



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2018

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS**

	<b>Current Quarter Ended 31/12/2018 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2017 RM'000</b>	<b>Changes %</b>	<b>Current Year to date Ended 31/12/2018 RM'000</b>	<b>Corresponding Year to date Ended 31/12/2017 RM'000</b>	<b>Changes %</b>
Revenue	331,822	357,413	-7.2	1,351,276	1,465,727	-7.8
Cost of sales	(289,913)	(301,923)	-4.0	(1,191,061)	(1,215,825)	-2.0
Gross profit	41,909	55,490	-24.5	160,215	249,902	-35.9
Operating expenses	(19,993)	(20,270)	-1.4	(77,698)	(80,597)	-3.6
Other operating income	6,858	1,965	249.0	31,734	13,788	130.2
Interest expense	(1,018)	(575)	77.0	(3,188)	(2,314)	37.8
Profit before tax	27,756	36,610	-24.2	111,063	180,779	-38.6
Taxation	(4,329)	(4,045)	7.0	(15,230)	(19,375)	-21.4
<b>Profit for the period</b>	<b>23,427</b>	<b>32,565</b>	<b>-28.1</b>	<b>95,833</b>	<b>161,404</b>	<b>-40.6</b>
<b>Profit attributable to:</b>						
Owners of the Company	23,491	32,021	-26.6	95,834	159,461	-39.9
Non-controlling interests	(64)	544	-111.8	(1)	1,943	-100.1
	<b>23,427</b>	<b>32,565</b>	<b>-28.1</b>	<b>95,833</b>	<b>161,404</b>	<b>-40.6</b>
Earnings per share (sen) –						
Basic and diluted	3.23	4.36	-26.0	13.13	21.73	-39.6

(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  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2018

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

	<b>Current Quarter Ended 31/12/2018 RM'000</b>	<b>Corresponding Quarter Ended 31/12/2017 RM'000</b>	<b>Changes %</b>	<b>Current Year to date Ended 31/12/2018 RM'000</b>	<b>Corresponding Year to date Ended 31/12/2017 RM'000</b>	<b>Changes %</b>
Profit for the period	23,427	32,565	-28.1	95,833	161,404	-40.6
<b>Other comprehensive income/(loss)</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	(2,149)	(14,500)	-85.2	(22,582)	(29,283)	-22.9
Changes in fair value of available-for-sale investments	-	183	-100.0	-	280	-100.0
Reclassification adjustments relating to available-for- sale investments disposed of during the year	-	(309)	100.0	-	(309)	100.0
<i>Items that will not be reclassified subsequently to profit or loss</i>						
Remeasurement of defined benefit obligations – net of tax	6,332	(7,636)	182.9	6,332	(7,636)	182.9
<b>Total Comprehensive Profit for the period</b>	<b>27,610</b>	<b>10,303</b>	<b>168.0</b>	<b>79,583</b>	<b>124,456</b>	<b>-36.1</b>
<b>Total Comprehensive Profit attributable to:</b>						
Owners of the Company	27,674	9,759	183.6	79,584	122,513	-35.0
Non-controlling interests	(64)	544	-111.8	(1)	1,943	-100.1
	<b>27,610</b>	<b>10,303</b>	<b>168.0</b>	<b>79,583</b>	<b>124,456</b>	<b>-36.1</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 2017)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2018

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 31/12/2018 RM'000	As at Preceding Financial Year End 31/12/2017 RM'000
<b>Assets</b>		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,094,094	1,099,138
Prepaid Interest in Leased Land	17,901	18,703
Intangible Assets	-	1,362
Deferred Tax Assets	716	1,349
<b>Total Non-current Assets</b>	<b>1,112,711</b>	<b>1,120,552</b>
<i>Current Assets</i>		
Inventories	177,557	162,677
Trade and Other Receivables	169,011	187,475
Tax Recoverable	204	25,698
Deposits and Other Cash and Cash Equivalents	344,110	348,659
<b>Total Current Assets</b>	<b>690,882</b>	<b>724,509</b>
<b>Total Assets</b>	<b>1,803,593</b>	<b>1,845,061</b>
<b>Equity and Liabilities</b>		
<i>Capital and Reserves</i>		
Share Capital	595,367	595,367
Treasury Shares	(15,888)	-
Reserves	851,351	860,078
Equity Attributable To Owners of the Company	1,430,830	1,455,445
Non-controlling interests	7,297	7,298
<b>Total Equity</b>	<b>1,438,127</b>	<b>1,462,743</b>
<i>Non-Current Liabilities</i>		
Bank Borrowings	11,416	8,948
Retirement Benefits Obligations	35,976	40,097
Deferred Income	12,709	8,036
Deferred Tax Liabilities	10,994	4,877
<b>Total Non-current Liabilities</b>	<b>71,095</b>	<b>61,958</b>
<i>Current Liabilities</i>		
Trade and Other Payables	231,696	279,507
Bank Borrowings	62,139	35,972
Provision for Tax	536	4,881
<b>Total Current Liabilities</b>	<b>294,371</b>	<b>320,360</b>
<b>Total Liabilities</b>	<b>365,466</b>	<b>382,318</b>
<b>Total Equity and Liabilities</b>	<b>1,803,593</b>	<b>1,845,061</b>
Net Assets per ordinary share attributable to owners of the Company (RM)	1.9679	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)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Current Year To Date Ended 31/12/2018 RM'000</b>	<b>Corresponding Year To Date Ended 31/12/2017 RM'000</b>
<b>Operating Activities</b>		
Profit For The Period	95,833	161,404
Adjustments for non-cash items:		
Depreciation and amortisation expenses	164,693	167,703
Interest (income)/expense - net	(1,925)	(2,652)
Others	15,547	23,309
Operating Profit Before Changes In Working Capital	274,148	349,764
Net change in current assets	210	(1,453)
Tax paid	(15,092)	(29,012)
Net change in current liabilities	(20,758)	20,813
Others	(1,461)	(1,158)
Net Cash Flows From Operating Activities	237,047	338,954
<b>Investing Activities</b>		
Additions to property, plant and equipment	(171,947)	(156,505)
Others	6,221	8,225
Net Cash Flows Used In Investing Activities	(165,726)	(148,280)
<b>Financing Activities</b>		
Drawdown/(Repayment) of bank borrowings – net	27,041	(1,451)
Dividends paid	(87,756)	(80,721)
Repurchase of treasury shares	(15,888)	-
Others	1,078	(2,792)
Net Cash Flows Used In Financing Activities	(75,525)	(84,964)
Net Change in Cash & Cash Equivalents	(4,204)	105,710
Cash And Cash Equivalents At Beginning Of Period	348,659	253,788
Effect of exchange rate differences	(345)	(10,839)
Cash And Cash Equivalents At End Of Period	344,110	242,949
	344,110	348,659
<b>Cash and Cash Equivalents comprised the following :</b>		
	<b>RM'000</b>	<b>RM'000</b>
Deposits and Other Cash and Cash Equivalents	344,110	348,659

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
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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	Treasury Shares RM'000	Share Premium & Other Reserves RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000			
<b>Current Period To Date Ended 31 December 2018</b>								
At 1 January 2018	595,367	-	30,590	160,980	668,508	1,455,445	7,298	1,462,743
Effect on early adoption of IC Int 23	-	-	-	1,058	(27,297)	(26,239)	-	(26,239)
As restated	595,367	-	30,590	162,038	641,211	1,429,206	7,298	1,436,504
Profit for the period	-	-	-	-	95,834	95,834	(1)	95,833
Other comprehensive income/(loss)	-	-	-	(22,582)	6,332	(16,250)	-	(16,250)
Total comprehensive income/(loss) for the period	-	-	-	(22,582)	102,166	79,584	(1)	79,583
Purchase of treasury shares	-	(15,888)	-	-	-	(15,888)	-	(15,888)
Transfer to statutory reserve fund	-	-	4,935	-	(4,935)	-	-	-
Dividends	-	-	-	-	(62,072)	(62,072)	-	(62,072)
<b>At 31 December 2018</b>	<b>595,367</b>	<b>(15,888)</b>	<b>35,525</b>	<b>139,456</b>	<b>676,370</b>	<b>1,430,830</b>	<b>7,297</b>	<b>1,438,127</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 2017)



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

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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	Treasury Shares RM'000	Share Premium & Other Reserves RM'000	Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000			
<b>Corresponding Period To Date Ended 31 December 2017</b>								
At 1 January 2017	366,915	-	253,113	190,263	603,362	1,413,653	5,355	1,419,008
Adjustments for effects of Companies Act 2016	228,452	-	(228,452)	-	-	-	-	-
Profit for the period	-	-	-	-	159,461	159,461	1,943	161,404
Other comprehensive loss	-	-	(29)	(29,283)	(7,636)	(36,948)	-	(36,948)
Total comprehensive income/(loss) for the period	-	-	(29)	(29,283)	151,825	122,513	1,943	124,456
Transfer to statutory reserve fund	-	-	5,958	-	(5,958)	-	-	-
Dividends	-	-	-	-	(80,721)	(80,721)	-	(80,721)
<b>At 31 December 2017</b>	<b>595,367</b>	<b>-</b>	<b>30,590</b>	<b>160,980</b>	<b>668,508</b>	<b>1,455,445</b>	<b>7,298</b>	<b>1,462,743</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 2017)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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, except as follows:

***MFRS 9 Financial Instruments***

MFRS 9 replaces MFRS 139 'Financial Instruments: Recognition and Measurement' effective from 1 January 2018. MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss ('FVTPL') and fair value through other comprehensive income ('FVOCI').

MFRS 9 introduces an expected credit loss ("ECL") model on impairment that replaces the incurred loss impairment model used in MFRS 139. The ECL model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The Group has elected not to restate prior reporting period when applying the requirements for the classification, measurement and impairment of financial assets and financial liabilities with the cumulative effect of the initial application adjusted to retained earnings as of January 1, 2018.

The Group have reviewed and assessed the existing financial assets as at January 1, 2018 and concluded that the initial application of MFRS 9 does not have any material impact on the classification and measurement of the Group's financial assets whereby the financial assets classified as loans and receivables under MFRS 139 that were measured at amortised costs continue to be measured at amortised cost under MFRS 9.

The application of MFRS 9 does not have any impact on the classification and measurement of the Group's financial liabilities and the impact of estimated impairment losses from the ECL is immaterial to be reported in the financial statements of the Group.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2018

**A1. Accounting policies and basis of preparation (cont'd)**

**MFRS 15 Revenue from Contracts with Customers**

MFRS 15 replaces MFRS 118 'Revenue' and MFRS 111 'Construction Contracts' and related interpretations. The core principle in MFRS 15 is that an entity shall recognise revenue when a performance obligation is satisfied. The Group recognised revenue when each distinct performance obligation is satisfied, depending on the substance of the contract and when it has an enforceable right to payment for the performance obligation completed to date.

The Group elects to adopt the modified retrospective approach when applying MFRS 15 to contracts that were not completed on January 1, 2018 and elects to adjust the retained earnings as of January 1, 2018.

The Group has also applied practical expedients by electing not to disclose the value of unsatisfied performance obligations for contracts for which the revenue has been recognised as the expected duration of completing each contract or performance obligation is one year or less. Similar practical expedient is applied when excluding commission expenses as part of contract costs as the commission is incurred and paid within one year.

The Group has assessed the application of MFRS 15 and concluded that there is no material impact on the amounts reported for the Group.

**MFRS 16 Leases**

MFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors will continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

When MFRS 16 becomes effective, the Group will elect to adopt the modified retrospective approach when applying MFRS 16 to lease commitments on January 1, 2019 and elects to adjust the opening balance of retained earnings for any financial impact, if any.

The directors of the Group have assessed the application of MFRS 16 and are of the opinion that there is no material impact for Group.





QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE  
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**A1. *Accounting policies and basis of preparation (cont'd)***

**IC Interpretation 23 *Uncertainty over Income Tax Treatments***

IC Interpretation 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. This interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group and to assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings.

The Group has studied the clarification on tax treatment set out in IC Interpretation 23, which is effective for the financial period beginning on or after January 1, 2019. Upon reassessment of the latest development with due consideration, the Group decided to early apply IC Interpretation 23 by adopting the modified retrospective approach and recognised the full cumulative amount paid against the balance of retained earnings and foreign currency translation reserve as of January 1, 2018.

**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 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, resale and repayment of debt or equity securities during the quarter under review and financial period to date except for the treasury shares repurchase.

There were no shares repurchased during the current quarter. For the financial period to date, a total of 6,745,200 ordinary shares were repurchased by the Company at an average price of RM2.36 per share. As at 31 December 2018, the total number of treasury shares held represent 0.9% of the total number of issued shares of the Company.



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**A7. *Changes in contingent liabilities or contingent assets***

During the financial year, one of the Company's subsidiaries distributed dividend to the Company which would attract withholding tax in accordance to the subsidiary's tax regime. However, as the dividend received would be reinvested into the subsidiary by way of increasing the share capital of the subsidiary, the payment of withholding tax is allowed to be deferred. The withholding tax will become payable when the Company disposes its interest in the investment of the subsidiary by way of share transfer, share buy-back or liquidation. As such, the Company has adopted the approach that the dividend declared and received respectively would be excluding the withholding tax impact amounting to RM6.30 million.

**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 2.0 sen per share tax-exempt, amounting to RM14.542 million in respect of ordinary shares in the current financial year was paid by the Company on 6 December 2018.

A first interim dividend of 2.5 sen per share tax-exempt, amounting to RM18.177 million in respect of ordinary shares in the current financial year was paid by the Company on 7 September 2018.

A final dividend of 4.0 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 25 May 2018.

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 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:

<b>Year To Date Ended 31 December 2018</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	635,066	223,247	492,963	1,351,276
Segment results	68,047	(6,091)	47,323	109,279
<b>Year To Date Ended 31 December 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	661,095	208,044	596,588	1,465,727
Segment results	101,428	141	76,700	178,269



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**A10. *Segment revenue and segment result and segment assets employed for business segments or geographical segments (cont'd)***

	<b>Current Year to date Ended 31/12/2018 RM'000</b>	<b>Corresponding Year to date Ended 31/12/2017 RM'000</b>
<b>Reconciliation of segment results</b>		
Reportable segments	109,279	178,269
Non-reportable segments	(141)	(142)
Interest expense	(3,188)	(2,314)
Investment income	5,113	4,966
Profit before tax	<u>111,063</u>	<u>180,779</u>
Taxation	<u>(15,230)</u>	<u>(19,375)</u>
Profit after tax	<u>95,833</u>	<u>161,404</u>

**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 period to date except for the following:

- Unisem GmbH (an indirect subsidiary of the Company, registered in Germany, providing marketing and administrative services to the Group) has been struck off from the Trade Register of Munich on 27 August 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 and net profit of RM331.822 million and RM23.427 million respectively for the quarter ended 31 December 2018, representing decline in revenue and net profit of 7.2% and 28.1% respectively against the corresponding quarter ended 31 December 2017.

For the financial year ended 31 December 2018, the Group recorded revenue and net profit of RM1.351 billion and RM95.833 million respectively. These represent decrease of 7.8% in revenue and 40.6% in net profit respectively as compared to the same period a year ago. All segments recorded decrease in revenue respectively.

The decrease in revenue and net profit for current quarter was mainly attributable to the decrease in sales volume.

The decrease in revenue and net profit for the financial year ended 31 December 2018 was mainly attributable to the depreciation of USD/MYR exchange rates as compared to the prevailing rates a year ago.



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

	<b>Current Quarter Ended 31/12/2018 RM'000</b>	<b>Immediate Preceding Quarter Ended 30/09/2018 RM'000</b>	<b>Changes %</b>
Revenue	331,822	354,705	-6.5
Gross Profit	41,909	45,310	-7.5
Profit Before Tax	27,756	39,373	-29.5
Profit After Tax	23,427	35,006	-33.1
Profit attributable to Owners of the Company	23,491	35,147	-33.2

The Group recorded profit before taxation of RM27.756 million for the current quarter, a decrease of 29.5% against the profit before taxation reported in the preceding quarter ended 30 September 2018. The lower profit before tax as compared to the preceding quarter was primarily attributable to the decrease in revenue coupled with the lower foreign exchange gain.

**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 next 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.



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**B7. Profit Before Taxation**

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

	Current Quarter Ended 31/12/2018 RM'000	Corresponding Quarter Ended 31/12/2017 RM'000	Current Year to date Ended 31/12/2018 RM'000	Corresponding Year to date Ended 31/12/2017 RM'000
Depreciation and amortisation	41,489	40,482	164,693	167,703
Interest expense	1,018	575	3,188	2,314
(Write back of)/Provision for slow moving inventories	(12)	(613)	99	(279)
Grant income received	(100)	(121)	(628)	(2,762)
Interest income	(1,139)	(1,313)	(5,113)	(4,966)
(Gain)/Loss on disposal of properties	-	-	-	(1,241)
Foreign exchange (gain)/loss	(819)	4,521	(8,963)	10,276
Provision for receivables	-	-	-	-
Bad debts written off	-	-	-	-
Impairment losses on assets	-	-	-	-
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 31/12/2018 RM'000	Corresponding Quarter Ended 31/12/2017 RM'000	Current Year to date Ended 31/12/2018 RM'000	Corresponding Year to date Ended 31/12/2017 RM'000
Income tax payable	1,877	(3,986)	(10,975)	(20,183)
Deferred tax	(6,206)	(59)	(4,584)	397
	(4,329)	(4,045)	(15,559)	(19,786)
Over provision in prior year	-	-	329	411
	(4,329)	(4,045)	(15,230)	(19,375)

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.



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**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 31/12/2018 RM'000	Corresponding Quarter Ended 31/12/2017 RM'000
<i>Secured Borrowings</i>		
Due within 12 months	28,863	26,829
Due after 12 months	11,416	4,126
<i>Unsecured Borrowings</i>		
Due within 12 months	33,276	9,143
Due after 12 months	-	4,822
	73,555	44,920

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

**B11. Trade Receivables**

The age analysis of trade receivables is as follows:

	Current Quarter Ended 31/12/2018 RM'000	Corresponding Quarter Ended 31/12/2017 RM'000
Neither past due nor impaired	148,831	164,866
Past due but not impaired:		
61 – 90 days	2,957	5,353
91 – 120 days	1,588	272
Above 120 days	772	3,242
	5,317	8,867
Past due and impaired:		
Above 120 days	-	19
	154,148	173,752

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.



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**B15. *Dividend***

The Directors recommended a final dividend of 3.0 sen per share tax-exempt for the current financial year ended 31 December 2018 (4.0 sen per share tax-exempt for the financial year ended 31 December 2017). 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 later.

**B16. *Earnings per share***

The basic earnings per share for the current quarter and financial period to date of 3.23 sen and 13.13 sen respectively were calculated by dividing the Group's profit attributable to owners of the Company for the current quarter of RM23.491 million and financial period to date of RM95.834 million by the weighted average number of ordinary shares in issue during the current quarter of 727,085,855 and for the financial period to date of 729,859,047.

BY ORDER OF THE BOARD

**CHUA HENG FATT** (MACS 00264)

**CHIN HOCK YEE** (LS 8922)

Company Secretary

DATED : 25 February 2019