011	74,408	13,917	3,983	3,367	216,895	312,570
Total comprehensive income for the 9-month period	0	0	0	(4,441)	5,420	979
Interim dividend for the year ended 31 December 2010	0	0	0	0	(4,464)	(4,464)
Interim dividend for the year ended 31 December 2011	0	0	0	0	(5,581)	(5,581)
Balance at 30 September 2011	<b>74,408</b>	<b>13,917</b>	<b>3,983</b>	<b>(1,074)</b>	<b>212,270</b>	<b>303,504</b>
<b>9 months ended 30 September 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 9-month period	0	0	0	1,587	10,307	11,894
Interim dividend for the year ended 31 December 2009	0	0	0	0	(4,464)	(4,464)
Interim dividend for the year ended 31 December 2010	0	0	0	0	(6,697)	(6,697)
Balance at 30 September 2010	<b>74,408</b>	<b>13,917</b>	<b>3,983</b>	<b>3,324</b>	<b>213,013</b>	<b>308,645</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 30 September 2011

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**

( The figures have not been audited )

	(UNAUDITED) 9 months ended 30/09/2011 RM'000	(UNAUDITED) 9 months ended 30/09/2010 RM'000
Net profit before tax	6,891	13,550
Adjustment for non-cash flow:-		
Non-cash items	5,635	4,891
Non-operating items	(5,143)	(6,478)
Operating profit before changes in working capital	7,383	11,963
Changes in working capital		
Net change in current assets	(4,583)	(7,694)
Net change in current liabilities	1,349	(1,821)
Cash from operations	4,149	2,448
Repayment of net advances by holding company	90,000	0
Tax paid	(2,250)	(2,130)
Net cash from operating activities	91,899	318
Investing activities		
- Equity investments	1,316	6,299
- Other investments	(2,727)	(4,471)
Net cash (used in)/from investing activities	(1,411)	1,828
Financing activities		
- Transactions with owners as owners	(4,464)	(4,466)
Net cash used in financing activities	(4,464)	(4,466)
Net increase / (decrease) in cash & cash equivalents	86,024	(2,320)
Cash and cash equivalents at beginning of period	31,861	43,173
Cash and cash equivalents at end of period	117,885	40,853

(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 30 September 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 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 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 financial year ended 31 December 2010, was paid on 1 April 2011.

## A8) Operating segment

The Group is organised based on the 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>9 months ended 30 September 2011</b>				
Revenue				
Total sales	139,761	4,674	0	144,435
Inter segment sales	0	(180)	0	(180)
External sales	<u>139,761</u>	<u>4,494</u>	<u>0</u>	<u>144,255</u>
Results				
Profit before tax	381	1,309	5,201	6,891
Taxation				<u>(1,471)</u>
Profit for the period				<u>5,420</u>
<b>9 months ended 30 September 2010</b>				
Revenue				
Total sales	144,373	4,473	0	148,846
Inter segment sales	0	(180)	0	(180)
External sales	<u>144,373</u>	<u>4,293</u>	<u>0</u>	<u>148,666</u>
Results				
Profit before tax	4,039	2,901	6,610	13,550
Taxation				<u>(3,243)</u>
Profit for the period				<u>10,307</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 or at the end of the current quarter.

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

Approved capital expenditure not provided for in the financial statements as at 30 September 2011 are as follows:

	<b>RM'000</b>
Property, plant and equipment	
- contracted	<b>2,630</b>
- not contracted	<b>5,463</b>
	<b>8,093</b>

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

The Group's significant related party transactions in the current financial year-to-date ended 30 September 2011 are as follows:

	<b>Cumulative Period</b>	
	<b>9 months ended</b>	
	<b>30.09.2011</b>	<b>30.09.2010</b>
	<b>RM'000</b>	<b>RM'000</b>
Sales of goods to fellow subsidiaries	<b>21,915</b>	19,622
Purchases of goods and services from fellow subsidiaries	<b>1,750</b>	2,272
Management services rendered by holding company	<b>143</b>	164
Rental of premises charged to fellow subsidiaries	<b>615</b>	607
Interest charged to holding company	<b>919</b>	2,693
Interest income earned from a company in which the holding company has significant influence	<b>395</b>	153

## B1) Review of Performance

Sales revenue for the 3rd Quarter 2011 at RM44.7 million was a decrease of 6.4% compared with that of the equivalent quarter last year. Demand for building products in the domestic market was weaker than a year ago and efforts to maintain selling prices met with stiff competition from local producer as well as imports from Thailand and Indonesia. Export sales volume in the quarter was stronger than that of the same quarter last year but sales revenue was negated by the weak trading currencies especially the US Dollar. On a year to date basis, group revenue was only 3.0% lower than that of the equivalent period last year.

Profit before tax for the quarter at RM0.2 million was 94.1% lower than the same corresponding period last year. Margins were eroded by low selling prices and higher cost of production. In this quarter other operating income such as gains on disposal of shares and dividend income were substantially lower than that of the same quarter last year. On a year to date basis, group profit before tax at RM6.9 million was only 50.9% of that of the equivalent period last year.

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

Profit before tax for the current quarter was 95.6% lower than that of the preceding quarter. Local demand decreased in the third quarter due to slowdown in building activities especially in the projects market, with construction activities slowing down during the Hari Raya festivities in September. The Group also experienced higher rejects and higher production costs in the quarter during the process of upgrading of machinery and conducting new production trials. Lower income on investment activities such as gains on disposal of shares and dividend income also contributed to the poor performance.

## B3) Prospects for the current financial year

The Group continues to face severe challenges in the fourth quarter as the domestic market is not expected to pick up substantially. The roll out of various projects under the Economic Transformation Programme is expected to be delayed further. Selling price pressures and the uncertainties from global economies as a result of the financial turmoil in the European Union countries and the United States continue to dampen business outlook and confidence. The Group does not expect to perform better than that of 2010.

## B4) Variance of actual profit from forecast profit

Not applicable.

## B5) Tax

	Individual Quarter		Cumulative Period	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
	RM'000	RM'000	RM'000	RM'000
In respect of current period:				
- income tax	43	496	360	1,873
- deferred tax	35	336	1,111	1,370
	<b>78</b>	<b>832</b>	<b>1,471</b>	<b>3,243</b>

The effective rate of taxation of the Group for current quarter is higher than the statutory tax rate due to non allowable expenses. The effective rate of taxation for financial year-to-date is lower than the statutory tax rate due to non-taxable income.



## 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.

	Individual Quarter 3 months ended 30.09.2011 RM'000	Cumulative Period 9 months ended 30.09.2011 RM'000
Total purchase consideration	2,947	7,680
Total sale proceeds	860	7,881
Total profit on disposals	78	1,216
Reclassification of fair value gains previously recognised in Other Comprehensive Income, to profit or loss upon disposals	(26)	(711)
Fair value gain/(loss) recognised in Other Comprehensive Income	(5,882)	(4,353)

(b) Investment as at 30 September 2011

	RM'000
At cost	34,422
At carrying value	32,302
At market price	32,302

## 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. The liquidation process is in progress.

During the current financial quarter, the Company received cash of RM6,728,000 and property at fair value of RM5,050,000 being partial distributions from member's voluntary liquidation of 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 30 September 2011.

#### B10) Off balance sheet financial instruments

With the adoption of FRS 139, there is no longer any off balance sheet financial instruments as at the date of this announcement.

#### B11) Derivative financial instruments

There is no outstanding derivative financial instrument other than as disclose below.

Summary of outstanding derivatives as at 30 September 2011:

Derivative	Contract amount RM'000	Fair value gain/(loss) RM'000	Purpose
Currency forward contract: - Less than 1 year	1,513	(55)	For hedging currency risk of receivables

For the current quarter ended 30 September 2011, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. 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

The Group does not have any financial liabilities as at 30 September 2011 which are measured at fair value through profit or loss except for derivative financial instruments as disclosed in note B11.

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

	Current financial period 30.09.2011 RM'000	Preceding financial year 31.12.2010 RM'000
Total retained earnings:		
- Realised	224,949	227,017
- Unrealised	(15,776)	(14,875)
	<b>209,173</b>	212,142
Add: Consolidation adjustments	3,097	4,753
Total Group retained earnings	<b>212,270</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) Dividend payable

- (a) (i) A second interim dividend has been declared;  
(ii) the amount per share – interim 2 sen per share less tax at 25%;  
(iii) the previous corresponding period – 4 sen per share less tax at 25%;  
(iv) the date payable – 22 December 2011;  
(v) in respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 30 November 2011; and
- (b) In the preceding quarter, a first interim dividend of 10 sen per share less tax at 25% was declared and paid on 21 October 2011 to shareholders, whose names appeared on the Record of Depositors as at 29 September 2011.
- (c) The total interim dividend to date for the current financial year - 12 sen per share less tax at 25%.

### B16) Earnings per share

	Individual Quarter		Cumulative Period	
	30.09.2011	30.09.2010	30.09.2011	30.09.2010
Basic earnings per share				
Profit for the period attributable to owners of the Company (RM'000)	116	2,478	5,420	10,307
Weighted average number of ordinary shares in issue ('000)	74,408	74,408	74,408	74,408
Basic earnings per share (sen)	0.16	3.33	7.28	13.85

### 17) Economic loss

The Economic Loss for the nine months ended 30 September 2011 was RM7.05 million compared with the Economic Loss of RM2.65 million for the equivalent nine months of 2010.

By order of the Board  
UAC Berhad

Sharifah Malek  
Company Secretary  
LS No. 00448  
Petaling Jaya  
9 November 2011

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