



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 31/12/2015 RM'000	Corresponding Quarter Ended 31/12/2014 RM'000	Current Year to date Ended 31/12/2015 RM'000	Corresponding Year to date Ended 31/12/2014 RM'000
Revenue	351,968	285,377	1,260,425	1,038,279
Cost of sales	(269,992)	(239,222)	(1,015,783)	(896,027)
Gross profit	81,976	46,155	244,642	142,252
Operating expenses	(20,998)	(17,652)	(78,337)	(67,389)
Other operating income/(expense)	4,895	40	13,050	21,283
Interest expense	(897)	(2,505)	(6,250)	(11,627)
Profit before taxation	64,976	26,038	173,105	84,519
Taxation	(3,864)	(4,762)	(15,857)	(16,769)
Profit for the period	61,112	21,276	157,248	67,750
Profit attributable to:				
Owners of the Company	60,422	21,194	155,539	68,422
Non-controlling interests	690	82	1,709	(672)
	61,112	21,276	157,248	67,750
Earnings per share (sen) –				
(a) Basic	8.23	3.14	22.04	10.15
(b) Diluted	8.23	3.14	22.04	10.15

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR
LOSS**

	Current Quarter Ended 31/12/2015 RM'000	Corresponding Quarter Ended 31/12/2014 RM'000	Current Year to date Ended 31/12/2015 RM'000	Corresponding Year to date Ended 31/12/2014 RM'000
Profit for the period	61,112	21,276	157,248	67,750
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(28,164)	33,204	110,132	26,076
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit obligations	1,091	(3,047)	1,091	(3,047)
Total Comprehensive Profit for the period	34,039	51,433	268,471	90,779
Total Comprehensive Profit/(Loss) attributable to:				
Owners of the Company	33,349	51,351	266,762	91,451
Non-controlling interests	690	82	1,709	(672)
	34,039	51,433	268,471	90,779

(The Condensed Consolidated Statements of Comprehensive Income or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31/12/2015 RM'000	As at Preceding Financial Year End 31/12/2014 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,177,693	1,109,554
Prepaid Interest in Leased Land	20,458	19,322
Intangible Assets	5,896	8,165
Deferred Tax Assets	1,183	1,017
Total Non-current Assets	1,205,230	1,138,058
<i>Current Assets</i>		
Inventories	129,699	122,599
Trade and Other Receivables	203,324	162,450
Tax Recoverable	19,489	9,863
Cash and Bank Balances	133,008	51,032
Total Current Assets	485,520	345,944
Total Assets	1,690,750	1,484,002

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION – CONTINUED

	As at end of Current Quarter 31/12/2015 RM'000	As at Preceding Financial Year End 31/12/2014 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	366,915	337,115
Reserves	984,930	688,137
Equity Attributable To Owners of the Company	1,351,845	1,025,252
Non-controlling interests	4,301	6,917
Total Equity	1,356,146	1,032,169
<i>Non-Current Liabilities</i>		
Bank Borrowings	18,420	47,693
Retirement Benefits Obligations	25,043	22,418
Deferred Income	9,004	7,847
Deferred Tax Liabilities	3,896	2,904
	56,363	80,862
<i>Current Liabilities</i>		
Trade and Other Payables	182,950	162,750
Bank Borrowings	91,356	198,518
Obligations under Finance Leases	-	5,627
Provision for Tax	3,935	4,076
	278,241	370,971
Total Liabilities	334,604	451,833
Total Equity and Liabilities	1,690,750	1,484,002
Net Assets per ordinary share attributable to owners of the Company (RM)	1.8422	1.5206

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 31/12/2015	Corresponding Year To Date Ended 31/12/2014
	RM'000	RM'000
Operating Activities		
Profit For The Period	157,248	67,750
Adjustments for non-cash items:		
Depreciation and amortisation expenses	176,442	159,785
Impairment loss on assets	966	2,880
Interest expense (net of interest income)	5,107	11,502
Others	19,072	24,595
Operating Profit Before Changes In Working Capital	358,835	266,512
Net change in current assets	(23,730)	(30,839)
Tax paid	(22,794)	(14,948)
Net change in current liabilities	17,631	2,218
Others	(1,349)	(335)
Net Cash Flows From Operating Activities	328,593	222,608
Investing Activities		
Additions to property, plant and equipment	(145,385)	(46,012)
Acquisition of additional interest in subsidiary company	(4,335)	-
Others	10,875	13,189
Net Cash Flows Used In Investing Activities	(138,845)	(32,823)
Financing Activities		
Proceeds from issuance of shares	130,469	-
Repayment of bank borrowings – net	(167,984)	(168,921)
Dividends paid	(71,156)	(26,969)
Others	(9,864)	(15,685)
Net Cash Flows Used In Financing Activities	(118,535)	(211,575)
Net Change in Cash & Cash Equivalents	71,213	(21,790)
Cash And Cash Equivalents At Beginning Of Period	51,032	69,494
Effect of exchange rate differences	10,763	3,328
Cash And Cash Equivalents At End Of Period	133,008	51,032
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Cash and Bank Balances	133,008	51,032

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

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 31 December 2015							
At 1 January 2015	337,115	169,727	98,325	420,085	1,025,252	6,917	1,032,169
Profit for the period	-	-	-	155,539	155,539	1,709	157,248
Other comprehensive income	-	-	110,132	1,091	111,223	-	111,223
Total comprehensive income for the period	-	-	110,132	156,630	266,762	1,709	268,471
Transfer to statutory reserve fund	-	2,001	-	(2,001)	-	-	-
Recognition of share-based payments	-	467	-	58	525	3	528
Exercise of ESOS and Warrants	29,800	91,458	-	9,211	130,469	-	130,469
Expiry of ESOS and Warrants	-	(14,058)	-	14,058	-	-	-
Dividends	-	-	-	(71,156)	(71,156)	-	(71,156)
Acquisition of additional interest in a subsidiary company	-	-	-	(7)	(7)	(4,328)	(4,335)
At 31 December 2015	366,915	249,595	208,457	526,878	1,351,845	4,301	1,356,146

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

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 Period To Date Ended 31 December 2014							
At 1 January 2014	337,115	167,139	72,249	384,019	960,522	7,616	968,138
Profit for the period	-	-	-	68,422	68,422	(672)	67,750
Other comprehensive income/(loss)	-	-	26,076	(3,047)	23,029	-	23,029
Total comprehensive income/(loss) for the period	-	-	26,076	65,375	91,451	(672)	90,779
Transfer to statutory reserve fund	-	2,941	-	(2,941)	-	-	-
Recognition of share-based payments	-	(353)	-	601	248	(27)	221
Dividends	-	-	-	(26,969)	(26,969)	-	(26,969)
At 31 December 2014	337,115	169,727	98,325	420,085	1,025,252	6,917	1,032,169

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2014)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

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 2014.

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 2014.

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, 2015. 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 financial year to date except for the issuance of 59,601,422 new ordinary shares of RM0.50 each arising from the exercise of the Company's Warrants 2010/2015 and share options under the Company's Executives' Share Option Scheme.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

A7. Dividend Paid

A second interim dividend of 6% or 3 sen per share tax-exempt, amounting to RM22.015 million in respect of ordinary shares in the current financial year was paid by the Company on 15 December 2015.

A first interim dividend of 6% or 3 sen per share tax-exempt, amounting to RM22.015 million in respect of ordinary shares in the current financial year was paid by the Company on 29 September 2015.

A final dividend of 8% or 4 sen per share tax-exempt, amounting to RM27.126 million in respect of ordinary shares in the previous financial year was paid by the Company on 28 May 2015.

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

In view of the cessation of production activities of both the operations based in Europe and the USA, the segmental reporting below is based on the geographical location of the customers instead.

The Group's geographical segment report for the financial year to date is as follows:

Year To Date Ended 31 December 2015	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	509,947	194,582	555,896	1,260,425
Segment results	85,793	2,452	90,199	178,444
Year To Date Ended 31 December 2014	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	474,852	170,228	393,199	1,038,279
Segment results	49,620	7,208	40,715	97,543
Reconciliation of segment results			Current Year to date Ended 31/12/2015 RM'000	Corresponding Year to date Ended 31/12/2014 RM'000
Reportable segments			178,444	97,543
Non-reportable segments			(232)	(1,522)
Interest expense			(6,250)	(11,627)
Investment income			1,143	125
Profit before tax			173,105	84,519
Taxation			(15,857)	(16,769)
Profit after tax			157,248	67,750



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

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 except:

- a) Unisem (S) Pte. Ltd., an indirect subsidiary of the Company which was incorporated in Singapore was struck off from the Register on 28 April 2015 and dissolved accordingly.
- b) Unisem Test (Sunnyvale) Inc., an indirect subsidiary of the Company, ceased all production activities on 31 March 2015.
- c) Unisem (Europe) Limited completed its voluntary liquidation process on 7 December 2015 whilst Unisem (Europe) Holdings Limited is expected to be formally liquidated within the next financial year.

A12. *Changes in contingent liabilities or contingent assets*

There were no changes in contingent liabilities or assets 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 for the current quarter and financial year to date*

For the quarter ended 31 December 2015 the Group recorded revenue and net profit of RM351.968 million and RM61.112 million respectively. These represent improvement of 23.3% in revenue and 187.2% in net profit against the corresponding period ended 31 December 2014.

For the financial year ended 31 December 2015, the Group recorded revenue and net profit of RM1.260 billion and RM157.248 million respectively. These represent improvement of 21.4% in revenue and 132.1% in net profit compared to financial year ended 31 December 2014. Asia segment recorded an increase in revenue of 41.4% whilst the revenue for Europe and USA segments increased by 14.3% and 7.4% respectively.

The increase in revenue for the current quarter and financial year to date was mainly attributable to greater demand for the products and services of the Group and an appreciation in the US\$/RM and US\$/RMB exchange rates, as compared to the rates that prevailed in the corresponding quarter/period a year ago. The improvement in net profit for the current quarter and financial year to date was due to increased revenue, better contribution from our wafer bumping and advanced package operations and lower interest expense.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

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 RM64.976 million for the current quarter, an increase of 40.6% against the preceding quarter ended 30 September 2015. The higher profit before tax in the current quarter was mainly attributable to improved gross profit arising from higher revenue.

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 be satisfactory in the next financial year in line with a modest growth in the semiconductor industry.

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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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

B7. Profit Before Taxation

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

	Current Quarter Ended 31/12/2015 RM'000	Corresponding Quarter Ended 31/12/2014 RM'000	Current Year to date Ended 31/12/2015 RM'000	Corresponding Year to date Ended 31/12/2014 RM'000
Depreciation and amortisation	48,838	40,558	176,442	159,785
Foreign exchange (gain)/loss	(1,037)	(531)	7,573	865
Interest expense	897	2,505	6,250	11,627
Impairment losses on assets	966	2,880	966	2,880
Provision for slow moving inventories	215	1,279	414	1,279
Bad debts written off	26	-	377	46
Grant income received	(93)	-	(540)	(10,239)
Interest income	(546)	(20)	(1,143)	(125)
Provision for receivables	-	135	-	135
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 31/12/2015 RM'000	Corresponding Quarter Ended 31/12/2014 RM'000	Current Year to date Ended 31/12/2015 RM'000	Corresponding Year to date Ended 31/12/2014 RM'000
Income tax payable	(3,387)	(3,888)	(15,663)	(12,104)
Deferred tax	(563)	(319)	(285)	(4,113)
	(3,950)	(4,207)	(15,948)	(16,217)
Over/(Under) provision in prior year				
- Income tax	3	(98)	8	(95)
- Deferred tax	83	(457)	83	(457)
Total	(3,864)	(4,762)	(15,857)	(16,769)

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.



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

- 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:

	Total RM'000
<i>Secured Borrowings</i>	
Due within 12 months	81,628
Due after 12 months	1,911
<i>Unsecured Borrowings</i>	
Due within 12 months	9,728
Due after 12 months	16,509
Total	<u>109,776</u>

All the Group's borrowings are denominated in US Dollars.

- 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 recommend a final dividend of 8% (or 4.0 sen per share) tax-exempt for the financial year ended 31 December 2015 (final dividend of 4% or 2.0 sen per share tax-exempt for the financial year ended 31 December 2014). The proposed final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting to be held on a date to be announced.

- B13. *Earnings per share***
The basic earnings per share for the current quarter and financial period to date are calculated as follows:

	Current Quarter ended 31/12/2015	Current Year to date ended 31/12/2015
Net profit attributable to owners of the Company (RM'000)	<u>60,422</u>	<u>155,539</u>
Weighted average number of ordinary shares	733,831,055	705,635,333
Basic earnings per share (sen)	<u>8.23</u>	<u>22.04</u>



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2015

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 31/12/2015 RM'000	As at 31/12/2014 RM'000
Realised	380,539	270,182
Unrealised	(7,180)	(5,169)
	<hr/>	<hr/>
	373,359	265,013
Add: Consolidation adjustments	153,519	155,072
	<hr/>	<hr/>
Total Retained Earnings	<u>526,878</u>	<u>420,085</u>

BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 23 February 2016