



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	<b>Current Quarter Ended 31/12/2016 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2015 RM'000</b>	<b>Current Year to date Ended 31/12/2016 RM'000</b>	<b>Corresponding Year to date Ended 31/12/2015 RM'000</b>
Revenue	362,132	351,968	1,322,780	1,260,425
Cost of sales	(288,413)	(269,992)	(1,087,085)	(1,015,783)
Gross profit	73,719	81,976	235,695	244,642
Operating expenses	(19,914)	(20,998)	(77,570)	(78,337)
Other operating income	9,587	4,896	32,138	13,051
Interest expense	(585)	(898)	(3,105)	(6,251)
Profit before taxation	62,807	64,976	187,158	173,105
Taxation	(11,294)	(3,864)	(23,815)	(15,857)
<b>Profit for the period</b>	<b>51,513</b>	<b>61,112</b>	<b>163,343</b>	<b>157,248</b>
<b>Profit attributable to:</b>				
Owners of the Company	51,335	60,422	162,289	155,539
Non-controlling interests	178	690	1,054	1,709
	<b>51,513</b>	<b>61,112</b>	<b>163,343</b>	<b>157,248</b>
Earnings per share (sen) –				
(a) Basic	7.00	8.23	22.12	22.04
(b) Diluted	7.00	8.23	22.12	22.04

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

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

	<b>Current Quarter Ended 31/12/2016 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2015 RM'000</b>	<b>Current Year to date Ended 31/12/2016 RM'000</b>	<b>Corresponding Year to date Ended 31/12/2015 RM'000</b>
Profit for the period	51,513	61,112	163,343	157,248
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	31,878	(28,164)	(18,194)	110,132
Net fair value changes in available-for- sale financial assets	29	-	29	-
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Remeasurement of defined benefit obligations	(1,595)	1,091	(1,595)	1,091
<b>Total Comprehensive Profit for the period</b>	<b>81,825</b>	<b>34,039</b>	<b>143,583</b>	<b>268,471</b>
<b>Total Comprehensive Profit attributable to:</b>				
Owners of the Company	81,647	33,349	142,529	266,762
Non-controlling interests	178	690	1,054	1,709
	<b>81,825</b>	<b>34,039</b>	<b>143,583</b>	<b>268,471</b>

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the  
Audited Financial Statements for the year ended 31 December 2015)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31/12/2016 RM'000	As at Preceding Financial Year End 31/12/2015 RM'000
<b>Assets</b>		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,128,975	1,177,693
Prepaid Interest in Leased Land	19,711	20,458
Intangible Assets	3,625	5,896
Deferred Tax Assets	1,229	1,183
<b>Total Non-current Assets</b>	<b>1,153,540</b>	<b>1,205,230</b>
<i>Current Assets</i>		
Inventories	139,408	129,699
Trade and Other Receivables	219,108	203,324
Tax Recoverable	20,320	19,489
Deposits and Other Cash and Cash Equivalents	253,788	133,008
<b>Total Current Assets</b>	<b>632,624</b>	<b>485,520</b>
<b>Total Assets</b>	<b>1,786,164</b>	<b>1,690,750</b>
<b>Equity and Liabilities</b>		
<i>Capital and Reserves</i>		
Share Capital	366,915	366,915
Reserves	1,046,738	984,930
Equity Attributable To Owners of the Company	1,413,653	1,351,845
Non-controlling interests	5,355	4,301
<b>Total Equity</b>	<b>1,419,008</b>	<b>1,356,146</b>
<i>Non-Current Liabilities</i>		
Bank Borrowings	15,487	18,420
Retirement Benefits Obligations	31,574	25,043
Deferred Income	8,562	9,004
Deferred Tax Liabilities	8,326	3,896
	<b>63,949</b>	<b>56,363</b>
<i>Current Liabilities</i>		
Trade and Other Payables	260,603	182,950
Bank Borrowings	36,131	91,356
Provision for Tax	6,473	3,935
	<b>303,207</b>	<b>278,241</b>
<b>Total Liabilities</b>	<b>367,156</b>	<b>334,604</b>
<b>Total Equity and Liabilities</b>	<b>1,786,164</b>	<b>1,690,750</b>
Net Assets per ordinary share attributable to owners of the Company (RM)	1.9264	1.8422

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current Year To Date Ended 31/12/2016 RM'000</b>	<b>Corresponding Year To Date Ended 31/12/2015 RM'000</b>
<b>Operating Activities</b>		
Profit For The Period	163,343	157,248
Adjustments for non-cash items:		
Depreciation and amortisation expenses	169,717	176,442
Impairment loss on assets	-	966
Interest (income)/expense - net	(63)	5,108
Others	21,866	19,073
Operating Profit Before Changes In Working Capital	354,863	358,837
Net change in current assets	(24,575)	(23,730)
Tax paid	(17,490)	(22,794)
Net change in current liabilities	38,867	17,631
Others	(1,157)	(1,349)
Net Cash Flows From Operating Activities	350,508	328,595
<b>Investing Activities</b>		
Additions to property, plant and equipment	(122,077)	(145,372)
Acquisition of additional interest in subsidiary company	-	(4,335)
Others	4,582	10,860
Net Cash Flows Used In Investing Activities	(117,495)	(138,847)
<b>Financing Activities</b>		
Proceeds from issuance of shares	-	130,469
Repayment of bank borrowings – net	(56,170)	(167,984)
Dividends paid	(55,037)	(71,156)
Others	(4,364)	(9,864)
Net Cash Flows Used In Financing Activities	(115,571)	(118,535)
Net Change in Cash & Cash Equivalents	117,442	71,213
Cash And Cash Equivalents At Beginning Of Period	133,008	51,032
Effect of exchange rate differences	3,338	10,763
Cash And Cash Equivalents At End Of Period	253,788	61,795
	253,788	133,008
<b>Cash and Cash Equivalents comprised the following :</b>		
	<b>RM'000</b>	<b>RM'000</b>
Deposits and Other Cash and Cash Equivalents	253,788	133,008

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

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			
<b>Current Period To Date Ended 31 December 2016</b>							
At 1 January 2016	<b>366,915</b>	<b>249,595</b>	<b>208,457</b>	<b>526,878</b>	<b>1,351,845</b>	<b>4,301</b>	<b>1,356,146</b>
Profit for the period	-	-	-	162,289	162,289	1,054	163,343
Other comprehensive income/(loss)	-	29	(18,194)	(1,595)	(19,760)	-	(19,760)
Total comprehensive income/(loss) for the period	-	29	(18,194)	160,694	142,529	1,054	143,583
Transfer to statutory reserve fund	-	3,489	-	(3,489)	-	-	-
Dividends	-	-	-	(80,721)	(80,721)	-	(80,721)
<b>At 31 December 2016</b>	<b>366,915</b>	<b>253,113</b>	<b>190,263</b>	<b>603,362</b>	<b>1,413,653</b>	<b>5,355</b>	<b>1,419,008</b>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

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			
<b>Corresponding Period To Date Ended 31 December 2015</b>							
At 1 January 2015	<b>337,115</b>	<b>169,727</b>	<b>98,325</b>	<b>420,085</b>	<b>1,025,252</b>	<b>6,917</b>	<b>1,032,169</b>
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)
<b>At 31 December 2015</b>	<b>366,915</b>	<b>249,595</b>	<b>208,457</b>	<b>526,878</b>	<b>1,351,845</b>	<b>4,301</b>	<b>1,356,146</b>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2015)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

**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 2015.

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 2015.

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, 2016. 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. *Changes in contingent liabilities or contingent assets***

There were no changes in contingent liabilities or assets since the date of the last report.

**A8. *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.



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**A9. Dividend Paid**

A second interim dividend of 3.5 sen per share tax-exempt, amounting to RM25.684 million in respect of ordinary shares in the current financial year was paid by the Company on 6 January 2017.

A first interim dividend of 3.5 sen per share tax-exempt, amounting to RM25.684 million in respect of ordinary shares in the current financial year was paid by the Company on 5 September 2016.

A final dividend of 4 sen per share tax-exempt, amounting to RM29.353 million in respect of ordinary shares in the previous financial year was paid by the Company on 20 May 2016.

**A10. Segment revenue and segment result and segment assets employed for business segments or geographical segments**

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

<b>Year To Date Ended 31 December 2016</b>	<b>USA RM'000</b>	<b>Europe RM'000</b>	<b>Asia RM'000</b>	<b>Group RM'000</b>
Revenue from external customers	532,635	195,254	594,891	1,322,780
Segment results	97,420	(241)	88,803	185,982
<b>Year To Date Ended 31 December 2015</b>	<b>USA RM'000</b>	<b>Europe RM'000</b>	<b>Asia RM'000</b>	<b>Group RM'000</b>
Revenue from external customers	509,947	194,582	555,896	1,260,425
Segment results	85,793	2,453	90,199	178,445
			<b>Current Year to date Ended 31/12/2016 RM'000</b>	<b>Corresponding Year to date Ended 31/12/2015 RM'000</b>
<b>Reconciliation of segment results</b>				
Reportable segments			185,982	178,445
Non-reportable segments			1,113	(232)
Interest expense			(3,105)	(6,251)
Investment income			3,168	1,143
Profit before tax			187,158	173,105
Taxation			(23,815)	(15,857)
Profit after tax			163,343	157,248

**A11. 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.





QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2016

**A12. *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 for the following:

- (a) Unisem (Europe) Holdings Limited completed its voluntary liquidation process on 30 March 2016.
- (b) Unisem Test (Sunnyvale), Inc. has filed the Certificate of Dissolution with the California Secretary of State and was officially dissolved as of 6 July 2016.
- (c) Unisem GmbH commenced its voluntary liquidation proceedings. A notification has been published in Germany on 30 December 2016 and the freeze-period (Sperrjahr) of one year for the liquidation has commenced. The liquidation is expected to be finalized in December 2017.

**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***

The Group recorded revenue and net profit of RM362.132 million and RM51.513 million respectively for the quarter ended 31 December 2016, these represent increase of 2.9% and decrease of 15.7% as compared to the revenue and net profit achieved in the corresponding quarter ended 31 December 2015 respectively.

For the financial year ended 31 December 2016, the Group recorded revenue and net profit of RM1.323 billion and RM163.343 million respectively, these represent an improvement of 4.9% and 3.9% respectively against the revenue and net profit achieved in the financial year ended 31 December 2015. All segments showed improvement in revenue. USA segment recorded improvement in net profit of 13.6%, Asia segment's net profit decreased by 1.5% whilst Europe segment recorded net loss of RM0.24 million.

The increase in revenue for the current quarter and financial year was mainly attributable to higher sales volume coupled with the appreciation of US\$/RM and US\$/RMB exchange rates, as compared to the prevailing rates in the corresponding quarter and period a year ago.

The decrease in net profit for the current quarter ended 31 December 2016 against the corresponding quarter ended 31 December 2015 was primarily due to increased tax expense arising from reversal of deferred tax assets. The increase in the Group's net profit for the current financial year was mainly due to higher revenue, higher foreign exchange gain and lower depreciation charges.

**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 RM62.807 million for the current quarter, an improvement of 42.4% against the profit before taxation reported in the preceding quarter ended 30 September 2016. The improvement in profit before tax was primarily attributable to higher revenue achieved.

**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 the modest growth forecasted by the semiconductor industry.



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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 Before Taxation**

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

	Current Quarter Ended 31/12/2016 RM'000	Corresponding Quarter Ended 31/12/2015 RM'000	Current Year to date Ended 31/12/2016 RM'000	Corresponding Year to date Ended 31/12/2015 RM'000
Depreciation and amortisation	41,859	48,838	169,717	176,442
Interest expense	585	898	3,105	6,251
Provision for receivables	-	-	19	-
Bad debts written off	-	26	-	377
(Write back of)/Provision for slow moving inventories	(406)	215	(406)	414
Grant income received	(64)	(93)	(1,385)	(540)
Interest income	(1,156)	(546)	(3,168)	(1,143)
Foreign exchange (gain)/loss	(4,435)	(1,037)	(13,933)	7,573
Impairment losses on assets	-	966	-	966
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 31/12/2016 RM'000	Corresponding Quarter Ended 31/12/2015 RM'000	Current Year to date Ended 31/12/2016 RM'000	Corresponding Year to date Ended 31/12/2015 RM'000
Income tax payable	(7,230)	(3,387)	(18,846)	(15,663)
Deferred tax	(4,079)	(415)	(3,898)	(137)
	(11,309)	(3,802)	(22,744)	(15,800)
Over/(Under) provision in prior year				
- Income tax	-	3	(1,086)	8
- Deferred tax	15	(65)	15	(65)
	(11,294)	(3,864)	(23,815)	(15,857)

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:

	Total RM'000
<i>Secured Borrowings</i>	
Due within 12 months	25,992
<i>Unsecured Borrowings</i>	
Due within 12 months	10,139
Due after 12 months	15,487
Total	51,618

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 4.0 sen per share tax-exempt for the financial year ended 31 December 2016 (4.0 sen per share tax-exempt for the financial year ended 31 December 2015). 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.



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**B13. Earnings per share**

The basic earnings per share for the current quarter and financial period to date of 7.00 sen and 22.12 sen respectively were calculated by dividing the Group's profit attributable to owners of the Company for the current quarter of RM51.335 million and financial period to date of RM162.289 million by the weighted average number of ordinary shares in issue of 733,831,055.

**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:

	<b>As at 31/12/2016 RM'000</b>	<b>As at 31/12/2015 RM'000</b>
Realised	344,832	322,961
Unrealised	(6,497)	(7,180)
	<u>338,335</u>	<u>315,781</u>
Add: Consolidation adjustments	265,027	211,097
Total Retained Earnings	<u>603,362</u>	<u>526,878</u>

BY ORDER OF THE BOARD

**CHUA HENG FATT** (MACS 00264)

**CHIN HOCK YEE** (LS 8922)

Company Secretary

DATED : 23 February 2017