



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2012

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30/9/2012 RM'000	Corresponding Quarter Ended 30/9/2011 RM'000	Current Year to date Ended 30/9/2012 RM'000	Corresponding Year to date Ended 30/9/2011 RM'000
Revenue	282,952	288,191	822,508	887,683
Operating expenses	(273,153)	(293,669)	(828,330)	(881,067)
Other operating income	4,811	12,339	6,146	24,934
Finance costs	(5,524)	(4,652)	(15,720)	(12,036)
Profit/(Loss) before taxation	9,086	2,209	(15,396)	19,514
Taxation	(756)	2,681	2,278	2,715
Profit/(Loss) for the period	8,330	4,890	(13,118)	22,229
Profit/(Loss) attributable to:				
Equity holders of the Company	8,306	5,269	(12,805)	22,382
Non-controlling interests	24	(379)	(313)	(153)
	8,330	4,890	(13,118)	22,229
Earnings/(Loss) per share (sen) –				
(a) Basic	1.23	0.78	(1.90)	3.32
(b) Diluted	1.23	0.78	(1.90)	3.32

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



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CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended 30/9/2012 RM'000	Corresponding Quarter Ended 30/9/2011 RM'000	Current Year to date Ended 30/9/2012 RM'000	Corresponding Year to date Ended 30/9/2011 RM'000
Profit/(Loss) for the period	8,330	4,890	(13,118)	22,229
<i>Other comprehensive(loss)/income</i>				
Currency translation differences arising from consolidation	(17,575)	40,099	(20,885)	37,332
Total Comprehensive (Loss)/Income for the period	(9,245)	44,989	(34,003)	59,561
Total Comprehensive (Loss)/Income attributable to:				
Equity holders of the Company	(9,269)	45,368	(33,690)	59,714
Non-controlling interests	24	(379)	(313)	(153)
	(9,245)	44,989	(34,003)	59,561

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30/9/2012 RM'000	As at Preceding Financial Year End 31/12/2011 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,286,032	1,331,997
Prepaid Interest in Leased Land	19,086	19,740
Goodwill	65,101	67,219
Intangible Assets	14,690	16,534
Deferred Tax Assets	13,487	8,783
Total Non-current Assets	1,398,396	1,444,273
<i>Current Assets</i>		
Inventories	152,178	160,998
Trade and Other Receivables	219,283	182,822
Cash and Bank Balances	35,927	63,528
Total Current Assets	407,388	407,348
Total Assets	1,805,784	1,851,621

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION– CONTINUED

	As at end of Current Quarter 30/9/2012 RM'000	As at Preceding Financial Year End 31/12/2011 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	337,115	337,081
Reserves	706,272	752,193
Equity Attributable To Equity Holders of the Company	1,043,387	1,089,274
Non-controlling interests	12,198	12,504
Total Equity	1,055,585	1,101,778
<i>Non-Current Liabilities</i>		
Long Term Bank Borrowings	228,588	215,693
Retirement Benefits and Obligations	17,649	19,041
Obligations under Finance Leases	5,728	1,327
Deferred Income	7,162	7,771
	259,127	243,832
<i>Current Liabilities</i>		
Trade and Other Payables	228,857	204,879
Short Term Bank Borrowings	258,231	299,738
Obligations under Finance Leases	3,984	1,375
Current Tax Payable	-	19
	491,072	506,011
Total Liabilities	750,199	749,843
Total Equity and Liabilities	1,805,784	1,851,621
Net Assets per ordinary share attributable to equity holders of the Company (RM)	1.5475	1.6157

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW

	Current Year To Date Ended 30/9/2012 RM'000	Corresponding Year To Date Ended 30/9/2011 RM'000
Operating Activities		
(Loss)/Profit For The Period	(13,118)	22,229
Adjustments for non-cash items:		
Depreciation and amortisation expenses (net of amortisation income)	124,591	120,197
Finance costs (net of interest income)	15,594	11,762
Others	392	(944)
Operating Profit Before Changes In Working Capital	127,459	153,244
Net change in current assets	(30,265)	13,515
Tax paid	(3,338)	(6,786)
Net change in current liabilities	8,431	27,040
Net Cash Flows From Operating Activities	102,287	187,013
Investing Activities		
Additions to property, plant and equipment	(82,509)	(202,781)
Others	1,152	1,446
Net Cash Flows Used In Investing Activities	(81,357)	(201,335)
Financing Activities		
Proceeds from bank borrowings	69,747	128,281
Issuance of shares	148	-
Repayment of bank borrowings	(110,612)	(144,592)
Dividend paid	(13,486)	(33,708)
Others	(10,400)	(11,336)
Net Cash Flows Used In Financing Activities	(64,603)	(61,355)
Net Change in Cash & Cash Equivalents	(43,673)	(75,677)
Cash And Cash Equivalents At Beginning Of Period	36,926	108,339
Effect of exchange rate differences	981	(555)
Cash And Cash Equivalents At End Of Period	(5,766)	32,107
Cash and Cash Equivalents comprise the following :		
	RM'000	RM'000
Cash and Bank Balances	35,927	69,181
Bank Overdrafts	(41,693)	(37,074)
	(5,766)	32,107

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



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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 2012							
At 1 January 2012	337,081	164,193	(5,412)	593,412	1,089,274	12,504	1,101,778
Loss for the period	-	-	-	(12,805)	(12,805)	(313)	(13,118)
Other comprehensive loss	-	-	(20,885)	-	(20,885)	-	(20,885)
Total comprehensive loss for the period	-	-	(20,885)	(12,805)	(33,690)	(313)	(34,003)
Issuance of shares	34	114	-	-	148	-	148
Recognition of share-based payments	-	1,024	-	117	1,141	7	1,148
Dividend distributed to equity holders	-	-	-	(13,486)	(13,486)	-	(13,486)
At 30 September 2012	337,115	165,331	(26,297)	567,238	1,043,387	12,198	1,055,585

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2011)



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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 2011							
At 1 January 2011	337,081	156,347	(43,887)	610,395	1,059,936	12,621	1,072,557
Profit for the period	-	-	-	22,382	22,382	(153)	22,229
Other comprehensive income	-	-	37,332	-	37,332	-	37,332
Total comprehensive income for the period	-	-	37,332	22,382	59,714	(153)	59,561
Recognition of share-based payments	-	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 31 December 2011)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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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 Reports have 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 2011.

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 2011.

The Group has adopted the Malaysian Financial Reporting Standards (MFRS) framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by the MASB in order to fully converge with Malaysia's existing Financial Reporting Standards (FRS) framework with the International Financial Reporting Standards (IFRS) framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption the MFRS on the financial statements of the Group.

The Group has also adopted all the new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January, 2012. The adoption of these new and revised MFRSs and IC Interpretations has 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 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 except for the issuance of 68,251 new ordinary shares of RM0.50 each arising from the exercise of Warrants.

A7. *Dividend Paid*

A final dividend of 4%, tax exempt, amounting to RM13.486 million in respect of ordinary shares in the previous financial year was paid by the Company on 15 June, 2012.



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

Quarter Ended 30 September 2012	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	276,264	2,270	4,418	282,952
Segment results	16,111	(1,558)	23	14,576
Finance costs	(5,313)	(38)	(173)	(5,524)
Investment income	34	-	-	34
Profit/(Loss) before tax	10,832	(1,596)	(150)	9,086
Taxation	(756)	-	-	(756)
Profit/(Loss) after tax	10,076	(1,596)	(150)	8,330
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
Taxation	2,681	-	-	2,681
Profit/(Loss) after tax	4,408	518	(36)	4,890
Year To Date Ended 30 September 2012	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	804,242	8,177	10,089	822,508
Segment results	7,023	(5,020)	(1,805)	198
Finance costs	(15,350)	(113)	(257)	(15,720)
Investment income	126	-	-	126
Loss before tax	(8,201)	(5,133)	(2,062)	(15,396)
Taxation	2,278	-	-	2,278
Loss after tax	(5,923)	(5,133)	(2,062)	(13,118)
Segment assets	1,756,667	34,235	14,882	1,805,784
Segment liabilities	737,680	5,959	6,560	750,199



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Year To Date Ended	Asia	Europe	USA	Consolidated
30 September 2011	RM'000	RM'000	RM'000	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
Taxation	2,715	-	-	2,715
Profit/(Loss) after tax	24,827	(1,024)	(1,574)	22,229
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 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 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 date of the last report.

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 RM282.952 million for the quarter ended 30 September 2012, a marginal decrease of 2% as compared to the corresponding quarter last year, with a 43% increase in revenue in the USA segment, 1% and 57% decline in the Asia and Europe segments respectively. The Group recorded a profit of RM8.330 million, a significant increase of 70% as compared to the profit of RM4.890 million in corresponding quarter last year. The Asia segment recorded profit whilst both Europe and USA segments recorded losses for the quarter under review.

For the nine months period ended 30 September 2012, the Group's revenue at RM822.508 million was 7% lower as compared to the corresponding nine months ended 30 September 2011, with a decline in revenue in the Asia and Europe segments of 7% and 42% respectively whilst the USA segment recorded an increase in revenue of 9%. The Group recorded a loss of RM13.118 million as opposed to the profit of RM22.229 million recorded in the same period last year. All segments recorded losses for the nine months period under review.



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The corresponding quarterly and period-to-date decline in revenue of the Group was principally attributable to lower average selling prices arising from changes in product mix.

The increase in profit of the Group for the corresponding quarter was principally attributable to improved profit margin due to changes in product mix as well as higher gains on foreign exchange. The corresponding decline in profit of the Group for the nine months period was principally attributable to lower sales revenue, one-time retrenchment costs of RM5.7 million arising from an efficiency/redundancy exercise at PT Unisem, higher depreciation charges and lower foreign exchange gains.

In the corresponding quarter ended 30 September 2011, a foreign subsidiary of the Company was granted subsidies of RM10.4 million by the local authorities.

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 of RM9.086 million for the current quarter as compared to the loss before tax of RM8.242 million in the preceding quarter ended 30 June 2012. The improved performance of the Group was mainly attributable to increased profit margin, lower operating expenses, higher foreign exchange gains and lower depreciation charges.

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 operating environment remains challenging due to the prevailing global economic conditions. As we approach the financial year end we also expect a subdued fourth quarter due to seasonal inventory adjustments.

The implementation of our new business model (essentially rationalising our package portfolio and customer profile) is in progress and we expect it to yield favourable results in the coming quarters.

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.



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B7. Profit/(Loss) Before Taxation

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

	Current Quarter Ended 30/9/2012 RM'000	Corresponding Quarter Ended 30/9/2011 RM'000	Current Year to date Ended 30/9/2012 RM'000	Corresponding Year to date Ended 30/9/2011 RM'000
Depreciation and amortisation	39,448	40,229	124,591	120,197
Retrenchment costs	-	-	5,699	-
Interest expense	5,524	4,583	15,720	11,967
Foreign exchange (gain)/loss	(1,955)	1,623	(2,797)	(3,882)
Interest income	(34)	(46)	(126)	(205)
Provision for and write-off of receivables	-	22	84	44
Provision for and write-off of inventories	-	-	-	-
Impairment of assets	-	-	-	-
Loss/(Gain) on disposal of investments or properties	-	-	-	-
Loss/(Gain) on derivatives	-	-	-	-

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 30/9/2012 RM'000	Corresponding Quarter Ended 30/9/2011 RM'000	Current Year to date Ended 30/9/2012 RM'000	Corresponding Year to date Ended 30/9/2011 RM'000
Income tax payable	(1,765)	(1,527)	(2,475)	(3,508)
Deferred tax	1,025	1,108	4,769	3,123
	(740)	(419)	2,294	(385)
(Under)/Overprovision in prior years	(16)	3,100	(16)	3,100
Total	(756)	2,681	2,278	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.

B9. (a) Status of corporate proposals announced but not completed

As at 8 November 2012, 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 8 November 2012, there are no unutilised proceeds raised from corporate proposal.



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B10. *Realised and Unrealised Profits*

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

	As at 30/9/2012 RM'000	As at 31/12/2011 RM'000
Realised profits	467,658	497,052
Unrealised profits	15,620	12,802
	<hr/> 483,278	<hr/> 509,854
Add: Consolidation adjustments	83,960	83,558
Total Retained Earnings	<hr/> 567,238	<hr/> 593,412

The disclosure of the realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be used for any other purpose.

B11. *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	-	44,817	44,817
Due after 12 months	-	172,731	172,731
<i>Unsecured Borrowings</i>			
Due within 12 months	186,468	26,946	213,414
Due after 12 months	-	55,857	55,857
Total	<hr/> 186,468	<hr/> 300,351	<hr/> 486,819

B12. *Changes in material litigation (including status of any pending material litigation) since the date of the last annual statement of financial position*

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

B13. *Dividend*

The Directors do not recommend any payment of dividend for the current financial quarter ended 30 September 2012. (Nil for the financial quarter ended 30 September 2011).



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B14. *Earnings/(Loss) per share*

The basic earnings per share for the current quarter of 1.23 sen was calculated by dividing the Group's profit attributable to equity holders of the Company of RM8.306 million and the basic loss per share for the financial year to date of 1.90 sen was calculated by dividing the Group's loss attributable to equity holders of the Company of RM12.805 million by the weighted average number of ordinary shares in issue of 674,229,634.

The diluted earnings/(loss) per share has not been presented as the average fair value of the shares of the Company which 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/(loss) per share.

BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 8 November 2012