



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 30/6/2014 RM'000	Corresponding Quarter Ended 30/6/2013 RM'000	Current Year to date Ended 30/6/2014 RM'000	Corresponding Year to date Ended 30/6/2013 RM'000
Revenue	251,581	246,931	479,629	496,654
Cost of sales	(221,759)	(233,085)	(433,532)	(476,259)
Gross profit	29,822	13,846	46,097	20,395
Operating expenses	(16,274)	(16,948)	(32,987)	(33,693)
Other operating income	3,747	6,487	18,774	11,126
Interest expense	(2,852)	(4,666)	(6,373)	(9,432)
Profit/(Loss) before taxation	14,443	(1,281)	25,511	(11,604)
Taxation	(3,951)	(3,488)	(6,164)	(3,448)
Profit/(Loss) for the period	10,492	(4,769)	19,347	(15,052)
Profit/(Loss) attributable to:				
Owners of the Company	10,841	(4,195)	20,107	(13,939)
Non-controlling interests	(349)	(574)	(760)	(1,113)
	10,492	(4,769)	19,347	(15,052)
Earnings/(Loss) per share (sen) –				
(a) Basic	1.61	(0.62)	2.98	(2.07)
(b) Diluted	1.61	(0.62)	2.98	(2.07)

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

	Current Quarter Ended 30/6/2014 RM'000	Corresponding Quarter Ended 30/6/2013 RM'000	Current Year to date Ended 30/6/2014 RM'000	Corresponding Year to date Ended 30/6/2013 RM'000
Profit/(Loss) for the period	10,492	(4,769)	19,347	(15,052)
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation	(9,891)	15,855	(22,905)	22,868
Total Comprehensive Income/(Loss) for the period	601	11,086	(3,558)	7,816
Total Comprehensive Income/(Loss) attributable to:				
Owners of the Company	950	11,660	(2,798)	8,929
Non-controlling interests	(349)	(574)	(760)	(1,113)
	601	11,086	(3,558)	7,816

(The Condensed Consolidated Statements of Comprehensive Income/(Loss) should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30/6/2014 RM'000	As at Preceding Financial Year End 31/12/2013 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,102,094	1,193,942
Prepaid Interest in Leased Land	18,774	19,408
Intangible Assets	9,299	10,436
Deferred Tax Assets	919	2,861
Total Non-current Assets	1,131,086	1,226,647
<i>Current Assets</i>		
Inventories	108,690	103,689
Trade and Other Receivables	159,243	140,701
Tax Recoverable	9,039	5,894
Cash and Bank Balances	22,977	95,884
Total Current Assets	299,949	346,168
Total Assets	1,431,035	1,572,815

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – CONTINUED

	As at end of Current Quarter 30/6/2014 RM'000	As at Preceding Financial Year End 31/12/2013 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	337,115	337,115
Reserves	607,263	623,407
Equity Attributable To Owners of the Company	944,378	960,522
Non-controlling interests	6,860	7,616
Total Equity	951,238	968,138
<i>Non-Current Liabilities</i>		
Long Term Bank Borrowings	78,433	156,150
Retirement Benefits Obligations	16,961	16,345
Obligations under Finance Leases	1,640	4,775
Deferred Income	7,265	7,720
	104,299	184,990
<i>Current Liabilities</i>		
Trade and Other Payables	133,252	140,437
Short Term Bank Borrowings	229,988	268,325
Obligations under Finance Leases	6,821	7,521
Provision for Tax	5,437	3,404
	375,498	419,687
Total Liabilities	479,797	604,677
Total Equity and Liabilities	1,431,035	1,572,815
Net Assets per ordinary share attributable to owners of the Company (RM)	1.4007	1.4246

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/6/2014 RM'000	Corresponding Year To Date Ended 30/6/2013 RM'000
Operating Activities		
Profit/(Loss) For The Period	19,347	(15,052)
Adjustments for non-cash items:		
Depreciation and amortisation expenses	80,082	82,255
Interest expense (net of interest income)	6,279	9,367
Others	5,014	5,009
Operating Profit Before Changes In Working Capital	110,722	81,579
Net change in current assets	(28,361)	39,606
Tax (paid)/refund	(5,390)	2,112
Net change in current liabilities	(28)	(14,156)
Others	(75)	(30)
Net Cash Flows From Operating Activities	76,868	109,111
Investing Activities		
Additions to property, plant and equipment	(16,677)	(23,960)
Others	302	65
Net Cash Flows Used In Investing Activities	(16,375)	(23,895)
Financing Activities		
Repayment of bank borrowings - net	(100,938)	(19,177)
Dividend paid	(13,485)	(13,485)
Others	(6,724)	(9,579)
Net Cash Flows Used In Financing Activities	(121,147)	(42,241)
Net Change in Cash & Cash Equivalents	(60,654)	42,975
Cash And Cash Equivalents At Beginning Of Period	69,494	46,390
Effect of exchange rate differences	(1,375)	2,899
Cash And Cash Equivalents At End Of Period	7,465	92,264
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Cash and Bank Balances	22,977	107,343
Bank Overdrafts	(15,512)	(15,079)
	7,465	92,264

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

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 2014							
At 1 January 2014	337,115	167,139	72,249	384,019	960,522	7,616	968,138
Profit for the period	-	-	-	20,107	20,107	(760)	19,347
Other comprehensive loss	-	-	(22,905)	-	(22,905)	-	(22,905)
Total comprehensive income/(loss) for the period	-	-	(22,905)	20,107	(2,798)	(760)	(3,558)
Recognition of share-based payments	-	(362)	-	501	139	4	143
Dividend distributed to equity holders	-	-	-	(13,485)	(13,485)	-	(13,485)
At 30 June 2014	337,115	166,777	49,344	391,142	944,378	6,860	951,238

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2013)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - CONTINUED

	← Attributable to Owners of the Company →					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	Subtotal RM'000		
Corresponding Year 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 2013)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

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 2013.

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 2013.

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, 2014. 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 20 June 2014.



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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A8. Segment revenue and segment result and segment assets employed for business segments or geographical segments

Quarter Ended 30 June 2014	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	244,628	-	6,953	251,581
Segment results	17,637	(557)	182	17,262
Interest expense	(2,756)	-	(96)	(2,852)
Investment income	33	-	-	33
Profit/(Loss) before tax	14,914	(557)	86	14,443
Taxation	(3,948)	-	(3)	(3,951)
Profit/(Loss) after tax	10,966	(557)	83	10,492
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)
Year To Date Ended 30 June 2014	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	466,424	204	13,001	479,629
Segment results	33,102	(1,033)	(279)	31,790
Interest expense	(6,157)	-	(216)	(6,373)
Investment income	94	-	-	94
Profit/(Loss) before tax	27,039	(1,033)	(495)	25,511
Taxation	(6,158)	-	(6)	(6,164)
Profit/(Loss) after tax	20,881	(1,033)	(501)	19,347
Segment assets	1,395,799	14,155	21,081	1,431,035
Segment liabilities	467,072	767	11,958	479,797



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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)
Finance costs	(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

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 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.

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 2014

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 RM251.581 million for the quarter ended 30 June 2014, an increase of 1.9% against revenue of RM246.931 million for the corresponding quarter ended 30 June 2013. Asia segment recorded improved revenue of 3.1%, whereas USA segment recorded a decline in revenue of 3.5%. There was no revenue recorded for the Europe segment following the cessation of business operations in December 2013. For the quarter under review, the Group achieved net profit of RM10.492 million as compared to net loss of RM4.769 million incurred a year ago, with improved performance in Asia segment. USA segment recorded lower net profit as compared to that of the corresponding quarter.

For the six months ended 30 June 2014, the Group recorded revenue of RM479.629 million, 3.4% lower compared to revenue of RM496.654 million for the same period ended 30 June 2013, with all segments in the Group recording decline in revenue. The Group achieved net profit of RM19.347 million for the six months ended 30 June 2014 as compared to net loss of RM15.052 million in the corresponding six months period a year ago. Asia segment was profitable whilst USA and Europe segments incurred net losses for the six months period ended 30 June 2014.

The increased revenue for the current quarter was due to improved sales volume and higher average selling prices. The improvement in net profits for the current quarter and financial year to date was principally attributable to increased gross profit margin arising from change in product mix, lower overhead costs in PT Unisem after the restructuring exercise, grant income received by a foreign subsidiary and lower interest expense as a result of early repayment of term loan by a foreign subsidiary.

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 achieved profit before taxation ("PBT") of RM14.443 million for the current quarter as compared to the PBT of RM11.068 million in the preceding quarter ended 31 March 2014. The higher net profit for the current quarter was primarily attributed to the improved gross profit margin as a result of product mix change.

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 performance of the Group to continue to improve for the remaining period to the end 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 30/6/2014 RM'000	Corresponding Quarter Ended 30/6/2013 RM'000	Current Year to date Ended 30/6/2014 RM'000	Corresponding Year to date Ended 30/6/2013 RM'000
Depreciation and amortisation	39,331	40,996	80,082	82,255
Interest expense	2,852	4,666	6,373	9,432
Retrenchment costs	-	558	-	558
Grant income received	-	(66)	(10,378)	(66)
Foreign exchange (gain)/loss	(227)	(2,110)	749	(2,460)
Interest income	(33)	(34)	(94)	(65)
Provision for/(Write-back of) receivables	46	(24)	46	(24)
Provision for slow moving 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 30/6/2014 RM'000	Corresponding Quarter Ended 30/6/2013 RM'000	Current Year to date Ended 30/6/2014 RM'000	Corresponding Year to date Ended 30/6/2013 RM'000
Income tax payable	(1,919)	(778)	(4,251)	(1,875)
Deferred tax	(2,032)	(2,459)	(1,913)	(1,322)
	(3,951)	(3,237)	(6,164)	(3,197)
Under provision in prior year	-	(251)	-	(251)
Total	(3,951)	(3,488)	(6,164)	(3,448)

The effective tax rate approximates the statutory tax rate of 25%.

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	-	78,341	78,341
Due after 12 months	-	70,943	70,943
<i>Unsecured Borrowings</i>			
Due within 12 months	97,012	61,456	158,468
Due after 12 months	-	9,130	9,130
Total	97,012	219,870	316,882

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 2014. (Nil for the financial quarter ended 30 June 2013).



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2014

B13. Earnings per share

The basic earnings per share for the current quarter and financial period to date of 1.61 sen and 2.98 sen respectively was calculated by dividing the Group's profit attributable to owners of the Company for the current quarter and financial year to date amounting to RM10.841 million and RM20.107 million respectively by the weighted average number of ordinary shares in issue of 674,229,633.

The diluted earnings 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 earnings 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 30/6/2014 RM'000	As at 31/12/2013 RM'000
Realised profits	233,933	227,115
Unrealised profits	2,190	2,747
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	236,123	229,862
Add: Consolidation adjustments	155,019	154,157
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Total Retained Earnings	391,142	384,019
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BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 24 July 2014