



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 30/6/2013 RM'000	Corresponding Quarter Ended 30/6/2012 RM'000	Current Year to date Ended 30/6/2013 RM'000	Corresponding Year to date Ended 30/6/2012 RM'000
Revenue	246,931	282,945	496,654	539,556
Cost of sales	(233,085)	(270,847)	(476,259)	(522,984)
Gross profit	13,846	12,098	20,395	16,572
Operating expenses	(16,948)	(16,052)	(33,693)	(32,193)
Other operating income	6,487	838	11,126	1,335
Interest expense	(4,666)	(5,126)	(9,432)	(10,196)
Loss before taxation	(1,281)	(8,242)	(11,604)	(24,482)
Taxation	(3,488)	480	(3,448)	3,034
Loss for the period	(4,769)	(7,762)	(15,052)	(21,448)
Loss attributable to:				
Owners of the Company	(4,195)	(7,582)	(13,939)	(21,111)
Non-controlling interests	(574)	(180)	(1,113)	(337)
	(4,769)	(7,762)	(15,052)	(21,448)
Loss per share (sen) –				
(a) Basic	(0.62)	(1.12)	(2.07)	(3.13)
(b) Diluted	(0.62)	(1.12)	(2.07)	(3.13)

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

	Current Quarter Ended 30/6/2013 RM'000	Corresponding Quarter Ended 30/6/2012 RM'000	Current Year to date Ended 30/6/2013 RM'000	Corresponding Year to date Ended 30/6/2012 RM'000
Loss for the period	(4,769)	(7,762)	(15,052)	(21,448)
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to statements of profit or loss</i>				
Currency translation differences arising from consolidation	15,855	17,898	22,868	(3,310)
Total Comprehensive Income/(Loss) for the period	11,086	10,136	7,816	(24,758)
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	11,660	10,316	8,929	(24,421)
Non-controlling interests	(574)	(180)	(1,113)	(337)
	11,086	10,136	7,816	(24,758)

(The Condensed Consolidated Statements of Comprehensive Income/(Loss) should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30/6/2013 RM'000	As at Preceding Financial Year End 31/12/2012 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,242,284	1,272,707
Prepaid Interest in Leased Land	19,188	19,029
Goodwill	66,977	65,106
Intangible Assets	11,588	12,765
Deferred Tax Assets	13,420	14,582
Total Non-current Assets	1,353,457	1,384,189
<i>Current Assets</i>		
Inventories	120,766	134,798
Trade and Other Receivables	160,067	178,928
Tax Recoverable	5,678	7,260
Cash and Bank Balances	107,343	73,005
Total Current Assets	393,854	393,991
Total Assets	1,747,311	1,778,180

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – CONTINUED

	As at end of Current Quarter 30/6/2013 RM'000	As at Preceding Financial Year End 31/12/2012 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	337,115	337,115
Reserves	687,015	690,832
Equity Attributable To Owners of the Company	1,024,130	1,027,947
Non-controlling interests	10,420	11,528
Total Equity	1,034,550	1,039,475
<i>Non-Current Liabilities</i>		
Long Term Bank Borrowings	219,041	229,680
Retirement Benefits Obligations	21,066	19,238
Obligations under Finance Leases	7,901	10,699
Deferred Income	7,391	7,158
	255,399	266,775
<i>Current Liabilities</i>		
Trade and Other Payables	184,503	195,505
Short Term Bank Borrowings	262,745	268,954
Obligations under Finance Leases	7,447	7,289
Provision for Tax	2,667	182
	457,362	471,930
Total Liabilities	712,761	738,705
Total Equity and Liabilities	1,747,311	1,778,180
Net Assets per ordinary share attributable to owners of the Company (RM)	1.5190	1.5246

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/6/2013 RM'000	Corresponding Year To Date Ended 30/6/2012 RM'000
Operating Activities		
Loss For The Period	(15,052)	(21,448)
Adjustments for non-cash items:		
Depreciation and amortisation expenses (net of amortisation income)	82,172	85,142
Interest expense (net of interest income)	9,367	10,104
Others	5,092	(1,338)
Operating Profit Before Changes In Working Capital	81,579	72,460
Net change in current assets	39,576	(28,188)
Tax refund/(paid)	2,112	(3,432)
Net change in current liabilities	(14,156)	21,288
Net Cash Flows From Operating Activities	109,111	62,128
Investing Activities		
Additions to property, plant and equipment	(23,960)	(41,619)
Others	65	172
Net Cash Flows Used In Investing Activities	(23,895)	(41,447)
Financing Activities		
Proceeds from bank borrowings	91,502	55,270
Repayment of bank borrowings	(110,679)	(85,319)
Issuance of shares	-	148
Dividend paid	(13,485)	(13,485)
Others	(9,579)	(10,602)
Net Cash Flows Used In Financing Activities	(42,241)	(53,988)
Net Change in Cash & Cash Equivalents	42,975	(33,307)
Cash And Cash Equivalents At Beginning Of Period	46,390	36,926
Effect of exchange rate differences	2,899	(365)
Cash And Cash Equivalents At End Of Period	49,289	36,561
	92,264	3,254
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Cash and Bank Balances	107,343	57,701
Bank Overdrafts	(15,079)	(54,447)
	92,264	3,254

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Owners of the Company →				Subtotal RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium & Other Reserves RM'000	Foreign Currency Exchange Reserve RM'000	Retained Earnings RM'000			
Current Period To Date Ended 30 June 2013							
At 1 January 2013	337,115	165,725	20,971	504,136	1,027,947	11,528	1,039,475
Loss for the period	-	-	-	(13,939)	(13,939)	(1,113)	(15,052)
Other comprehensive income	-	-	22,868	-	22,868	-	22,868
Total comprehensive income/(loss) for the period	-	-	22,868	(13,939)	8,929	(1,113)	7,816
Recognition of share-based payments	-	682	-	57	739	5	744
Dividend distributed to equity holders	-	-	-	(13,485)	(13,485)	-	(13,485)
At 30 June 2013	337,115	166,407	43,839	476,769	1,024,130	10,420	1,034,550

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - CONTINUED

	← Attributable to Owners of the Company →				Subtotal RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium & Other Reserves RM'000	Foreign Currency Exchange Reserve RM'000	Retained Earnings RM'000			
Corresponding Year To Date Ended 30 June 2012							
At 1 January 2012	337,081	164,192	38,525	550,892	1,090,690	12,504	1,103,194
Loss for the period	-	-	-	(21,111)	(21,111)	(337)	(21,448)
Other comprehensive loss	-	-	(3,310)	-	(3,310)	-	(3,310)
Total comprehensive loss for the period	-	-	(3,310)	(21,111)	(24,421)	(337)	(24,758)
Issuance of shares	34	114	-	-	148	-	148
Recognition of share-based payments	-	647	-	116	763	5	768
Dividend distributed to equity holders	-	-	-	(13,485)	(13,485)	-	(13,485)
At 30 June 2012	337,115	164,953	35,215	516,412	1,053,695	12,172	1,065,867

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2012)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD 134 'INTERIM FINANCIAL REPORTING' (MFRS 134) AND BURSA LISTING REQUIREMENTS

A1. *Accounting policies and basis of preparation*

The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the *MFRS 134* issued by the Malaysian Accounting Standards Board (MASB) and *Paragraph 9.22 of the Listing Requirements of Bursa Securities Malaysia Berhad* and should be read in conjunction with the Group's annual audited financial statements for the year ended 31 December 2012.

The accounting policies and methods of computation adopted for the interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2012.

The Group has adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2013. The adoption of these new and revised MFRSs and IC Interpretations have not resulted in any material impact on the financial statements of the Group.

A2. *Declaration of audit qualification*

The preceding annual financial statements of the Group were reported without any audit qualification.

A3. *Explanatory comment about the seasonality or cyclicity of operations*

There were no material seasonal or cyclical factors affecting the results of the quarter under review.

A4. *Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence*

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the quarter under review and financial year to date.

A5. *Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year, which give a material effect in the current interim period*

There were no changes in the estimates of amounts, which give a material effect in the current interim period.

A6. *Details of issue, cancellation, repurchase, resale and repayment of debt and equity securities*

There were no issue, cancellation, repurchases, resale and repayment of debt or equity securities during the quarter under review and financial year to date.

A7. *Dividend Paid*

A final dividend of 4%, tax-exempt, amounting to RM13.485 million in respect of ordinary shares in the previous financial year was paid by the Company on 19 June, 2013.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

A8. Segment revenue and segment result and segment assets employed for business segments or geographical segments

Quarter Ended 30 June 2013	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	237,160	2,566	7,205	246,931
Segment results	2,934	(963)	1,380	3,351
Interest expense	(4,450)	(36)	(180)	(4,666)
Investment income	34	-	-	34
Profit/(Loss) before tax	(1,482)	(999)	1,200	(1,281)
Taxation	(3,542)	-	54	(3,488)
Profit/(Loss) after tax	(5,024)	(999)	1,254	(4,769)
Quarter Ended 30 June 2012	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	277,328	2,985	2,632	282,945
Segment results	(314)	(1,541)	(1,275)	(3,130)
Interest expense	(5,043)	(38)	(45)	(5,126)
Investment income	14	-	-	14
Loss before tax	(5,343)	(1,579)	(1,320)	(8,242)
Taxation	480	-	-	480
Loss after tax	(4,863)	(1,579)	(1,320)	(7,762)
Year To Date Ended 30 June 2013	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	476,416	5,537	14,701	496,654
Segment results	(4,833)	(161)	2,757	(2,237)
Interest expense	(9,014)	(73)	(345)	(9,432)
Investment income	65	-	-	65
Profit/(Loss) before tax	(13,782)	(234)	2,412	(11,604)
Taxation	(3,502)	-	54	(3,448)
Profit/(Loss) after tax	(17,284)	(234)	2,466	(15,052)
Segment assets	1,693,227	27,132	26,952	1,747,311
Segment liabilities	692,839	3,262	16,660	712,761



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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

Year To Date Ended 30 June 2012	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	<u>527,977</u>	<u>5,908</u>	<u>5,671</u>	<u>539,556</u>
Segment results	(9,088)	(3,462)	(1,828)	(14,378)
Finance costs	(10,036)	(75)	(85)	(10,196)
Investment income	<u>92</u>	<u>-</u>	<u>-</u>	<u>92</u>
Loss before tax	(19,032)	(3,537)	(1,913)	(24,482)
Taxation	<u>3,034</u>	<u>-</u>	<u>-</u>	<u>3,034</u>
Loss after tax	<u>(15,998)</u>	<u>(3,537)</u>	<u>(1,913)</u>	<u>(21,448)</u>
Segment assets	<u>1,790,292</u>	<u>35,969</u>	<u>14,882</u>	<u>1,841,143</u>
Segment liabilities	<u>763,810</u>	<u>6,074</u>	<u>6,809</u>	<u>776,693</u>

A9. *Valuations of property, plant and equipment brought forward without amendment from the previous annual financial statements*

There were no amendments to the valuations of property, plant and equipment brought forward.

A10. *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 were 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.

A11. *Effect of changes in the composition of the Group*

There were no changes in the composition of the Group during the current quarter under review and financial year to date.

A12. *Changes in contingent liabilities or contingent assets*

There were no changes in contingent liabilities or assets since the date of the last report.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. *Detailed analysis of the performance of all operating segments of the Group, setting out material factors affecting the earnings and /or revenue of each segment for the current quarter and financial year to date*

The Group recorded revenue of RM246.931 million for the quarter ended 30 June 2013, this represents a decrease of 12.7% as compared to the corresponding quarter a year ago, with a decline of 14.5% and 14.0% in the Asia and Europe segments respectively and 173.7% improvement in the USA segment. For the quarter under review, the Group incurred net loss of RM4.769 million as compared to the net loss of RM7.762 million in the corresponding quarter last year, with improved performance in all segments of the Group.

For the six months ended 30 June 2013, the Group recorded revenue of RM496.654 million. This represents a decrease of 8.0% as compared to the corresponding six months ended 30 June 2012, with decline in revenue in the Asia and Europe segments by 9.8% and 6.3% respectively and 159.2% improvement in the USA segment. The Group recorded net loss of RM15.052 million for the six months ended 30 June 2013 as compared to the net loss of RM21.448 million in the corresponding six months period. Compare to the same period last year, except for the Asia segment, performance in both the Europe and USA segments improved for the current financial year to date.

The decline in revenue for the current quarter and financial year to date was mainly attributable to decreased sales volume as well as lower average selling prices arising from changes in product mix as compared to the corresponding period a year ago.

The lower net losses for the current quarter and financial year to date was principally attributable to the improved gross profit margins as a result of rationalisation of certain low margin/unprofitable products and higher foreign exchange gains. For comparison, there were also RM5.7 million retrenchment costs incurred in the first quarter of 2012.

B2. *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 loss before taxation ("LBT") of RM1.281 million for the current quarter as compared to the LBT of RM10.323 million in the preceding quarter ended 31 March 2013. The lower net loss for the current quarter was mainly attributed to the improved gross profit margin as a result of rationalisation of certain low margin/unprofitable products and higher foreign exchange gain as compared to the preceding quarter.

B3. *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 or the next financial year if the reporting period is the last quarter*

The Directors expect the business of the Group to remain challenging for the rest of the financial year.



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B4. *Where the audit report of the company's preceding annual financial statements was qualified, disclosure of the qualification and current status of the matter(s) giving rise to the qualification for the current quarter and financial year to date*

The preceding annual financial statements of the Group were reported without any audit qualification.

B5. *A statement of the board of directors' opinion as to whether the revenue or profit estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved*

Not applicable.

B6. *(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 received by the Group (if any) and steps taken to recover the shortfall;

Not applicable.

B7. *Profit/(Loss) Before Taxation*

Profit/(Loss) before taxation is arrived at after charging/(crediting):-

	Current Quarter Ended 30/6/2013 RM'000	Corresponding Quarter Ended 30/6/2012 RM'000	Current Year to date Ended 30/6/2013 RM'000	Corresponding Year to date Ended 30/6/2012 RM'000
Depreciation and amortisation	40,996	42,755	82,255	85,271
Interest expense	4,666	5,126	9,432	10,196
Retrenchment costs	558	-	558	5,699
Foreign exchange (gains)/loss	(2,110)	2,450	(2,460)	(842)
Interest income	(34)	(14)	(65)	(92)
(Write-back)/Provision for receivables	(24)	84	(24)	84
Provision for and write-off of inventories	-	-	-	-
Impairment of assets	-	-	-	-
Loss/(Gain) on disposal of investments or properties	-	-	-	-
Loss/(Gain) on derivatives	-	-	-	-



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B8. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial year to date

	Current Quarter Ended 30/6/2013 RM'000	Corresponding Quarter Ended 30/6/2012 RM'000	Current Year to date Ended 30/6/2013 RM'000	Corresponding Year to date Ended 30/6/2012 RM'000
Income tax payable	(778)	(248)	(1,875)	(711)
Deferred tax	(2,459)	728	(1,322)	3,745
Under provision in prior year	(251)	-	(251)	-
Total	(3,488)	480	(3,448)	3,034

The effective tax rate was higher than the statutory tax rate mainly due to the reversal of deferred tax assets arising from tax losses carried forward in prior years.

- B9. (a) Status of corporate proposals announced but not completed**
There are no outstanding corporate proposals announced but not completed as at the date of this announcement.
- (b) Status of utilisation of proceeds raised from any corporate proposal for the quarter under review**
There are no unutilised proceeds raised from corporate proposal as at the date of this announcement.

B10. Borrowings and debt securities as at the end of the reporting period

The detail and currency analysis of the Group's borrowings as at end of current quarter are as follows:

	Ringgit Malaysia RM'000	US Dollar RM'000	Total RM'000
<i>Secured Borrowings</i>			
Due within 12 months	-	80,789	80,789
Due after 12 months	-	190,104	190,104
<i>Unsecured Borrowings</i>			
Due within 12 months	161,557	27,846	189,403
Due after 12 months	-	36,838	36,838
Total	161,557	335,577	497,134

B11. Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date

There were no changes in material litigation since the date of the last report.

B12. Dividend

The Directors did not recommend any dividend for the current financial quarter ended 30 June 2013. (Nil for the financial quarter ended 30 June 2012).



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

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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2013

B13. Loss per share

The basic loss per share for the current quarter and financial year to date of 0.62 sen and 2.07 sen respectively was calculated by dividing the Group's loss attributable to owners of the Company for the current quarter and financial year to date amounting to RM4.195 million and RM13.939 million respectively by the weighted average number of ordinary shares in issue of 674,229,633.

The diluted loss per share has not been presented as the average fair value of the shares of the Company is lower than the exercise price for the conversion of the Warrants or ESOS to ordinary shares. The effect would be anti-dilutive to the loss per share.

B14. Realised and Unrealised Profits

The breakdown of the retained earnings of the Group into realised and unrealised profits or losses, pursuant to the directive from the Exchange, is as follows:

	As at 30/6/2013 RM'000	As at 31/12/2012 RM'000
Realised profits	400,422	426,326
Unrealised profits	19,623	22,272
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	420,045	448,598
Add: Consolidation adjustments	56,724	55,538
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Total Retained Earnings	476,769	504,136
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BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 24 July 2013