



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 30/9/2014 RM'000	Corresponding Quarter Ended 30/9/2013 RM'000	Current Year to date Ended 30/9/2014 RM'000	Corresponding Year to date Ended 30/9/2013 RM'000
Revenue	273,273	246,780	752,902	743,434
Cost of sales	(223,273)	(228,584)	(656,805)	(704,843)
Gross profit	50,000	18,196	96,097	38,591
Operating expenses	(16,738)	(17,951)	(49,737)	(51,644)
Other operating income	2,457	3,934	21,243	15,060
Interest expense	(2,749)	(4,714)	(9,122)	(14,146)
Profit/(Loss) before taxation	32,970	(535)	58,481	(12,139)
Taxation	(5,843)	(578)	(12,007)	(4,026)
Profit/(Loss) for the period	27,127	(1,113)	46,474	(16,165)
Profit/(Loss) attributable to:				
Owners of the Company	27,121	(648)	47,228	(14,587)
Non-controlling interests	6	(465)	(754)	(1,578)
	27,127	(1,113)	46,474	(16,165)
Earnings/(Loss) per share (sen) –				
(a) Basic	4.02	(0.10)	7.00	(2.16)
(b) Diluted	4.02	(0.10)	7.00	(2.16)

(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)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Current Quarter Ended 30/9/2014 RM'000	Corresponding Quarter Ended 30/9/2013 RM'000	Current Year to date Ended 30/9/2014 RM'000	Corresponding Year to date Ended 30/9/2013 RM'000
Profit/(Loss) for the period	27,127	(1,113)	46,474	(16,165)
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to profit or loss</i>				
Currency translation differences arising from consolidation	15,777	17,138	(7,128)	40,006
Total Comprehensive Income for the period	42,904	16,025	39,346	23,841
Total Comprehensive Income attributable to:				
Owners of the Company	42,898	16,490	40,100	25,419
Non-controlling interests	6	(465)	(754)	(1,578)
	42,904	16,025	39,346	23,841

(The Condensed Consolidated Statements of Comprehensive Income 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
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30/9/2014 RM'000	As at Preceding Financial Year End 31/12/2013 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,105,783	1,193,942
Prepaid Interest in Leased Land	18,925	19,408
Intangible Assets	8,731	10,436
Deferred Tax Assets	-	2,861
Total Non-current Assets	1,133,439	1,226,647
<i>Current Assets</i>		
Inventories	119,732	103,689
Trade and Other Receivables	181,227	140,701
Tax Recoverable	9,203	5,894
Cash and Bank Balances	30,760	95,884
Total Current Assets	340,922	346,168
Total Assets	1,474,361	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
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – CONTINUED

	As at end of Current Quarter 30/9/2014 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	650,299	623,407
Equity Attributable To Owners of the Company	987,414	960,522
Non-controlling interests	6,869	7,616
Total Equity	994,283	968,138
<i>Non-Current Liabilities</i>		
Long Term Bank Borrowings	60,876	156,150
Retirement Benefits Obligations	17,682	16,345
Obligations under Finance Leases	735	4,775
Deferred Income	7,465	7,720
Deferred Tax Liabilities	979	-
	87,737	184,990
<i>Current Liabilities</i>		
Trade and Other Payables	155,424	140,437
Short Term Bank Borrowings	222,153	268,325
Obligations under Finance Leases	6,122	7,521
Provision for Tax	8,642	3,404
	392,341	419,687
Total Liabilities	480,078	604,677
Total Equity and Liabilities	1,474,361	1,572,815
Net Assets per ordinary share attributable to owners of the Company (RM)	1.4645	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)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/9/2014 RM'000	Corresponding Year To Date Ended 30/9/2013 RM'000
Operating Activities		
Profit/(Loss) For The Period	46,474	(16,165)
Adjustments for non-cash items:		
Depreciation and amortisation expenses	119,227	124,411
Interest expense (net of interest income)	9,017	13,981
Others	11,686	5,954
Operating Profit Before Changes In Working Capital	186,404	128,181
Net change in current assets	(57,802)	58,883
Tax (paid)/refund	(6,276)	1,569
Net change in current liabilities	8,470	(33,055)
Others	(192)	(30)
Net Cash Flows From Operating Activities	130,604	155,548
Investing Activities		
Additions to property, plant and equipment	(34,559)	(43,582)
Others	5,431	165
Net Cash Flows Used In Investing Activities	(29,128)	(43,417)
Financing Activities		
Repayment of bank borrowings - net	(130,611)	(43,491)
Dividend paid	(13,485)	(13,485)
Others	(9,489)	(13,401)
Net Cash Flows Used In Financing Activities	(153,585)	(70,377)
Net Change in Cash & Cash Equivalents	(52,109)	41,754
Cash And Cash Equivalents At Beginning Of Period	69,494	46,390
Effect of exchange rate differences	(1,087)	4,377
Cash And Cash Equivalents At End Of Period	16,298	92,521
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Cash and Bank Balances	30,760	106,758
Bank Overdrafts	(14,462)	(14,237)
	16,298	92,521

(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
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 September 2014							
At 1 January 2014	337,115	167,139	72,249	384,019	960,522	7,616	968,138
Profit for the period	-	-	-	47,228	47,228	(754)	46,474
Other comprehensive loss	-	-	(7,128)	-	(7,128)	-	(7,128)
Total comprehensive income/(loss) for the period	-	-	(7,128)	47,228	40,100	(754)	39,346
Recognition of share-based payments	-	(224)	-	501	277	7	284
Dividend distributed to equity holders	-	-	-	(13,485)	(13,485)	-	(13,485)
At 30 September 2014	337,115	166,915	65,121	418,263	987,414	6,869	994,283

(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
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

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 September 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	-	-	-	(14,587)	(14,587)	(1,578)	(16,165)
Other comprehensive income	-	-	40,006	-	40,006	-	40,006
Total comprehensive income/(loss) for the period	-	-	40,006	(14,587)	25,419	(1,578)	23,841
Recognition of share-based payments	-	868	-	173	1,041	7	1,048
Dividend distributed to equity holders	-	-	-	(13,485)	(13,485)	-	(13,485)
At 30 September 2013	337,115	166,593	60,977	476,237	1,040,922	9,957	1,050,879

(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
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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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A8. Segment revenue and segment result and segment assets employed for business segments or geographical segments

Quarter Ended 30 September 2014	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	268,015	-	5,258	273,273
Segment results	36,194	(571)	85	35,708
Interest expense	(2,673)	-	(76)	(2,749)
Investment income	11	-	-	11
Profit/(Loss) before tax	33,532	(571)	9	32,970
Taxation	(5,843)	-	-	(5,843)
Profit/(Loss) after tax	27,689	(571)	9	27,127
Quarter Ended 30 September 2013	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	238,588	2,715	5,477	246,780
Segment results	5,837	(1,070)	(688)	4,079
Interest expense	(4,509)	(39)	(166)	(4,714)
Investment income	100	-	-	100
Profit/(Loss) before tax	1,428	(1,109)	(854)	(535)
Taxation	(578)	-	-	(578)
Profit/(Loss) after tax	850	(1,109)	(854)	(1,113)
Year To Date Ended 30 September 2014	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	734,439	204	18,259	752,902
Segment results	69,296	(1,604)	(194)	67,498
Interest expense	(8,830)	-	(292)	(9,122)
Investment income	105	-	-	105
Profit/(Loss) before tax	60,571	(1,604)	(486)	58,481
Taxation	(12,001)	-	(6)	(12,007)
Profit/(Loss) after tax	48,570	(1,604)	(492)	46,474
Segment assets	1,438,775	13,241	22,345	1,474,361
Segment liabilities	466,001	961	13,116	480,078



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Year To Date Ended 30 September 2013	Asia RM'000	Europe RM'000	USA RM'000	Consolidated RM'000
Revenue	715,004	8,252	20,178	743,434
Segment results	1,004	(1,231)	2,069	1,842
Finance costs	(13,523)	(112)	(511)	(14,146)
Investment income	165	-	-	165
(Loss)/Profit before tax	(12,354)	(1,343)	1,558	(12,139)
Taxation	(4,080)	-	54	(4,026)
(Loss)/Profit after tax	(16,434)	(1,343)	1,612	(16,165)
Segment assets	1,664,085	27,490	25,434	1,717,009
Segment liabilities	646,616	3,677	15,837	666,130

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*

In October 2014, Unisem Test (Sunnyvale) Inc. ("Unisem Test"), an indirect subsidiary of the Company, made a decision to scale down its operations with immediate effect and cease all production by end March 2015 due to the anticipated significant reduction in business volume. All employees (totaling 60) will progressively be made redundant. The estimated redundancy payment is about RM0.58 million and will be provided for in the next financial quarter.

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 THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 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 RM273.273 million for the quarter ended 30 September 2014, an increase of 10.7% against revenue of RM246.780 million for the corresponding quarter ended 30 September 2013. Asia segment recorded improved revenue of 12.3%, whereas USA segment recorded a decline in revenue of 4.0%. There were no revenue recorded for the Europe segment following the cessation of business operations in December 2013. The Group achieved net profit of RM27.127 million in the current quarter as compared to net loss of RM1.113 million incurred a year ago, with all segments recording improved performance.

For the nine months ended 30 September 2014, the Group recorded revenue of RM752.902 million, an increase of 1.3% as compared to revenue of RM743.434 million for the same period a year ago. Asia segment recorded improved revenue of 2.7% whereas USA segment recorded a decline in revenue of 9.5%. The Group achieved net profit of RM46.474 million for the nine months ended 30 September 2014 as compared to net loss of RM16.165 million in the corresponding nine months ended 30 September 2013. Asia segment was profitable whilst USA and Europe segments incurred net losses for the nine months period ended 30 September 2014.

The increased revenue for the current quarter was mainly due to improved sales volume. The improvement in net profits for the current quarter and financial year to date was primarily 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.

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 RM32.970 million for the current quarter as compared to the PBT of RM14.443 million in the preceding quarter ended 30 June 2014. The higher net profit for the current quarter was mainly due to improved sales volume and higher capacity utilization.

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 remain satisfactory for the final quarter 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 30/9/2014 RM'000	Corresponding Quarter Ended 30/9/2013 RM'000	Current Year to date Ended 30/9/2014 RM'000	Corresponding Year to date Ended 30/9/2013 RM'000
Depreciation and amortisation	39,145	42,284	119,227	124,539
Interest expense	2,749	4,714	9,122	14,146
Retrenchment costs	-	-	-	558
Grant income received	-	-	(10,378)	-
Foreign exchange (gain)/loss	647	262	1,396	(2,198)
Interest income	(11)	(100)	(105)	(165)
Provision for/(Write-back of) receivables	-	-	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 30/9/2014 RM'000	Corresponding Quarter Ended 30/9/2013 RM'000	Current Year to date Ended 30/9/2014 RM'000	Corresponding Year to date Ended 30/9/2013 RM'000
Income tax payable	(3,965)	(1,307)	(8,216)	(3,182)
Deferred tax	(1,881)	(1,265)	(3,794)	(2,587)
	(5,846)	(2,572)	(12,010)	(5,769)
Over provision in prior year	3	1,994	3	1,743
Total	(5,843)	(578)	(12,007)	(4,026)

The effective tax rate was 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

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	-	79,945	79,945
Due after 12 months	-	59,570	59,570
<i>Unsecured Borrowings</i>			
Due within 12 months	79,962	68,368	148,330
Due after 12 months	-	2,041	2,041
Total	79,962	209,924	289,886

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.



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

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B12. Dividend

The Directors recommend an interim dividend of 4% (or 2.0 sen per share) tax-exempt for the nine-month period ended 30 September 2014 (Nil for the financial quarter ended 30 September 2013). The dividend will be paid on 3 December 2014.

B13. Earnings per share

The basic earnings per share for the current quarter and financial period to date of 4.02 sen and 7.00 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 RM27.121 million and RM47.228 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 30/9/2014 RM'000	As at 31/12/2013 RM'000
Realised profits	262,963	227,115
Unrealised profits	236	2,747
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	263,199	229,862
Add: Consolidation adjustments	155,064	154,157
	<hr/>	<hr/>
Total Retained Earnings	418,263	384,019
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BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 30 October 2014