

# UNISEM (M) BERHAD (Company No. 183314-V)

## QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2002

(The figures for the 6-month period ended 30 June 2002 have been audited)

### CONSOLIDATED INCOME STATEMENTS

|     |   | INDIVIDUAL QUARTER                                 |  | CUMULATIVE QUARTER                                 |   |
|-----|---|--|--|--|---|
|     |   | CURRENT<br>YEAR<br>QUARTER<br>30/06/2002<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>30/06/2001<br>RM'000 | CURRENT<br>YEAR<br>TO DATE<br>30/06/2002<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>PERIOD<br>30/06/2001<br>RM'000 |
| 1   | Revenue   | 64,745   | 38,077   | 110,803  | 109,527   |
| (a) |   |  |  |  |   |
| (b) | Investment income   | 0  | 0  | 0  | 0   |
| (c) | Other income  | 354  | 1,259  | 889  | 3,097   |
| 2   | Profit/(loss) before finance cost, depreciation and amortisation, exceptional items, income tax, minority interests and extraordinary items | 20,484   | 9,355  | 34,578   | 34,890  |
| (a) |   |  |  |  |   |
| (b) | Finance cost  | 0  | 0  | 0  | 0   |
| (c) | Depreciation and amortisation   | (14,817)   | (13,997)   | (29,448)   | (27,705)  |
| (d) | Exceptional items   | 0  | 0  | 0  | 0   |
| (e) | Profit/(loss) before income tax, minority interests and extraordinary items   | 5,667  | (4,642)  | 5,130  | 7,185   |
| (f) | Share of profits and losses of associated companies   | 0  | 0  | 0  | 0   |
| (g) | Profit/(loss) before income tax, minority interests and extraordinary items after share of profits and losses of associated companies       | 5,667  | (4,642)  | 5,130  | 7,185   |
| (h) | Income tax  | (1,422)  | (2,760)  | (2,218)  | (5,565)   |
| (i) | (i) Profit/(loss) after income tax before deducting minority interests  | 4,245  | (7,402)  | 2,912  | 1,620   |
|     | (ii) Minority interests   | 0  | 0  | 0  | 0   |
| (j) | Pre-acquisition profit/(loss), if applicable  | 0  | 0  | 0  | 0   |

|     |  |       |         |       |        |
|-----|--|-------|---------|-------|--------|
| (k) | Net profit/(loss) from ordinary activities attributable to members of the company                              | 4,245 | (7,402) | 2,912 | 1,620  |
| (l) | (i) Extraordinary items  | 0     | 0       | 0     | 0      |
|     | (ii) Minority interests  | 0     | 0       | 0     | 0      |
|     | (iii) Extraordinary items attributable to members of the company   | 0     | 0       | 0     | 0      |
| (m) | Net profit/(loss) attributable to members of the company   | 4,245 | (7,402) | 2,912 | 1,620  |
| 3   | Earnings/(loss) per share based on 2(m) above after deducting any provision for preference dividends, if any:- |       |         |       |        |
|     | (a) Basic - based on 143,296,000 ordinary shares (sen)   | 2.96  |         | 2.03  |        |
|     | 143,000,000 ordinary shares (sen)  |       | (5.18)  |       | (1.13) |
|     | (b) Fully diluted - based on 144,104,288 ordinary shares (sen)   |       | N/A     | 2.02  | N/A    |
|     | 144,376,019 ordinary shares (sen)  | 2.94  |         |       |        |

## CONSOLIDATED BALANCE SHEETS

|   | AS AT<br>END OF<br>CURRENT<br>QUARTER<br>30/06/2002<br>RM'000 | AS AT<br>PRECEDING<br>FINANCIAL<br>YEAR END<br>31/12/2001<br>RM'000 |
|---|---|---|
| 1 Property, plant and equipment               | 644,314   | 645,245   |
| 2 Investment in Associated Companies          | -   | -   |
| 3 Long Term Investments                       | -   | -   |
| 4 Intangible Assets                           | -   | -   |
| 5 Current Assets                              |   |   |
| <i>Inventories</i>                            | 23,640  | 21,579  |
| <i>Trade receivables</i>                      | 34,957  | 26,791  |
| <i>Other receivables and prepaid expenses</i> | 13,814  | 10,547  |
| <i>Cash and bank balances</i>                 | 6,779   | 24,891  |
|   | 79,190  | 83,808  |
| 6 Current Liabilities                         |   |   |
| <i>Short Term Borrowings</i>                  | -   | -   |
| <i>Trade payables</i>                         | 17,676  | 7,892   |

|  |                |                |
|--|----------------|----------------|
| Other payables and accrued expenses    | 76,594         | 79,117         |
| Tax liabilities                        | 3,315          | 9,098          |
| Proposed dividend                      | -              | 14,301         |
|  | <u>97,585</u>  | <u>110,408</u> |
| 7 Net Current Assets/(Liabilities)     | (18,395)       | (26,600)       |
| 8 Deferred Tax Liability               | 10,650         | 8,500          |
| Net Assets Employed                    | <u>615,269</u> | <u>610,145</u> |
| 9 Shareholders' Funds                  |                |                |
| Share Capital                          | 143,296        | 143,009        |
| Reserves                               |                |                |
| Share Premium                          | 154,394        | 152,446        |
| Revaluation Reserve                    | -              | -              |
| Capital Reserve                        | -              | -              |
| Statutory Reserve                      | -              | -              |
| Unappropriated Profit                  | 317,579        | 314,690        |
|  | <u>471,973</u> | <u>467,136</u> |
| 10 Minority Interests                  | -              | -              |
| 11 Long Term Borrowings                | -              | -              |
| 12 Other Long Term Liabilities         | -              | -              |
|  | <u>615,269</u> | <u>610,145</u> |
| Total Capital Employed                 | <u>615,269</u> | <u>610,145</u> |
| 13 Net tangible assets per share (sen) | <u>429.37</u>  | <u>426.65</u>  |

**Notes:-**

**1. Accounting policies and methods of computation**

The Group has followed the same accounting policies and methods of computation in the quarterly financial statements as compared with the most recent annual financial statement.

**2. Nature and amount of exceptional item**

There are no exceptional items as at 10 July 2002.

**3. Nature and amount of extraordinary item**

There are no extraordinary items as at 10 July 2002.

**4. Breakdown of tax charge and explanation on variance between effective and statutory tax rate**

|                        | Individual Quarter                              |  | Cumulative Quarter                              |   |
|------------------------|---|--|---|---|
|                        | Current Year<br>Quarter<br>30/06/2002<br>RM'000 | Preceding Year<br>Corresponding<br>Quarter<br>30/06/2001<br>RM'000 | Current Year<br>To Date<br>30/06/2002<br>RM'000 | Preceding Year<br>Corresponding<br>Period<br>30/06/2001<br>RM'000 |
| Income tax payable     | 22  | 160  | 68  | 265   |
| Deferred tax liability | 1,400   | 2,600  | 2,150   | 5,300   |
|                        | 1,422   | 2,760  | 2,218   | 5,565   |

The effective tax rate of the Group for the current and previous financial period are lower than the statutory income tax rate due mainly to the utilisation of unabsorbed capital allowances to set-off against the business income that would otherwise has been subjected to tax.

**5. Amount of profits on sale of unquoted investments or properties**

There are no profits on any sale of investments and/or properties for the current financial year to

date.

6. ***Particulars of purchase or disposal of quoted securities***

There are no purchases or disposals of quoted securities by the Group as at 10 July 2002.

7. ***Effect of changes in the composition of the Group***

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

8. (a) ***Status of corporate proposals announced but not completed***

There are no outstanding corporate proposals announced but not completed as at 10 July 2002 save and except for the proposed issue by the Company or an appropriate special purpose company of up to USD150 million nominal value of unsecured 5-year Euro-convertible bonds. All approvals for the proposed Euro-convertible bonds issue are still pending.

(b) ***Status of utilisation of proceeds raised from any corporate proposal***

Not applicable.

9. ***Details of issuances and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares***

There are no issue or repayment of debt or equity securities, share buy-back, share cancellations, share held as treasury shares or resale of treasury shares for the current financial year to date.

10. ***Borrowings and debt securities***

There are no borrowings or debt securities in issue in the quarter under review.

11. ***Changes in contingent liabilities***

Save and except as set out in Note 13, there are no contingent liabilities for the current financial year to date.

12. ***Summary of financial instruments with off balance sheet risk by type and maturity profile***

There are no financial instruments with off balance sheet risk as at 10 July 2002.

13. ***Details (including status) of any pending material litigation***

There is no material litigation pending as at 10 July 2002, save and except for a claim in the Industrial Court by a former executive of the Company, in relation to summary termination and dismissal from the Company in 1999, who is seeking reinstatement. The amount of the claim, in lieu of reinstatement, has yet to be determined but is estimated to be about RM1.1 million. The claim is being defended by the Company.

14. ***Segment revenue, segment result and segment assets employed for business segments or geographical segments***

The Group operates within one industry and one geographical area, as such segment analysis is not presented.

15. ***Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter***

The Group recorded a profit before taxation of RM5.667 million for the quarter, which represents an increase of RM6.2 million over a loss before tax of RM537,000 for the immediate preceding quarter ended 31 March 2002. Management attributes the improved profit before taxation to the increased production volume and stabilised average selling prices of the Group's products and services in the quarter under review.

16. ***Review of the performance of the Group, setting out material factors affecting the earnings and /or revenue of the Group for the current quarter and financial year to date***

The Group recorded a turnover of RM64.745 million and a profit after taxation of RM4.245 million for the quarter. These represent a sequential quarterly growth of 40.6% and 418% in turnover and profit after tax respectively. The increase in turnover was due to the improved demand for the Group's products and services.

17. **Material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period**  
There are no material events subsequent to the end of the period reported on that have not been reflected in the financial statement for the said period.
18. **Explanatory comment about the seasonality or cyclicity of operations**  
The semiconductor industry continued to show signs of recovery in the second quarter.
19. **Commentary on the prospects, including the factors that are likely to influence the Group's prospects for the remaining period to the end of the financial year**  
The modest recovery in the semiconductor industry over the second quarter contributed to the improvement in the Group's revenues and operating profits over the same period, and the Directors are hopeful that the recovery will continue over the remainder of the financial year. However, the Group's prospects continue to be affected by a number of uncertainties, including continued improvement in global demand for semiconductors and in particular, demand for the Group's products and services. Based on the trend of the last two quarters and customer feedback and expectations, and barring any unforeseen circumstances, the Directors expect revenues and operating profits to perform satisfactorily for the rest of the financial year.
20. **(a) Explanatory note for any variance of actual profit after tax and minority interest and the forecast profit after tax and minority interest (where the variance exceeds 10%)**  
Not applicable
- (b) Explanatory note for any shortfall in the profit guarantee**  
Not applicable
21. **Dividend**  
The Directors have not recommended any dividend for the second financial quarter ended 30 June 2002.

BY ORDER OF THE BOARD

**CHUA HENG FATT** (MACS 00264)  
**CHIN HOCK YEE** (LS NO. 8245)  
Company Secretaries

DATED : 10 July 2002