



UNISEM (M) BERHAD [198901006009 (183314-V)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000	Changes %	Current Year to date Ended 30/9/2023 RM'000	Corresponding Year to date Ended 30/9/2022 RM'000	Changes %
CONTINUING OPERATIONS						
Revenue	356,186	439,686	-19.0	1,088,893	1,328,191	-18.0
Cost of sales	<u>(317,747)</u>	<u>(361,042)</u>	-12.0	<u>(986,190)</u>	<u>(1,085,411)</u>	-9.1
Gross profit	38,439	78,644	-51.1	102,703	242,780	-57.7
Operating expenses	(18,928)	(19,901)	-4.9	(59,306)	(59,781)	-0.8
Other operating income	7,343	7,068	3.9	30,159	24,715	22.0
Interest expense	<u>(2,508)</u>	<u>(1,534)</u>	63.5	<u>(7,553)</u>	<u>(2,993)</u>	152.4
Profit before tax	24,346	64,277	-62.1	66,003	204,721	-67.8
Taxation	<u>(5,381)</u>	<u>(7,966)</u>	-32.5	<u>(13,116)</u>	<u>(26,833)</u>	-51.1
Profit for the period from continuing operations	18,965	56,311	-66.3	52,887	177,888	-70.3
DISCONTINUED OPERATIONS						
(Loss)/Profit for the period from discontinued operations	(951)	5,421	-117.5	(1,085)	140,396	-100.8
Profit for the period	<u>18,014</u>	<u>61,732</u>	-70.8	<u>51,802</u>	<u>318,284</u>	-83.7
Profit attributable to owners of the Company	<u>18,014</u>	<u>61,732</u>	-70.8	<u>51,802</u>	<u>318,284</u>	-83.7
Earnings/(Loss) per share (sen):						
Basic and diluted						
- Continuing operations	1.18	3.49	-66.2	3.28	11.03	-70.3
- Discontinued operations	<u>(0.06)</u>	<u>0.34</u>	-117.6	<u>(0.07)</u>	<u>8.70</u>	-100.8
	<u>1.12</u>	<u>3.83</u>	-70.8	<u>3.21</u>	<u>19.73</u>	-83.7

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)



UNISEM (M) BERHAD [198901006009 (183314-V)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR LOSS

	Current Quarter Ended 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000	Changes %	Current Year to date Ended 30/9/2023 RM'000	Corresponding Year to date Ended 30/9/2022 RM'000	Changes %
Profit for the period	18,014	61,732	-70.8	51,802	318,284	-83.7
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	3,531	(11,476)	130.8	15,602	(9,977)	256.4
Total Comprehensive Income for the period	21,545	50,256	-57.1	67,404	308,307	-78.1
Total Comprehensive Income attributable to owners of the Company	21,545	50,256	-57.1	67,404	308,307	-78.1

(The Condensed Consolidated Statements of Comprehensive Income or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial Year End 30/9/2023 RM'000	As at Preceding Financial Year End 31/12/2022 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	2,032,162	1,949,547
Prepaid Interest in Leased Land	16,774	16,323
Total Non-current Assets	2,048,936	1,965,870
<i>Current Assets</i>		
Inventories	217,500	269,980
Trade and Other Receivables	187,369	226,199
Tax Recoverable	3,350	716
Cash and Cash Equivalents	584,965	556,044
Total Current Assets	993,184	1,052,939
Total Assets	3,042,120	3,018,809
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	1,036,677	1,036,677
Reserves	1,350,348	1,379,729
Total Equity	2,387,025	2,416,406
<i>Non-Current Liabilities</i>		
Bank Borrowings	148,228	33,019
Deferred Income	48,682	52,454
Deferred Tax Liabilities	64,108	63,133
Total Non-current Liabilities	261,018	148,606
<i>Current Liabilities</i>		
Trade and Other Payables	223,242	279,211
Bank Borrowings	165,349	163,458
Amount owing to Other Related Companies	141	140
Provision for Tax	5,345	10,988
Total Current Liabilities	394,077	453,797
Total Liabilities	655,095	602,403
Total Equity and Liabilities	3,042,120	3,018,809
Net Assets per ordinary share attributable to owners of the Company (RM)	1.4798	1.4980

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/9/2023 RM'000	Corresponding Year To Date Ended 30/9/2022 RM'000
Operating Activities		
Profit For The Period	51,802	318,284
Adjustments for non-cash items:		
Depreciation and amortisation	158,920	153,769
Interest (income)/expense - net	(3,660)	(4,275)
Gain on disposal of non-current assets classified as held for sale	-	(130,050)
Others	15,971	27,714
Operating Profit Before Changes In Working Capital	223,033	365,442
Net change in current assets	94,493	(63,499)
Tax (paid)/refunded	(21,989)	(1,460)
Net change in current liabilities	(33,778)	16,918
Others	1	220
Net Cash Flows From Operating Activities	261,760	317,621
Investing Activities		
Additions to property, plant and equipment	(254,763)	(485,732)
Proceeds from disposal of non-current assets classified as held for sale	-	139,500
Others	12,215	10,475
Net Cash Flows Used In Investing Activities	(242,548)	(335,757)
Financing Activities		
Drawdown/(Repayment) of bank borrowings – net	105,527	(758)
Dividends paid	(96,785)	(64,523)
Others	(6,982)	(2,627)
Net Cash Flows From/(Used In) Financing Activities	1,760	(67,908)
Net Change in Cash & Cash Equivalents	20,972	(86,044)
Cash And Cash Equivalents At Beginning Of Period	556,044	655,959
Effect of exchange rate differences	7,949	9,526
	563,993	665,485
Cash And Cash Equivalents At End Of Period	584,965	579,441
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Cash and Cash Equivalents	584,965	579,441

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)



UNISEM (M) BERHAD [198901006009 (183314-V)]

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Non-Distributable Reserve Other Reserves RM'000	Foreign Currency Translation Reserve RM'000	Distributable Reserve Retained Earnings RM'000	Total Equity RM'000
Current Period To Date Ended 30 September 2023					
At 1 January 2023	1,036,677	77,289	175,314	1,127,126	2,416,406
Profit for the period	-	-	-	51,802	51,802
Other comprehensive income	-	-	15,602	-	15,602
Total comprehensive income for the period	-	-	15,602	51,802	67,404
Dividends	-	-	-	(96,785)	(96,785)
At 30 September 2023	1,036,677	77,289	190,916	1,082,143	2,387,025
Corresponding Period To Date Ended 30 September 2022					
At 1 January 2022	1,036,677	63,228	213,600	852,613	2,166,118
Profit for the period	-	-	-	318,284	318,284
Other comprehensive loss	-	-	(9,977)	-	(9,977)
Total comprehensive income for the period	-	-	(9,977)	318,284	308,307
Dividends	-	-	-	(64,523)	(64,523)
At 30 September 2022	1,036,677	63,228	203,623	1,106,374	2,409,902

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

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 2022.

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 2022.

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, 2023. 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 annual financial statements of the Group for the financial year ended 31 December 2022 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 or equity 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 for the 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.

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

A9. Dividend Paid

A second interim dividend of 2.0 sen per share, tax-exempt, amounting to RM32.262 million in respect of ordinary shares in the current financial year was paid by the Company on 25 August 2023.

A first interim dividend of 2.0 sen per share, tax-exempt, amounting to RM32.262 million in respect of ordinary shares in the current financial year was paid by the Company on 26 May 2023.

A third interim dividend of 2.0 sen per share, tax-exempt, amounting to RM32.261 million in respect of ordinary shares in the previous financial year was paid by the Company on 24 March 2023.

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

The Group's geographical segment report from continuing operations for the financial period to date is as follows:

Year To Date Ended 30 September 2023	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	672,511	119,788	296,594	1,088,893
Segment results	33,533	11,088	17,633	62,254
Year To Date Ended 30 September 2022	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	782,773	123,374	422,044	1,328,191
Segment results	114,595	17,765	67,816	200,176
			Current Year to date Ended 30/9/2023 RM'000	Corresponding Year to date Ended 30/9/2022 RM'000

Reconciliation of segment results from continuing operations

Reportable segments	62,254	200,176
Non-reportable segments	192	270
Interest expense	(7,553)	(2,993)
Interest income	11,110	7,268
Profit before tax	66,003	204,721
Taxation	(13,116)	(26,833)
Profit after tax	52,887	177,888



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

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 current reported period that have not been reflected in the financial statement for the current 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 ongoing voluntary liquidation process of PT Unisem.

A13. *Profit/(Loss) from Discontinued Operations*

The results of the discontinued operations for PT Unisem are as follows:

	Current Year to date Ended 30/9/2023 RM'000	Corresponding Year to date Ended 30/9/2022 RM'000
Other operating income	103	5,975
Other gains/(losses)	65	(1,689)
Expenses	(549)	(1,203)
Gain on disposal of non-current assets classified as held for sale	-	130,050
(Loss)/Profit before tax	(381)	133,133
Taxation	(704)	7,263
(Loss)/Profit after tax	(1,085)	140,396

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 from continuing operations of RM356.186 million and RM18.965 million respectively for the current quarter ended 30 September 2023, these represent a decrease of 19.0% and 66.3% compared to the same quarter a year ago.

For the nine months ended 30 September 2023, the Group reported revenue and net profit from continuing operations of RM1.089 billion and RM52.887 million respectively, these represent a decrease of 18.0% and 70.3% against the corresponding period a year ago.

The decrease in revenue and net profit was primarily attributable to lower sales volume in line with softer market demand.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

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 30/9/2023 RM'000	Immediate Preceding Quarter Ended 30/6/2023 RM'000	Changes %
Continuing operations			
Revenue	356,186	378,660	-5.9
Gross Profit	38,439	37,615	2.2
Profit Before Tax	24,346	28,246	-13.8

The Group achieved profit before taxation of RM24.346 million for the current quarter ended 30 September 2023 against the profit before taxation of RM28.246 million in the preceding quarter ended 30 June 2023, representing a decline of 13.8%. The decrease in profit before taxation for the current quarter was mainly attributable to lower sales volume.

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*

Due to the challenging macroeconomic and geopolitical environment, the Directors expect the performance of the Group to remain muted in the near term.

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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

B7. Profit Before Taxation

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

	Current Quarter Ended 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000	Current Year to date Ended 30/9/2023 RM'000	Corresponding Year to date Ended 30/9/2022 RM'000
Depreciation and amortisation	(53,134)	(52,314)	(158,920)	(153,769)
Foreign exchange losses	(3,246)	(432)	(1,138)	(1,233)
Interest expense	(2,508)	(1,534)	(7,553)	(2,993)
Reversal/(Write down) of inventories previously written down	17	(281)	39	(432)
Grant income received	202	-	334	965
Interest income	4,038	2,503	11,110	7,268
Gain/(Loss) on disposal of properties	-	-	-	-
Bad debts written off	-	-	-	-
Gain/(Loss) 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 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000	Current Year to date Ended 30/9/2023 RM'000	Corresponding Year to date Ended 30/9/2022 RM'000
Tax expense on results from continuing operations:				
Income tax payable	(6,720)	(3,510)	(12,811)	(10,255)
Deferred tax	1,473	(4,456)	(171)	(16,417)
	(5,247)	(7,966)	(12,982)	(26,672)
Under provision in prior year	(134)	-	(134)	(161)
	<u>(5,381)</u>	<u>(7,966)</u>	<u>(13,116)</u>	<u>(26,833)</u>

The effective tax rate for the current quarter and period ended 30 September 2023 was lower than the statutory tax rate mainly due to the availability of tax allowances and incentives to offset taxable income.

Tax expense on results from discontinued operations (PT Unisem):

Further to Note 9(b) to the Company's audited financial statements for the financial year ended 31 December 2022, there were no updates on the objections of the tax cases as at the date of this report.

During the quarter under review, the Director General of Tax has issued a revised additional tax assessment for YA2019 - YA2020 amounting to RM196,000 and RM328,000 respectively and full payment of the additional tax assessment has been made accordingly.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

B9. (a) Status of corporate proposals announced but not completed

There were no 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

The gross proceeds raised from the Private Placement has been fully utilised as follow:

Details of utilisation of proceeds	Estimate timeframe for utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Balance available for utilization RM'000
Capital expenditure – Unisem Ipoh	Within 12 months	124,193	124,193	-	-
Capital expenditure – Unisem Chengdu	Within 24 months	204,010	204,010	-	-
Working capital for the Group	Within 24 months	113,661	113,661	-	-
Expenses in relation to the Private Placement	Within 1 month	4,400	4,952	552	-
Total		446,264	446,816	552	-

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 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000
<i>Unsecured Borrowings</i>		
Due within 12 months	165,349	148,647
Due after 12 months	148,228	41,728
	<u>313,577</u>	<u>190,375</u>

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



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

B11. Trade Receivables

The age analysis of trade receivables is as follows:

	Current Quarter Ended 30/9/2023 RM'000	Corresponding Quarter Ended 30/9/2022 RM'000
Neither past due nor impaired	166,768	208,360
Past due but not impaired:		
1 – 60 days	5,209	4,188
61 – 120 days	588	1,170
Above 120 days	-	9
	5,797	5,367
Past due and impaired:		
Above 120 days	-	-
	172,565	213,727

The Group monitors the past due trade receivables closely and will only impair the amounts if their eventual recovery is in doubt.

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 approved a third interim dividend of 2.0 sen per share tax-exempt for the current financial year ending 31 December 2023. The dividend will be paid on 24 November 2023.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
THIRD FINANCIAL QUARTER ENDED 30 SEPTEMBER 2023

B16. Earnings/(Loss) per share

The basic and diluted earnings/(loss) per share is calculated by dividing the Group's earnings/(loss) attributable to owners of the Company for the current quarter/financial period to date by the weighted average number of ordinary shares in issue.

	Current Quarter Ended 30/9/2023	Corresponding Quarter Ended 30/9/2022	Current Year to date Ended 30/9/2023	Corresponding Year to date Ended 30/9/2022
Net profit/(loss) attributable to owners of the Company (RM'000)				
- Continuing operations	18,965	56,311	52,887	177,888
- Discontinued operations	(951)	5,421	(1,085)	140,396
	<u>18,014</u>	<u>61,732</u>	<u>51,802</u>	<u>318,284</u>
Weighted average number of shares in issue as at end of period ('000)	<u>1,613,079</u>	<u>1,613,079</u>	<u>1,613,079</u>	<u>1,613,079</u>
Basic & diluted earnings/(loss) per share (sen)				
- Continuing operations	1.18	3.49	3.28	11.03
- Discontinued operations	(0.06)	0.34	(0.07)	8.70
	<u>1.12</u>	<u>3.83</u>	<u>3.21</u>	<u>19.73</u>

BY ORDER OF THE BOARD

CHIN HOCK YEE (LS 8922)
SSM PC No. 201908003237

KUAN HUI FANG (MIA 16876)
SSM PC No. 202008001235

Company Secretaries

DATED: 26 October 2023