



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2017

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	<b>Current Quarter Ended 31/3/2017 RM'000</b>	<b>Corresponding Quarter Ended 31/3/2016 RM'000</b>	<b>Current Year to date Ended 31/3/2017 RM'000</b>	<b>Corresponding Year to date Ended 31/3/2016 RM'000</b>
Revenue	360,248	317,808	360,248	317,808
Cost of sales	(292,079)	(262,722)	(292,079)	(262,722)
Gross profit	68,169	55,086	68,169	55,086
Operating expenses	(20,041)	(20,044)	(20,041)	(20,044)
Other operating income	3,297	4,438	3,297	4,438
Interest expense	(563)	(1,054)	(563)	(1,054)
Profit before taxation	50,862	38,426	50,862	38,426
Taxation	(5,483)	(3,162)	(5,483)	(3,162)
<b>Profit for the period</b>	<b>45,379</b>	<b>35,264</b>	<b>45,379</b>	<b>35,264</b>
<b>Profit attributable to:</b>				
Owners of the Company	44,904	34,697	44,904	34,697
Non-controlling interests	475	567	475	567
	<b>45,379</b>	<b>35,264</b>	<b>45,379</b>	<b>35,264</b>
Earnings per share (sen) –				
(a) Basic	6.12	4.73	6.12	4.73
(b) Diluted	6.12	4.73	6.12	4.73

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
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**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR  
LOSS**

	<b>Current Quarter Ended 31/3/2017 RM'000</b>	<b>Corresponding Quarter Ended 31/3/2016 RM'000</b>	<b>Current Year to date Ended 31/3/2017 RM'000</b>	<b>Corresponding Year to date Ended 31/3/2016 RM'000</b>
Profit for the period	45,379	35,264	45,379	35,264
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(4,115)	(69,650)	(4,115)	(69,650)
Net fair value changes in available-for- sale financial assets	41	-	41	-
<b>Total Comprehensive Profit/(Loss) for the period</b>	<b>41,305</b>	<b>(34,386)</b>	<b>41,305</b>	<b>(34,386)</b>
<b>Total Comprehensive Profit/(Loss) attributable to:</b>				
Owners of the Company	40,830	(34,953)	40,830	(34,953)
Non-controlling interests	475	567	475	567
	<b>41,305</b>	<b>(34,386)</b>	<b>41,305</b>	<b>(34,386)</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 2016)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2017

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31/3/2017 RM'000	As at Preceding Financial Year End 31/12/2016 RM'000
<b>Assets</b>		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,154,804	1,128,975
Prepaid Interest in Leased Land	19,506	19,711
Intangible Assets	3,059	3,625
Deferred Tax Assets	1,225	1,229
<b>Total Non-current Assets</b>	<b>1,178,594</b>	<b>1,153,540</b>
<i>Current Assets</i>		
Inventories	154,937	139,408
Trade and Other Receivables	203,023	219,108
Tax Recoverable	24,066	20,320
Deposits and Other Cash and Cash Equivalents	244,756	253,788
<b>Total Current Assets</b>	<b>626,782</b>	<b>632,624</b>
<b>Total Assets</b>	<b>1,805,376</b>	<b>1,786,164</b>
<b>Equity and Liabilities</b>		
<i>Capital and Reserves</i>		
Share Capital	366,915	366,915
Reserves	1,087,568	1,046,738
Equity Attributable To Owners of the Company	1,454,483	1,413,653
Non-controlling interests	5,830	5,355
<b>Total Equity</b>	<b>1,460,313</b>	<b>1,419,008</b>
<i>Non-Current Liabilities</i>		
Bank Borrowings	12,820	15,487
Retirement Benefits Obligations	31,650	31,574
Deferred Income	8,464	8,562
Deferred Tax Liabilities	8,140	8,326
	61,074	63,949
<i>Current Liabilities</i>		
Trade and Other Payables	239,584	260,603
Bank Borrowings	38,049	36,131
Provision for Tax	6,356	6,473
	283,989	303,207
<b>Total Liabilities</b>	<b>345,063</b>	<b>367,156</b>
<b>Total Equity and Liabilities</b>	<b>1,805,376</b>	<b>1,786,164</b>
Net Assets per ordinary share attributable to owners of the Company (RM)	1.9820	1.9264

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current Year To Date Ended 31/3/2017 RM'000</b>	<b>Corresponding Year To Date Ended 31/3/2016 RM'000</b>
<b>Operating Activities</b>		
Profit For The Period	45,379	35,264
Adjustments for non-cash items:		
Depreciation and amortisation expenses	42,170	43,651
Interest (income)/expense - net	(595)	377
Others	6,418	4,240
Operating Profit Before Changes In Working Capital	93,372	83,532
Net change in current assets	(568)	17,172
Tax paid	(9,684)	(3,924)
Net change in current liabilities	(43,205)	(28,357)
Others	(461)	(387)
Net Cash Flows From Operating Activities	39,454	68,036
<b>Investing Activities</b>		
Additions to property, plant and equipment	(22,622)	(24,979)
Others	1,170	710
Net Cash Flows Used In Investing Activities	(21,452)	(24,269)
<b>Financing Activities</b>		
Repayment of bank borrowings – net	(398)	(4,369)
Dividend paid	(25,684)	-
Others	(570)	(867)
Net Cash Flows Used In Financing Activities	(26,652)	(5,236)
Net Change in Cash & Cash Equivalents	(8,650)	38,531
Cash And Cash Equivalents At Beginning Of Period	253,788	133,008
Effect of exchange rate differences	(382)	(7,917)
	253,406	125,091
Cash And Cash Equivalents At End Of Period	244,756	163,622
<b>Cash and Cash Equivalents comprised the following :</b>		
	<b>RM'000</b>	<b>RM'000</b>
Deposits and Other Cash and Cash Equivalents	244,756	163,622

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2016)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2017

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

	← Attributable to Owners of the Company →						
	Share Capital RM'000	Share Premium & Other Reserves RM'000	Foreign Currency Exchange Reserve RM'000	Retained Earnings RM'000	Subtotal RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
<b>Current Period To Date Ended 31 March 2017</b>							
At 1 January 2017	366,915	253,113	190,263	603,362	1,413,653	5,355	1,419,008
Profit for the period	-	-	-	44,904	44,904	475	45,379
Other comprehensive income/(loss)	-	41	(4,115)	-	(4,074)	-	(4,074)
Total comprehensive income/(loss) for the period	-	41	(4,115)	44,904	40,830	475	41,305
<b>At 31 March 2017</b>	<b>366,915</b>	<b>253,154</b>	<b>186,148</b>	<b>648,266</b>	<b>1,454,483</b>	<b>5,830</b>	<b>1,460,313</b>
<b>Corresponding Period To Date Ended 31 March 2016</b>							
At 1 January 2016	366,915	249,595	208,457	526,878	1,351,845	4,301	1,356,146
Profit for the period	-	-	-	34,697	34,697	567	35,264
Other comprehensive loss	-	-	(69,650)	-	(69,650)	-	(69,650)
Total comprehensive income/(loss) for the period	-	-	(69,650)	34,697	(34,953)	567	(34,386)
<b>At 31 March 2016</b>	<b>366,915</b>	<b>249,595</b>	<b>138,807</b>	<b>561,575</b>	<b>1,316,892</b>	<b>4,868</b>	<b>1,321,760</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 2016)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2017

**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 2016.

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 2016.

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, 2017. 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 previous financial year was paid by the Company on 6 January 2017.

**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 March 2017</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	151,340	50,386	158,522	360,248
Segment results	26,469	(247)	24,078	50,300
<b>Year To Date Ended 31 March 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	122,613	51,229	143,966	317,808
Segment results	21,453	(3,203)	19,333	37,583
			<b>Current Year to date Ended 31/3/2017 RM'000</b>	<b>Corresponding Year to date Ended 31/3/2016 RM'000</b>
<b>Reconciliation of segment results</b>				
Reportable segments			50,300	37,583
Non-reportable segments			(33)	1,220
Interest expense			(563)	(1,054)
Investment income			1,158	677
Profit before tax			50,862	38,426
Taxation			(5,483)	(3,162)
Profit after tax			45,379	35,264

**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.

**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 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.



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**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 of RM360.248 million for the quarter ended 31 March 2017, an increase of 13.4% against the corresponding quarter ended 31 March 2016. USA and Asia segments recorded increase in revenue of 23.4% and 10.1% respectively whilst revenue in Europe segment decreased by 1.6%.

For the quarter under review, the Group achieved net profit of RM45.379 million, an improvement of 28.7% as compared to the net profit of RM35.264 million reported in the corresponding quarter a year ago. Asia and USA segments achieved net profits whilst Europe segment incurred losses for the quarter under review.

The increase in revenue for the current quarter was mainly attributable to higher average selling prices coupled with the appreciation of US\$/RM and US\$/RMB exchange rates, as compared to the prevailing rates in the corresponding quarter a year ago. The improvement in net profit for the current quarter ended 31 March 2017 against the corresponding quarter ended 31 March 2016 was mainly due to improved profit margin, higher interest income 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 of RM50.862 million for the current quarter, a decline of 19.0% against the profit before taxation reported in the preceding quarter ended 31 December 2016. The lower profit before tax was primarily attributable to foreign exchange loss for the current quarter as opposed to the foreign exchange gain reported in the last preceding 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 the performance of the Group to remain satisfactory till the end of the financial year.

**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.



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(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 31/3/2017 RM'000	Corresponding Quarter Ended 31/3/2016 RM'000	Current Year to date Ended 31/3/2017 RM'000	Corresponding Year to date Ended 31/3/2016 RM'000
Depreciation and amortisation	42,170	43,651	42,170	43,651
Interest expense	563	1,054	563	1,054
Foreign exchange loss/(gain)	289	(694)	289	(694)
Grant income received	(54)	(53)	(54)	(53)
Interest income	(1,158)	(677)	(1,158)	(677)
Provision for receivables	-	-	-	-
Bad debts written off	-	-	-	-
(Write back of)/Provision for slow moving inventories	-	-	-	-
Impairment losses on 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 31/3/2017 RM'000	Corresponding Quarter Ended 31/3/2016 RM'000	Current Year to date Ended 31/3/2017 RM'000	Corresponding Year to date Ended 31/3/2016 RM'000
Income tax payable	(5,560)	(3,567)	(5,560)	(3,567)
Deferred tax	77	405	77	405
	(5,483)	(3,162)	(5,483)	(3,162)

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.

Further to Note 9(b) to the Company's audited financial statements for the financial year ended 31 December 2016, PT Unisem after receiving an unfavorable verdict in relation to the tax assessment for year of assessment 2011 from the Tax Court, on 21 March 2017 paid an amount equivalent to RM3.5 million, representing the assessed tax underpayment of RM2.7 million and interest of RM0.8 million. PT Unisem intends to file an appeal with the Supreme Court on the above.

**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.



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(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:

	<b>Total RM'000</b>
<i>Secured Borrowings</i>	
Due within 12 months	28,014
<i>Unsecured Borrowings</i>	
Due within 12 months	10,035
Due after 12 months	12,820
Total	<u>50,869</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 did not recommend any dividend for the current financial quarter ended 31 March 2017. (Nil for the financial quarter ended 31 March 2016).

**B13. Earnings per share**

The basic earnings per share for the current quarter and financial period to date of 6.12 sen was calculated by dividing the Group's profit attributable to owners of the Company for the current quarter and financial period to date of RM44.904 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 31/3/2017 RM'000</b>	<b>As at 31/12/2016 RM'000</b>
Realised	581,073	343,778
Unrealised	(6,915)	(5,443)
	<u>574,158</u>	<u>338,335</u>
Add: Consolidation adjustments	74,108	265,027
Total Retained Earnings	<u>648,266</u>	<u>603,362</u>

BY ORDER OF THE BOARD

**CHUA HENG FATT** (MACS 00264)

**CHIN HOCK YEE** (LS 8922)

Company Secretary

DATED : 25 April 2017