



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000	Changes %	Current Year to date Ended 31/03/2018 RM'000	Corresponding Year to date Ended 31/03/2017 RM'000	Changes %
Revenue	321,551	360,248	-10.7	321,551	360,248	-10.7
Cost of sales	(288,901)	(292,079)	-1.1	(288,901)	(292,079)	-1.1
Gross profit	32,650	68,169	-52.1	32,650	68,169	-52.1
Operating expenses	(19,394)	(20,041)	-3.2	(19,394)	(20,041)	-3.2
Other operating (expense)/income	(4,899)	3,297	-248.6	(4,899)	3,297	-248.6
Interest expense	(645)	(563)	14.6	(645)	(563)	14.6
Profit before tax	7,712	50,862	-84.8	7,712	50,862	-84.8
Taxation	(1,387)	(5,483)	-74.7	(1,387)	(5,483)	-74.7
Profit for the period	6,325	45,379	-86.1	6,325	45,379	-86.1
Profit attributable to:						
Owners of the Company	6,054	44,904	-86.5	6,054	44,904	-86.5
Non-controlling interests	271	475	-42.9	271	475	-42.9
	6,325	45,379	-86.1	6,325	45,379	-86.1
Earnings per share (sen) –						
(a) Basic	0.82	6.12	-86.5	0.82	6.12	-86.5
(b) Diluted	0.82	6.12	-86.5	0.82	6.12	-86.5

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



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

	Current Quarter Ended 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000	Changes %	Current Year to date Ended 31/03/2018 RM'000	Corresponding Year to date Ended 31/03/2017 RM'000	Changes %
Profit for the period	6,325	45,379	-86.1	6,325	45,379	-86.1
Other comprehensive income/(loss)						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	(7,892)	(4,115)	-91.8	(7,892)	(4,115)	-91.8
Changes in fair value of available-for-sale investments	-	41	-100.0	-	41	-100.0
Total Comprehensive (Loss)/Profit for the period	(1,567)	41,305	-103.8	(1,567)	41,305	-103.8
Total Comprehensive Profit attributable to:						
Owners of the Company	(1,838)	40,830	-104.5	(1,838)	40,830	-104.5
Non-controlling interests	271	475	-42.9	271	475	-42.9
	(1,567)	41,305	-103.8	(1,567)	41,305	-103.8

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31/03/2018 RM'000	As at Preceding Financial Year End 31/12/2017 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,098,422	1,099,138
Prepaid Interest in Leased Land	18,445	18,703
Intangible Assets	782	1,362
Deferred Tax Assets	1,342	1,349
Total Non-current Assets	1,118,991	1,120,552
<i>Current Assets</i>		
Inventories	164,389	162,677
Trade and Other Receivables	172,599	187,475
Tax Recoverable	24,540	25,698
Deposits and Other Cash and Cash Equivalents	296,126	348,659
Total Current Assets	657,654	724,509
Total Assets	1,776,645	1,845,061
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	595,367	595,367
Reserves	858,240	860,078
Equity Attributable To Owners of the Company	1,453,607	1,455,445
Non-controlling interests	7,569	7,298
Total Equity	1,461,176	1,462,743
<i>Non-Current Liabilities</i>		
Bank Borrowings	9,019	8,948
Retirement Benefits Obligations	38,999	40,097
Deferred Income	7,905	8,036
Deferred Tax Liabilities	4,121	4,877
Total Non-current Liabilities	60,044	61,958
<i>Current Liabilities</i>		
Trade and Other Payables	217,248	279,507
Bank Borrowings	34,633	35,972
Provision for Tax	3,544	4,881
Total Current Liabilities	255,425	320,360
Total Liabilities	315,469	382,318
Total Equity and Liabilities	1,776,645	1,845,061
Net Assets per ordinary share attributable to owners of the Company (RM)	1.9808	1.9834

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2018

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 31/03/2018 RM'000	Corresponding Year To Date Ended 31/03/2017 RM'000
Operating Activities		
Profit For The Period	6,325	45,379
Adjustments for non-cash items:		
Depreciation and amortisation expenses	40,510	42,170
Interest (income)/expense - net	(571)	(595)
Others	2,198	6,418
Operating Profit Before Changes In Working Capital	48,462	93,372
Net change in current assets	10,982	(568)
Tax paid	(3,221)	(9,684)
Net change in current liabilities	(40,906)	(43,205)
Others	(383)	(461)
Net Cash Flows From Operating Activities	14,934	39,454
Investing Activities		
Additions to property, plant and equipment	(42,001)	(22,622)
Others	2,791	1,170
Net Cash Flows Used In Investing Activities	(39,210)	(21,452)
Financing Activities		
Drawdown/(Repayment) of bank borrowings – net	169	(398)
Dividend paid	(25,684)	(25,684)
Others	(1,098)	(570)
Net Cash Flows Used In Financing Activities	(26,613)	(26,652)
Net Change in Cash & Cash Equivalents	(50,889)	(8,650)
Cash And Cash Equivalents At Beginning Of Period	348,659	253,788
Effect of exchange rate differences	(1,644)	(382)
	347,015	253,406
Cash And Cash Equivalents At End Of Period	296,126	244,756
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Deposits and Other Cash and Cash Equivalents	296,126	244,756

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2018

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 March 2018							
At 1 January 2018	595,367	30,590	160,980	668,508	1,455,445	7,298	1,462,743
Profit for the period	-	-	-	6,054	6,054	271	6,325
Other comprehensive loss	-	-	(7,892)	-	(7,892)	-	(7,892)
Total comprehensive income/(loss) for the period	-	-	(7,892)	6,054	(1,838)	271	(1,567)
At 31 March 2018	595,367	30,590	153,088	674,562	1,453,607	7,569	1,461,176
Corresponding Period To Date Ended 31 March 2017							
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
At 31 March 2017	366,915	253,154	186,148	648,266	1,454,483	5,830	1,460,313

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2017)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FIRST FINANCIAL QUARTER ENDED 31 MARCH 2018

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 2017.

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 2017.

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, 2018. 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.

The Group has not elected for early adoption of the relevant new and revised MFRSs, amendments to MFRSs and Interpretations which have been issued but not yet effective until future periods. The adoption of these Standards when they become effective will have no 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 cyclical nature 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 period 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 period 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.



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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.

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 5 January 2018.

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 period to date is as follows:

Year To Date Ended 31 March 2018	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	145,991	51,589	123,971	321,551
Segment results	6,892	(3,254)	3,537	7,175

Year To Date Ended 31 March 2017	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	151,340	50,386	158,522	360,248
Segment results	26,469	(247)	24,078	50,300

	Current Year to date Ended 31/03/2018 RM'000	Corresponding Year to date Ended 31/03/2017 RM'000
Reconciliation of segment results		
Reportable segments	7,175	50,300
Non-reportable segments	(34)	(33)
Interest expense	(645)	(563)
Investment income	1,216	1,158
Profit before tax	7,712	50,862
Taxation	(1,387)	(5,483)
Profit after tax	6,325	45,379

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.



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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:

- 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 completed. The liquidation process is expected to be finalized by May 2018.

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 RM321.551 million for the quarter ended 31 March 2018, representing a decline in revenue of 10.7% against the corresponding quarter ended 31 March 2017. USA and Asia segments recorded decrease in revenue of 3.5% and 21.8% respectively whilst Europe's segment revenue increased by 2.4%. The decrease in revenue was mainly attributable to the depreciation of USD/MYR exchange rate as compared to the prevailing rate in the corresponding quarter a year ago.

For the quarter ended 31 March 2018, the Group recorded net profit of RM6.325 million as compared to the net profit of RM45.379 million achieved a year ago. The decline in net profit was mainly due to depreciation of USD/MYR exchange rate coupled with lower profit margins arising from change in product mix as well as the recognition of foreign exchange losses of RM9.950 million in the current financial quarter.

B2. *Explanatory comment on any material change in the profit before taxation for the quarter reported on as compared with the immediate preceding quarter*

	Current Quarter Ended 31/03/2018 RM'000	Immediate Preceding Quarter Ended 31/12/2017 RM'000	Changes %
Revenue	321,551	357,413	-10.0
Gross Profit	32,650	55,490	-41.2
Profit Before Tax	7,712	36,610	-78.9
Profit After Tax	6,325	32,565	-80.6
Profit attributable to Owners of the Company	6,054	32,021	-81.1

The Group recorded profit before taxation of RM7.712 million for the current quarter, a decline of 78.9% against the profit before taxation reported in the preceding quarter ended 31 December 2017. The lower profit before tax as compared with the preceding quarter was mainly attributable to the lower USD revenue, depreciation of USD/MYR exchange rate and higher foreign exchange loss.



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- 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 improve for the second financial quarter and 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.

- (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 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000	Current Year to date Ended 31/03/2018 RM'000	Corresponding Year to date Ended 31/03/2017 RM'000
Depreciation and amortisation	40,510	42,170	40,510	42,170
Foreign exchange loss/(gain)	9,950	289	9,950	289
Interest expense	645	563	645	563
Provision for/(Write back of) slow moving inventories	(6)	-	(6)	-
Grant income received	(51)	(54)	(51)	(54)
Interest income	(1,216)	(1,158)	(1,216)	(1,158)
Provision for receivables	-	-	-	-
(Gain)/Loss on disposal of properties	-	-	-	-
Bad debts written off	-	-	-	-
Impairment losses on assets	-	-	-	-
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 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000	Current Year to date Ended 31/03/2018 RM'000	Corresponding Year to date Ended 31/03/2017 RM'000
Income tax payable	(1,931)	(5,560)	(1,931)	(5,560)
Deferred tax	544	77	544	77
	<u>(1,387)</u>	<u>(5,483)</u>	<u>(1,387)</u>	<u>(5,483)</u>

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 2017, there were no further updates on PT Unisem's revised tax assessment and the final outcome of the objections/appeals have yet to be obtained.

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 are as follows:

	Current Quarter Ended 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000
<i>Secured Borrowings</i>		
Due within 12 months	25,874	28,014
Due after 12 months	6,587	-
<i>Unsecured Borrowings</i>		
Due within 12 months	8,759	10,035
Due after 12 months	2,432	12,820
	<u>43,652</u>	<u>50,869</u>

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



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B11. Trade Receivables

The age analysis of trade receivables is as follows:

	Current Quarter Ended 31/03/2018 RM'000	Corresponding Quarter Ended 31/03/2017 RM'000
Neither past due nor impaired	152,105	184,487
Past due but not impaired:		
61 – 90 days	2,867	3,328
91 – 120 days	614	304
Above 120 days	175	1,366
	3,656	4,998
Past due and impaired:		
Above 120 days	18	19
	155,779	189,504

The Group did not impair the past due trade receivables but monitors these receivables closely and is confident of their eventual recovery.

B12. Material Impairment of Assets

There was no material impairment of assets during the quarter under review and financial period to date.

B13. 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.

B14. Foreign Currency Risk Management

The Group attempts to limit the foreign currency exchange risk by having a natural hedge between its receivables and a portion of its payables/bank borrowings and may also enter into forward currency exchange contracts.

B15. Dividend

The Directors did not recommend any dividend for the current financial quarter ended 31 March 2018. (Nil for the financial quarter ended 31 March 2017).

B16. Earnings per share

The basic earnings per share for the current quarter and financial period to date of 0.82 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 RM6.054 million by the weighted average number of ordinary shares in issue of 733,831,055.

BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 24 April 2018