

General Announcement

Reference No **MI-090917-61721**

Submitting Merchant Bank : MAYBANK INVESTMENT BANK BERHAD
Company Name : **UNISEM (M) BERHAD**
Stock Name : UNISEM
Date Announced : 17/09/2009

Type : Announcement
Subject : UNISEM (M) BERHAD ("UNISEM" OR THE "COMPANY")

PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE EXISTING
ISSUED AND PAID-UP SHARE CAPITAL OF UNISEM ("PROPOSED
PRIVATE PLACEMENT")

Contents : On behalf of the Board of Directors of Unisem ("Board"), Maybank
Investment Bank Berhad (formerly known as Aseambankers Malaysia
Berhad) ("Maybank IB") wishes to announce that the Company proposes to
undertake the Proposed Private Placement, the details of which are set out in
the attachment.

This announcement is dated 17 September 2009.

Attachments : [📎 Announcement.pdf](#)

Announcement Details :

UNISEM (M) BERHAD ("UNISEM" OR THE "COMPANY")

PROPOSED PRIVATE PLACEMENT OF UP TO 10% OF THE EXISTING ISSUED AND PAID-UP SHARE CAPITAL OF UNISEM ("PROPOSED PRIVATE PLACEMENT")

1. INTRODUCTION

On behalf of the Board of Directors of Unisem ("Board"), Maybank Investment Bank Berhad (*formerly known as Aseambankers Malaysia Berhad*) ("Maybank IB") wishes to announce that the Company proposes to undertake the Proposed Private Placement, the details of which are set out below.

2. THE PROPOSED PRIVATE PLACEMENT

2.1 Details of the Proposed Private Placement

The Proposed Private Placement will entail the issuance of new ordinary shares of RM0.50 each in Unisem ("Unisem Share(s)") of up to 10% of the issued and paid-up share capital of Unisem ("Placement Shares") at an issue price to be fixed later to placee(s) to be identified.

For illustrative purposes, a total of up to 47,144,167 new Unisem Shares may be issued pursuant to the Proposed Private Placement after taking into consideration Unisem's existing issued and paid-up share capital of RM235,720,839.50 comprising 471,441,679 Unisem Shares as at 11 September 2009.

The actual number of Placement Shares to be issued pursuant to the Proposed Private Placement will depend on the issued and paid-up share capital of the Company on a date to be determined later after obtaining all relevant approvals.

The Proposed Private Placement is not subject to any minimum level of subscription.

2.2 Issue Price of the New Unisem Shares

The issue price of the new Unisem Shares to be issued pursuant to the Proposed Private Placement will be determined at a price-fixing date to be determined later after obtaining all relevant approvals for the Proposed Private Placement.

The issue price shall be based on the five (5)-day volume weighted average market price ("VWAMP") of Unisem Shares immediately prior to the price-fixing date, subject to a discount of up to 5%. For illustration purposes only, based on the five (5)-day VWAMP of Unisem Shares up to 15 September 2009 of RM1.69 per Unisem Share and assuming a discount of 5% is given, the issue price of the new Unisem Shares to be issued pursuant to the Proposed Private Placement will be RM1.61.

The issue price of the Placement Shares is expected to enable Unisem to raise sufficient funds for the purposes as mentioned in Section 4 below.

2.3 Status and Ranking of the New Unisem Shares

The new Unisem Shares to be issued pursuant to the Proposed Private Placement shall, upon issuance and allotment, rank pari passu with the existing Unisem Shares except that they will not be entitled to participate in any dividends, rights, allotments and/or any other distributions that may be declared prior to the date of allotment of such new Unisem Shares.

An application will be made to Bursa Securities for the listing of and quotation for the new Unisem Shares to be issued pursuant to the Proposed Private Placement.

3. RATIONALE OF THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement will enable Unisem to raise funds expeditiously for paring down bank borrowings and general working capital purposes at an attractive and substantially lower cost as compared to bank financing. The Proposed Private Placement will also enable Unisem to enlarge its issued and paid-up share capital and improve liquidity for its shares. At the same time, the Proposed Private Placement also reduces the Company's gearing ratio by increasing its shareholders' funds and thus strengthening its financial position.

4. UTILISATION OF PROCEEDS

For illustrative purposes, assuming an issue price of RM1.61 per Unisem Share, the Proposed Private Placement will raise gross proceeds of up to RM75.90 million. The proceeds raised from the Proposed Private Placement are intended to be utilised for paring down bank borrowings and general working capital purposes.

5. FINANCIAL EFFECTS OF THE PROPOSED PRIVATE PLACEMENT

5.1 Share Capital

The proforma effects of the Proposed Private Placement on the share capital of Unisem are shown in Table 1 of Appendix I.

5.2 Net Assets and Gearing

The proforma effects of the Proposed Private Placement on the net assets and gearing of Unisem and its subsidiaries ("Unisem Group") based on the audited consolidated accounts of Unisem as at 31 December 2008 are set out in Table 2 of Appendix I.

5.3 Earnings and Earnings Per Share ("EPS")

The Proposed Private Placement is not expected to have any material effect on the earnings of the Unisem Group for the financial year ending 31 December 2009.

However, the EPS of the Unisem Group is expected to be correspondingly diluted as a result of the increase in the number of Unisem Shares in issue pursuant to the Proposed Private Placement.

5.4 Substantial Shareholding Structure

The proforma effects of the Proposed Private Placement on the substantial shareholders' shareholding in Unisem as at 31 December 2008 are set out in Table 3 of Appendix I.

6. CONDITIONS OF THE PROPOSED PRIVATE PLACEMENT

The Proposed Private Placement is subject to the approval being obtained from Bursa Securities for the listing of and quotation for the new Unisem Shares to be issued pursuant to the Proposed Private Placement.

Approval has been obtained from the shareholders of Unisem at the last annual general meeting ("AGM") convened on 26 June 2009 authorising the Directors to issue new Unisem Shares not exceeding 10% of the issued and paid-up share capital of the Company as at the date thereof pursuant to Section 132D of the Companies Act, 1965. The approval is valid until the next AGM, which is expected to be held in second quarter of 2010.

7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

None of the Directors and/or major shareholders or persons connected to them has any direct and/or indirect interest in the Proposed Private Placement.

8. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Private Placement, the Board is of the opinion that the Proposed Private Placement is in the best interest of the Company.

9. APPLICATION TO THE AUTHORITIES

The application to Bursa Securities for the Proposed Private Placement is expected to be submitted within one (1) month from the date of this announcement.

10. ESTIMATED TIME FRAME OF COMPLETION

Barring any unforeseen circumstances, the Proposed Private Placement is expected to be completed by the end of 2009.

11. ADVISER

Maybank IB has been appointed as the Adviser and the Placement Agent for the Proposed Private Placement. Meanwhile, UOB Kay Hian Private Limited has been appointed as the sub placement agent and international book runner.

This announcement is dated 17 September 2009.

APPENDIX I

Table 1: Share Capital

	No. of Unisem Shares	RM
Issued and paid-up share capital as at 11 September 2009	471,441,679	235,720,839.50
To be issued pursuant to the Proposed Private Placement ⁽¹⁾	47,144,167	23,572,083.50
Enlarged issued and paid-up share capital	518,585,846	259,292,923.00

Note:

(1) Up to a maximum of 10% of the issued and paid-up share capital of Unisem

Table 2: Net assets and gearing

	Audited as at 31 December 2008 RM	⁽¹⁾ After the Proposed Private Placement RM
Share capital	235,720,839	259,292,923
Share premium	162,177,856	⁽²⁾ 212,757,881
Foreign exchange translation reserve	12,351,996	12,351,996
Retained earnings	425,983,829	425,983,829
Shareholders' funds / Net assets	836,234,520	910,386,629
No. of Unisem Shares	471,441,679	518,585,846
Net assets per Unisem Share (RM)	1.77	1.76
Total borrowings	568,301,687	⁽³⁾ 494,149,578
Gearing (times) ⁽⁴⁾	0.68	0.54

Notes:

- (1) *Assuming the issue price of the Placement Shares to be RM1.61 per Placement Share.*
- (2) *After deducting estimated expenses of RM1,750,000 in relation to the Proposed Private Placement from the share premium account.*
- (3) *Assuming all proceeds to be raised from the Proposed Private Placement were to be utilised for part repayment of existing bank borrowings (after deducting estimated expenses of RM1,750,000 in relation to the Proposed Private Placement).*
- (4) *All interest bearing debts over shareholders' funds.*

Table 3: Substantial Shareholders

Substantial Shareholder	As at 11 September 2009		After Proposed Private Placement					
	Direct No. of Unisem Shares	%@	Indirect No. of Unisem Shares	%@	Direct No. of Unisem Shares	%#	Indirect No. of Unisem Shares	%#
Bandar Rasah Sdn Bhd	130,600,000	27.70	-	-	130,600,000	25.18	-	-
Lembaga Tabung Haji	29,787,600	6.32	(1)770,000	0.16	29,787,600	5.74	(1)770,000	0.15
Jayvest Holdings Sdn Bhd	10,666,800	2.26	(2)130,600,000	27.70	10,666,800	2.06	(2)130,600,000	25.18
John Chia Sin Tet	-	-	(3)155,436,800	32.97	-	-	(3)155,436,800	29.97
The estate of Soo Yut Kuan	-	-	(4)141,266,800	29.96	-	-	(4)141,266,800	27.24
Yen Woon @ Low Sau Chee	-	-	(5)137,420,000	29.15	-	-	(5)137,420,000	26.50

Notes:

@ Based on the issued and paid-up share capital as at 11 September 2009 of 471,441,679 Unisem Shares.

Based on 518,585,846 Unisem Shares as calculated in Table 1 above.

(1) Shares managed by portfolio manager.

(2) Held indirectly through Bandar Rasah Sdn Bhd.

(3) Held indirectly through Bandar Rasah Sdn Bhd, Jayvest Holdings Sdn Bhd, Lancar Indah Sdn Bhd and nominee company under pledged securities account.

(4) Held indirectly through Bandar Rasah Sdn Bhd and Jayvest Holdings Sdn Bhd.

(5) Held indirectly through his spouse, Bandar Rasah Sdn Bhd and Lancar Indah Sdn Bhd.