



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30/9/2011 RM'000	Corresponding Quarter Ended 30/9/2010 RM'000	Current Year to date Ended 30/9/2011 RM'000	Corresponding Year to date Ended 30/9/2010 RM'000
Revenue	288,191	370,692	887,683	1,059,448
Operating expenses	(293,669)	(318,457)	(881,067)	(911,424)
Other operating income	12,339	7,215	24,934	17,869
Finance costs	(4,652)	(3,818)	(12,036)	(11,377)
Profit before taxation	2,209	55,632	19,514	154,516
Taxation	2,681	(3,692)	2,715	(13,233)
Profit for the period	4,890	51,940	22,229	141,283
Profit attributable to:				
Equity holders of the Company	5,269	51,535	22,382	141,211
Non-controlling interests	(379)	405	(153)	72
	4,890	51,940	22,229	141,283
Earnings per share (sen) –				
(a) Basic	0.78	7.64	3.32	20.95
(b) Diluted	0.78	7.64	3.32	20.95

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010)



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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended 30/9/2011 RM'000	Corresponding Quarter Ended 30/9/2010 RM'000	Current Year to date Ended 30/9/2011 RM'000	Corresponding Year to date Ended 30/9/2010 RM'000
Profit for the period	4,890	51,940	22,229	141,283
<i>Other comprehensive income/(loss)</i>				
Currency translation differences arising from consolidation	40,099	(20,065)	37,332	(53,712)
Total Comprehensive Income for the period	44,989	31,875	59,561	87,571
Total Comprehensive Income attributable to:				
Equity holders of the Company	45,368	31,470	59,714	87,499
Non-controlling interests	(379)	405	(153)	72
	44,989	31,875	59,561	87,571

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010)



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30/9/2011 RM'000	As at Preceding Financial Year End 31/12/2010 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,329,929	1,244,727
Prepaid Interest in Leased Land	20,126	19,537
Goodwill	67,582	65,229
Intangible Assets	17,143	18,739
Deferred Tax Assets	8,714	8,785
Total Non-current Assets	1,443,494	1,357,017
<i>Current Assets</i>		
Inventories	161,130	160,592
Trade and Other Receivables	215,456	209,802
Cash and Bank Balances	69,181	108,339
Total Current Assets	445,767	478,733
Total Assets	1,889,261	1,835,750

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010)



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION– CONTINUED

	As at end of Current Quarter 30/9/2011 RM'000	As at Preceding Financial Year End 31/12/2010 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	337,081	337,081
Reserves	751,298	722,855
Equity Attributable To Equity Holders of the Company	1,088,379	1,059,936
Non-controlling interests	12,468	12,621
Total Equity	1,100,847	1,072,557
<i>Non-Current Liabilities</i>		
Long Term Bank Borrowings	150,019	215,490
Retirement Benefits and Obligations	18,567	16,044
Obligations under Finance Leases	1,744	1,133
Deferred Income	7,836	7,636
Deferred Tax Liabilities	1,961	5,115
	180,127	245,418
<i>Current Liabilities</i>		
Trade and Other Payables	283,108	289,917
Short Term Bank Borrowings	323,908	227,264
Obligations under Finance Leases	1,271	579
Current Tax Payable	-	15
	608,287	517,775
Total Liabilities	788,414	763,193
Total Equity and Liabilities	1,889,261	1,835,750
Net Assets per ordinary share attributable to equity holders of the Company (RM)	1.6144	1.5722

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the
Annual Financial Report for the year ended 31st December 2010)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2011

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/9/2011 RM'000	Corresponding Year To Date Ended 30/9/2010 RM'000
Operating Activities		
Profit For The Period	22,229	141,283
Adjustments for non-cash flow items:		
Depreciation and amortisation expenses (net of amortization income)	120,197	115,463
Finance cost (net of interest income)	11,762	11,350
Others	(944)	13,795
Operating Profit Before Changes In Working Capital	153,244	281,891
Net change in current assets	13,515	(100,108)
Tax paid	(6,786)	(3,268)
Net change in current liabilities	27,040	(16,023)
Net Cash Flows From Operating Activities	187,013	162,492
Investing Activities		
Additions to property, plant and equipment	(202,781)	(143,233)
Others	1,446	2,683
Net Cash Flows Used In Investing Activities	(201,335)	(140,550)
Financing Activities		
Proceeds from bank borrowings	128,281	186,946
Proceeds from issuance of Warrants	-	16,137
Repayment of bank borrowings	(144,592)	(162,686)
Dividend paid	(33,708)	(12,965)
Others	(11,336)	(15,192)
Net Cash Flows From/(Used In) Financing Activities	(61,355)	12,240
Net Change in Cash & Cash Equivalents	(75,677)	34,182
Cash And Cash Equivalents At Beginning Of Period	108,339	53,916
Effect of exchange rate differences	(555)	(3,225)
Cash And Cash Equivalents At End Of Period	107,784	50,691
	32,107	84,873
Cash and Cash Equivalents comprise the following :		
	RM'000	RM'000
Cash and Bank Balances	69,181	84,873
Bank Overdrafts	(37,074)	-
	32,107	84,873

(The Condensed Consolidated Statements Of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Equity Holders 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		
Current Year To Date Ended 30 September 2011							
At 1 January 2011	337,081	156,347	(43,887)	610,395	1,059,936	12,621	1,072,557
Total comprehensive income for the period	-	-	37,332	22,382	59,714	(153)	59,561
Option charge arising from ESOS	-	2,437	-	-	2,437	-	2,437
Dividend distributed to equity holders	-	-	-	(33,708)	(33,708)	-	(33,708)
At 30 September 2011	337,081	158,784	(6,555)	599,069	1,088,379	12,468	1,100,847

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010)



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - CONTINUED

	← Attributable to Equity Holders 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 September 2010							
At 1 January 2010	259,293	212,042	9,266	469,427	950,028	11,532	961,560
Total comprehensive income for the period	-	-	(53,712)	141,211	87,499	72	87,571
Issuance of Warrants 2010/2015	-	16,137	-	-	16,137	-	16,137
Effect of winding up of an indirect subsidiary	-	-	-	-	-	243	243
Bonus issue	77,788	(77,788)	-	-	-	-	-
Dividend distributed to equity holders	-	-	-	(12,965)	(12,965)	-	(12,965)
At 30 September 2010	337,081	150,391	(44,446)	597,673	1,040,699	11,847	1,052,546

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2010)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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A. EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD 134, INTERIM FINANCIAL REPORTING 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 *Financial Reporting Standards (FRS) 134 'Interim Financial Reporting'* 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 2010.

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 2010.

A2. *Declaration of audit qualification*

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

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

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

A4. *Nature and amount of unusual items*

There are no extraordinary items for the current interim period.

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 are 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 are no issue, cancellation, repurchases, resale and repayment of debt or equity securities for the current financial year to date.

A7. *Dividend Paid*

A final dividend of 10%, tax exempt, amounting to RM33.708 million in respect of ordinary shares in the previous financial year was paid by the Company on 8 July, 2011.

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

Quarter Ended 30 September 2011	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	279,857	5,251	3,083	288,191
Segment results	6,219	562	(36)	6,745
Finance costs	(4,608)	(44)	-	(4,652)
Investment income	116	-	-	116
Profit/(Loss) before tax	1,727	518	(36)	2,209



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Year To Date Ended 30 September 2011	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	864,200	14,209	9,274	887,683
Segment results	33,771	(921)	(1,574)	31,276
Finance costs	(11,933)	(103)	-	(12,036)
Investment income	274	-	-	274
Profit/(Loss) before tax	22,112	(1,024)	(1,574)	19,514
Segment assets	1,830,729	41,020	17,512	1,889,261
Segment liabilities	775,566	6,858	5,990	788,414

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

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

A12. *Changes in contingent liabilities or contingent assets*

There are no changes in contingent liabilities since the last annual balance sheet date.

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

B1. *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 revenue of RM288.191 million and net profit of RM4.890 million for the quarter ended 30 September 2011, these represent a decrease of 22.3% and 90.6% in revenue and net profit respectively over the corresponding quarter last year.

For the nine months ended 30 September 2011, the Group recorded revenue of RM887.683 million and net profit of RM22.229 million which represents a corresponding decrease of 16.2% in revenue and decrease of 84.3% in net profit respectively.

The decline in revenue and profit was principally attributable to the depreciation in the US\$/RM exchange rate, as compared to the rates that prevailed in the corresponding period last year as well as reduction in overall group sales volume.



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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 RM2.209 million for the current quarter, a decrease of 81.3% from RM11.818 million achieved in the preceding quarter ended 30 June 2011. The decrease in PBT was mainly due to lower sales volume as well as increase in unrealized foreign exchange losses in the current 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 demand for the Group’s products and services to remain weak for the next quarter due to global economic uncertainty.

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 company’s preceding annual financial statements did not have 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

The Group did not announce or disclose any revenue or profit estimates in a public document for the current quarter and financial year to date.

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. 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 30/9/2011 RM'000	Current Year To Date Ended 30/9/2011 RM'000
Income tax payable	(1,527)	(3,508)
Deferred tax	1,108	3,123
	(419)	(385)
Overprovision in prior years	3,100	3,100
Total	2,681	2,715

The effective tax rate is lower than the statutory tax rate mainly due to the availability of tax allowances and incentives to offset the taxable income.

The overprovision of tax in prior years arose when the Company applied 100%, instead of the normal 70%, of its unutilized Reinvestment Allowances against its statutory income, after it achieved the Industrial Productivity Rate in respect of the previous financial year.



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B8. Amount of profits on sale of unquoted investments or properties

There are no sales of unquoted investments or properties for the current quarter and financial year to date.

B9. Particulars of purchase or disposal of quoted securities

There are no purchases or disposals of quoted securities by the Group as at 1 November 2011.

B10. (a) Status of corporate proposals announced but not completed

As at 1 November 2011, there are no outstanding corporate proposals announced but not completed.

(b) Status of utilisation of proceeds raised from any corporate proposal for the quarter under review

As at 1 November 2011, there are no unutilised proceeds raised from corporate proposal.

B11. Realised and Unrealised Profits

The breakdown of the retained earnings of the Group into realized and unrealized profits or losses, pursuant to the directive, is as follows:

	As at Quarter Ended 30/9/2011 RM'000	As at Preceding Financial Year Ended 31/12/2010 RM'000
Realised profits	499,404	505,979
Unrealised profits	16,259	21,460
	515,663	527,439
Add: Consolidation adjustments	83,406	82,955
Total Retained Earnings	599,069	610,394

B12. Borrowings and debt securities as at the end of the reporting period

The details of the Group's borrowings as at end of current quarter are as follows:

	Foreign Currency '000	RM Equivalent '000
<i>Secured Borrowings</i>		
Term Loans	USD45,000	143,014
Bank Overdraft	USD1,720	5,491
Revolving Credit	USD15,000	47,671
<i>Unsecured Borrowings</i>		
Term Loans	USD35,266	112,597
Revolving Credit		131,500
Bank Overdraft		31,583
Banker Acceptances		2,071
Total		473,927

B13. Summary of Derivative Financial Instruments

There were no derivative financial instruments as at the date of issue of this report.



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B14. *Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date*

There are no changes in material litigation since the last annual balance sheet date.

B15. *Dividend*

The Directors did not recommend any dividend for the current financial quarter ended 30 September 2011. (3 sen per share, tax exempt, for the financial quarter ended 30 September 2010).

B16. *Earnings per share*

The basic earnings per share for the current quarter of 0.78 sen and financial year to date of 3.32 sen was calculated by dividing the Group's profit attributable to equity holders of the Company for the current quarter and financial year to date amounting to RM5.269 million and RM22.382 million respectively by the weighted average number of ordinary shares in issue of 674,161,383.

The diluted earnings per share have 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.

BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 1 November 2011