



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2009

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Current Quarter Ended 30/06/2009 RM'000	Corresponding Quarter Ended 30/06/2008 RM'000	Current Year to date Ended 30/06/2009 RM'000	Corresponding Year to date Ended 30/06/2008 RM'000
Revenue	255,278	324,135	435,960	634,816
Operating expenses	(233,827)	(292,143)	(428,512)	(580,889)
Other operating income	6,340	3,795	482	13,084
Finance cost	(5,040)	(6,884)	(11,597)	(14,802)
Profit/(Loss) before taxation	22,751	28,903	(3,667)	52,209
Taxation	995	(3,858)	3,987	(5,040)
Profit for the period	23,746	25,045	320	47,169
Attributable to:				
Equity holders of the Company	23,985	25,171	895	47,408
Minority interest	(239)	(126)	(575)	(239)
	23,746	25,045	320	47,169
Earnings per share (sen) - Basic	5.09	5.34	0.19	10.06

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED BALANCE SHEETS

	As at end of Current Quarter 30/06/2009 RM'000	As at Preceding Financial Year End 31/12/2008 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,123,156	1,148,754
Prepaid Interest in Leased Land	21,384	21,385
Goodwill	73,823	72,308
Intangible Assets	23,751	25,028
Deferred Tax Assets	8,998	8,991
Other Receivable	1,301	1,318
Total Non-current Assets	1,252,413	1,277,784
<i>Current Assets</i>		
Inventories	118,654	114,322
Trade and Other Receivables	176,722	147,170
Cash and Bank Balances	91,048	102,220
Total Current Assets	386,424	363,712
Total Assets	1,638,837	1,641,496

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008)



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CONDENSED CONSOLIDATED BALANCE SHEETS – CONTINUED

	As at end of Current Quarter 30/06/2009 RM'000	As at Preceding Financial Year End 31/12/2008 RM'000
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	235,721	235,721
Reserves	615,598	600,513
Equity Attributable To Equity Holders of the Company	851,319	836,234
Minority Interests	12,033	12,608
Total Equity	863,352	848,842
<i>Non-Current Liabilities</i>		
Long Term Borrowings	246,943	300,217
Retirement Benefits and Obligations	13,333	11,833
Finance Lease	2,411	2,647
Deferred Income	9,341	9,358
Deferred Tax Liabilities	4,044	7,990
	276,072	332,045
<i>Current Liabilities</i>		
Trade and Other Payables	217,630	191,829
Short Term Borrowings	281,150	268,085
Finance Lease	633	654
Current Tax Payable	-	41
	499,413	460,609
Total Liabilities	775,485	792,654
Total Equity and Liabilities	1,638,837	1,641,496
Net Assets per ordinary share attributable to equity holders of the Company (RM)	1.8058	1.7738

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Current Year To Date Ended 30/06/2009 RM'000	Corresponding Year To Date Ended 30/06/2008 RM'000
Operating Activities		
Profit For The Period	320	47,169
Adjustments for non-cash flow items:		
Depreciation and amortisation expenses (net of amortization income)	85,421	76,660
Finance cost (net of interest income)	10,901	13,912
Others	(3,469)	7,365
Operating Profit Before Changes In Working Capital	93,173	145,106
Net change in current assets	(26,106)	(9,205)
Tax paid	(2,102)	(610)
Net change in current liabilities	(14,522)	(116,891)
Net Cash Flows From Operating Activities	50,443	18,400
Investing Activities		
Additions to property, plant and equipment	(5,373)	(14,388)
Others	1,661	336
Net Cash Flows Used In Investing Activities	(3,712)	(14,052)
Financing Activities		
Proceeds from short and long term borrowings	24,212	39,753
Repayment of short and long term borrowings	(89,450)	(21,390)
Consideration for buy-back and early redemption of Guaranteed Convertible Bonds due 2009	-	(14,728)
Others	(13,202)	(10,216)
Net Cash Flows Used In Financing Activities	(78,440)	(6,581)
Net Change in Cash & Cash Equivalents	(31,709)	(2,233)
Cash And Cash Equivalents At Beginning Of Period	72,920	88,850
Effect of exchange rate differences	4,785	(2,263)
	77,705	86,587
Cash And Cash Equivalents At End Of Period	45,996	84,354

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008)



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to Equity Holders of the Company →						Total Equity RM'000
	Share Capital RM'000	Share Premium & Capital Reserves RM'000	Reserve attributable to Revenue RM'000	Retained Earnings RM'000	Subtotal RM'000	Minority Interest RM'000	
Current Year To Date Ended 30 June 2009							
Balance at beginning of year	235,721	162,178	12,351	425,984	836,234	12,608	848,842
Currency translation differences	-	-	14,190	-	14,190	-	14,190
Net profit for the financial year to date	-	-	-	895	895	(575)	320
Total recognised income and expenses for the financial year to date	-	-	14,190	895	15,085	(575)	14,510
Balance at end of period	235,721	162,178	26,541	426,879	851,319	12,033	863,352

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008)



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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY – CONTINUED

	← Attributable to Equity Holders of the Company →						
	Share Capital RM'000	Share Premium & Capital Reserves RM'000	Reserve attributable to Revenue RM'000	Retained Earnings RM'000	Subtotal RM'000	Minority Interest RM'000	Total Equity RM'000
Corresponding Year To Date Ended 30 June 2008							
Balance at beginning of year	235,721	164,319	(16,238)	431,317	815,119	7,804	822,923
Currency translation differences	-	-	3,631	-	3,631	-	3,631
Net profit for the financial year to date	-	-	-	47,408	47,408	(239)	47,169
Total recognised income and expenses for the financial year to date	-	-	3,631	47,408	51,039	(239)	50,800
Buy-back of Guaranteed Convertible Bonds due 2009	-	(107)	-	(1,136)	(1,243)	-	(1,243)
Balance at end of period	235,721	164,212	(12,607)	477,589	864,915	7,565	872,480

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2008)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2009

EXPLANATORY NOTES AND ADDITIONAL INFORMATION

1. ***Accounting policies and methods of computation***
The Quarterly Report has been prepared in accordance with the reporting requirements outlined in the *Financial Reporting Standards (FRS) 134 'Interim Financial Reporting'* 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 2008.
2. ***Declaration of audit qualification***
The preceding annual financial statements of the Group were reported on without any qualification.
3. ***Explanatory comment about the seasonality or cyclicity of operations***
There have been no material seasonal or cyclical factors affecting the results of the quarter under review.
4. ***Nature and amount of unusual items***
There are no extraordinary items for the current interim period.
5. ***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 are no changes in the estimates of amounts, which give a material effect in the current interim period.
6. ***Details of issue, cancellation, repurchase, resale and repayment of debt and equity securities***
There are no issue, cancellation, repurchases, resale and repayment of debt or equity securities for the current financial year to date.
7. ***Dividend Paid***
No dividend was paid in respect of the current financial year to date.
8. ***Segment revenue and segment result and segment assets employed for business segments or geographical segments***

Quarter Ended 30 June 2009	Asia	Europe	USA	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	249,856	3,876	1,546	255,278
Profit/(Loss) before taxation	26,054	(2,868)	(435)	22,751
Year To Date Ended 30 June 2009	Asia	Europe	USA	Consolidated
	RM'000	RM'000	RM'000	RM'000
Revenue	424,190	8,780	2,990	435,960
Profit/(Loss) before taxation	2,113	(4,398)	(1,382)	(3,667)



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9. Valuations of property, plant and equipment brought forward without amendment from the previous annual financial statements

The Group did not carry out any valuations on its property, plant and equipment.

10. 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.

11. Effect of changes in the composition of the Group

There are no changes in the composition of the Group for the current financial year to date save and except for

(i) On 1 July 2009, Unisem International (Labuan) Limited (“Unisem Labuan”) was placed under Member’s Voluntary Winding Up process pursuant to the Offshore Companies Act, 1990. Unisem Labuan was created for the issuance of the unsecured Guaranteed Convertible Bonds due 2009. The company has been dormant since the full redemption and cancellation of all the outstanding convertible bonds in August 2008.

(ii) On 15 July 2009, the Company incorporated a wholly-owned subsidiary in Chengdu, known as Unisem International (Chengdu) Ltd with a registered capital of USD20,000. The principal activities of the company are marketing of semiconductor devices and provision of related services.

12. Changes in contingent liabilities or contingent assets

There are no changes in contingent liabilities.

13. Review of the performance of the Group, setting out material factors affecting the earnings and /or revenue of the Group for the current quarter and financial year to date

The Group recorded revenue of RM255.278 million and net profit of RM23.746 million for the current quarter, these represent corresponding quarterly decline of 21.2% and 5.2% respectively. The decrease in revenue and net profit was mainly due to reduced sales volume as a result of the global economic slowdown.

For the first half of the current financial year ended 30 June 2009, the Group recorded revenue of RM435.960 million which represents a corresponding half yearly decline of 31.3%. The decrease in revenue was mainly due to decrease in sales volume as a consequence of the global economic slowdown. For the 6-month ended 30 June 2009, the Group recorded a net profit of RM320,000 compared to the 6-month net profit of RM46.849 million achieved a year ago. The decrease in net profit was mainly due to lower business revenue and foreign exchange losses.

14. 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 recorded profit before taxation (“PBT”) of RM22.751 million for the second quarter ended 30 June 2009 compared to the loss before taxation (“LBT”) of RM26.418 million for the immediate preceding quarter ended 31 March 2009. The significant improvement in net profit was mainly due to increase in overall group sales volume, profit contribution and recognition of other operating income from Unisem Chengdu.



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15. *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 company's preceding annual financial statements did not have any audit qualification.

16. *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 recovery in the demand for the products and services of the Group experienced in the second quarter to continue into the third quarter. The business of the Group is also expected to remain profitable for the remaining period to the end of the financial year.

17. *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. The Company had not announced or disclosed in a public document any revenue or profit estimates.

18. (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.

19. *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 30/06/2009 RM'000	Current Year To Date Ended 30/06/2009 RM'000
Income tax payable – current	(188)	(216)
Transfer from deferred taxation	1,183	4,203
Total	995	3,987

Income tax expense for the current quarter and financial year to date arose mainly from rental income and interest income received which are assessed separately.

The effective tax rate is lower than the statutory tax rate for the current quarter and financial year to date mainly due to deferred tax assets being recognized in respect of the Reinvestment Allowances (RA) and Investment Tax Allowances (ITA) to the extent that it is probable that future taxable profits will be available against which the RA and ITA can be utilized.

20. *Amount of profits on sale of unquoted investments or properties*

There are no sales of unquoted investments or properties for the current quarter and financial year to date.



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21. **Particulars of purchase or disposal of quoted securities**
There are no purchases or disposals of quoted securities by the Group as at 28 July 2009.
22. (a) **Status of corporate proposals announced but not completed**
There are no outstanding corporate proposals announced but not completed as at 28 July 2009.
- (b) **Status of utilisation of proceeds raised from any corporate proposal for the quarter under review**
As at 30 June 2009, there are no unutilised proceeds raised from corporate proposal.
23. **Borrowings and debt securities as at the end of the reporting period**
The details of the Group's borrowings as at end of current quarter are as follows:

	Foreign Currency '000	RM Equivalent '000
<i>Secured Borrowings</i>		
Term Loans	USD73,800	260,673
Revolving Credit	USD1,000	3,533
<i>Unsecured Borrowings</i>		
Term Loans		142,020
Revolving Credit		68,500
Bank overdrafts		45,052
Banker Acceptances		8,029
Promissory Notes	USD81	286
Total		<u>528,093</u>

24. **Summary of off balance sheet financial instruments by type and maturity profile**
In order to hedge its exposure to foreign exchange risks, the Group has entered into foreign currency forward contracts. Gains and losses on foreign exchange contracts designated as hedges of identified exposure are offset against the foreign exchange gains and losses on the hedged financial assets and liabilities.

Where the instrument is used to hedge against anticipated future transactions, gains and losses are not recognized until the transaction occurs.

As at 30 June 2009, the foreign exchange currency contracts that have been entered into by the Company are as follows:

Currency	Contracts amount (in '000)	Equivalent amount in RM'000
US Dollars	22,000	71,720
	=====	=====

The Company has entered a foreign exchange currency forward contract for a period of up to twenty-four months. The above amount represents the balance of the contract.



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There are no cash requirement risks as the Group only uses forward foreign currency contracts as its hedging instrument. The Group is exposed to credit risk with respect to foreign currency forward contracts in the event of non-performance by the counterparties to these financial instruments which are major financial institutions. However, the risk of incurring material losses related to this credit risk is remote.

25. *Changes in material litigation (including status of any pending material litigation) since the last annual balance sheet date*

There are no changes in material litigation since the last annual balance sheet date.

26. *Dividend*

The Directors do not recommended any dividend for the current financial quarter ended 30 June 2009. (Nil for the financial quarter ended 30 June 2008).

27. *Earnings per share*

The basic earnings per share for the current quarter of 5.09 sen and financial year to date of 0.19 sen was calculated by dividing the Group's net profit attributable to equity holders of the Company for the current quarter and financial year to date amounting to RM23.985 million and RM895,000 by the weighted average number of ordinary shares in issue of 471,441,679.

BY ORDER OF THE BOARD

CHUA HENG FATT (MACS 00264)

CHIN HOCK YEE (LS 8922)

Company Secretary

DATED : 28 July 2009