



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 30/6/2021 RM'000	Corresponding Quarter Ended 30/6/2020 RM'000	Changes %	Current Year to date Ended 30/6/2021 RM'000	Corresponding Year to date Ended 30/6/2020 RM'000	Changes %
CONTINUING OPERATIONS						
Revenue	402,233	310,083	29.7	776,171	565,242	37.3
Cost of sales	<u>(326,525)</u>	<u>(254,988)</u>	28.1	<u>(637,733)</u>	<u>(489,835)</u>	30.2
Gross profit	75,708	55,095	37.4	138,438	75,407	83.6
Operating expenses	(18,517)	(16,154)	14.6	(35,682)	(32,827)	8.7
Other operating income	5,894	3,842	53.4	13,818	11,849	16.6
Interest expense	<u>(614)</u>	<u>(1,350)</u>	-54.5	<u>(1,331)</u>	<u>(2,915)</u>	-54.3
Profit before tax	62,471	41,433	50.8	115,243	51,514	123.7
Taxation	<u>(7,717)</u>	<u>(7,523)</u>	2.6	<u>(14,696)</u>	<u>(12,285)</u>	19.6
Profit for the period from continuing operations	54,754	33,910	61.5	100,547	39,229	156.3
DISCONTINUED OPERATIONS						
(Loss)/Profit for the period from discontinued operations	(113)	40	-382.5	(495)	(8,107)	-93.9
Profit for the period	<u>54,641</u>	<u>33,950</u>	60.9	<u>100,052</u>	<u>31,122</u>	221.5
Profit attributable to owners of the Company	<u>54,641</u>	<u>33,950</u>	60.9	<u>100,052</u>	<u>31,122</u>	221.5
Earnings/(Loss) per share (sen):						
Basic and diluted						
- Continuing operations	6.81	4.66	46.1	12.59	5.39	133.6
- Discontinued operations	<u>(0.01)</u>	<u>0.01</u>	-200.0	<u>(0.06)</u>	<u>(1.11)</u>	94.6
	<u>6.80</u>	<u>4.67</u>	45.6	<u>12.53</u>	<u>4.28</u>	192.8

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR LOSS

	Current Quarter Ended 30/6/2021 RM'000	Corresponding Quarter Ended 30/6/2020 RM'000	Changes %	Current Year to date Ended 30/6/2021 RM'000	Corresponding Year to date Ended 30/6/2020 RM'000	Changes %
Profit for the period	54,641	33,950	60.9	100,052	31,122	221.5
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	14,737	(2,496)	690.4	33,288	17,824	86.8
Total Comprehensive Income for the period	69,378	31,454	120.6	133,340	48,946	172.4
Total Comprehensive Income attributable to owners of the Company	69,378	31,454	120.6	133,340	48,946	172.4

(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 2020)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Current Quarter 30/6/2021 RM'000	As at Preceding Financial Year End 31/12/2020 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	1,441,828	1,215,064
Prepaid Interest in Leased Land	16,793	16,640
Total Non-current Assets	1,458,621	1,231,704
<i>Current Assets</i>		
Inventories	215,291	176,110
Trade and Other Receivables	206,010	179,182
Tax Recoverable	5,932	11,698
Deposits and Other Cash and Cash Equivalents	782,816	664,095
	1,210,049	1,031,085
Non-Current Asset Classified As Held for Sale	9,039	8,757
Total Current Assets	1,219,088	1,039,842
Total Assets	2,677,709	2,271,546
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	1,036,677	876,118
Treasury Shares	-	(15,888)
Reserves	1,062,226	912,566
Total Equity	2,098,903	1,772,796
<i>Non-Current Liabilities</i>		
Bank Borrowings	81,801	108,562
Deferred Income	23,820	24,011
Deferred Tax Liabilities	46,809	37,889
Total Non-current Liabilities	152,430	170,462
<i>Current Liabilities</i>		
Trade and Other Payables	320,194	227,312
Bank Borrowings	102,013	98,838
Amount owing to Other Related Companies	2,198	2,138
Provision for Tax	1,971	-
Total Current Liabilities	426,376	328,288
Total Liabilities	578,806	498,750
Total Equity and Liabilities	2,677,709	2,271,546
Net Assets per ordinary share attributable to owners of the Company (RM)	2.6024	2.2766

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/6/2021 RM'000	Corresponding Year To Date Ended 30/6/2020 RM'000
Operating Activities		
Profit For The Period	100,052	31,122
Adjustments for non-cash items:		
Depreciation and amortisation	95,679	82,029
Interest (income)/expense - net	(4,290)	1,351
Others	18,032	20,559
Operating Profit Before Changes In Working Capital	209,473	135,061
Net change in current assets	(62,401)	(57,773)
Tax refund/(paid)	466	(8,840)
Net change in current liabilities	9,828	(14,339)
Others	813	470
Net Cash Flows From Operating Activities	158,179	54,579
Investing Activities		
Additions to property, plant and equipment	(215,579)	(122,914)
Others	7,113	3,768
Net Cash Flows Used In Investing Activities	(208,466)	(119,146)
Financing Activities		
Net proceeds from issuance of shares	160,559	-
Proceeds from sale of treasury shares	48,204	-
(Repayment)/Drawdown of bank borrowings – net	(29,768)	25,391
Dividends paid	(15,996)	(29,084)
Others	(1,359)	(2,888)
Net Cash Flows From/(Used In) Financing Activities	161,640	(6,581)
Net Change in Cash & Cash Equivalents	111,353	(71,148)
Cash And Cash Equivalents At Beginning Of Period	664,095	342,803
Effect of exchange rate differences	7,368	6,548
Cash And Cash Equivalents At End Of Period	782,816	349,351
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Deposits and Other Cash and Cash Equivalents	782,816	278,203

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Non-Distributable Reserve Foreign Currency Translation Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
Current Period To Date Ended 30 June 2021						
At 1 January 2021	876,118	(15,888)	49,868	162,428	700,270	1,772,796
Profit for the period	-	-	-	-	100,052	100,052
Other comprehensive income	-	-	-	33,288	-	33,288
Total comprehensive income for the period	-	-	-	33,288	100,052	133,340
Dividends	-	-	-	-	(15,996)	(15,996)
Issuance of shares – net of share issue expenses	160,559	-	-	-	-	160,559
Resale of treasury shares	-	15,888	-	-	32,316	48,204
At 30 June 2021	1,036,677	-	49,868	195,716	816,642	2,098,903
Corresponding Period To Date Ended 30 June 2020						
At 1 January 2020	595,367	(15,888)	40,255	124,799	610,722	1,355,255
Profit for the period	-	-	-	-	31,122	31,122
Other comprehensive income	-	-	-	17,824	-	17,824
Total comprehensive income for the period	-	-	-	17,824	31,122	48,946
Dividends	-	-	-	-	(14,542)	(14,542)
At 30 June 2020	595,367	(15,888)	40,255	142,623	627,302	1,389,659

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

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 2020.

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 2020.

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, 2021. 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 2020 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 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 except for:

- (i) Issuance of 21,075,500 new ordinary shares on 29 January 2021 at RM7.70 per share, being the second and final tranche of placement shares issued pursuant to a private placement exercise; and
- (ii) Resale of 6,745,200 treasury shares in the open market between 24 May 2021 to 11 June 2021 at an average selling price of RM7.15 per share for a total consideration of RM48.204 million (after deducting transaction costs).

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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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

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 third interim dividend of 2.0 sen per share tax-exempt, amounting to RM15.996 million in respect of ordinary shares in the previous financial year was paid by the Company on 26 March 2021.

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 June 2021	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	407,693	79,227	289,251	776,171
Segment results	55,366	12,442	43,052	110,860
Year To Date Ended 30 June 2020	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	297,917	47,108	220,217	565,242
Segment results	20,249	7,009	25,664	52,922
			Current Year to date Ended 30/6/2021 RM'000	Corresponding Year to date Ended 30/6/2020 RM'000

Reconciliation of segment results from continuing operations

Reportable segments	110,860	52,922
Non-reportable segments	93	(56)
Interest expense	(1,331)	(2,915)
Interest income	5,621	1,563
Profit before tax	115,243	51,514
Taxation	(14,696)	(12,285)
Profit after tax	100,547	39,229

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.



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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

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.

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

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

	Current Year to date Ended 30/6/2021 RM'000	Corresponding Year to date Ended 30/6/2020 RM'000
Revenue	-	18,498
Other operating income	56	1,443
Other gains	204	453
Expenses	(755)	(32,251)
Loss before tax	(495)	(11,857)
Taxation	-	3,750
Loss after tax	(495)	(8,107)

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 from continuing operations of RM402.233 million and RM776.171 million respectively for the current quarter and six months ended 30 June 2021, representing an increase of 29.7% and 37.3% respectively as compared to the same quarter/period a year ago. The improvement in revenue was mainly due to higher sales volume and increase in average selling prices despite the depreciation of USD/MYR exchange rates.

The Group achieved net profit from continuing operations of RM54.754 million for the current quarter and RM100.547 million for the six months period ended 30 June 2021, representing an improvement of 61.5% and 156.3% respectively against the corresponding quarter/period ended 30 June 2020. The improvement in net profit was mainly attributable to higher revenue achieved and increased interest income.

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 30/6/2021 RM'000	Immediate Preceding Quarter Ended 31/3/2021 RM'000	Changes %
Continuing operations			
Revenue	402,233	373,938	7.6
Gross Profit	75,708	62,730	20.7
Profit Before Tax	62,471	52,772	18.4
Profit After Tax attributable to Owners of the Company	54,754	45,793	19.6



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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 (cont'd)

The Group recorded profit before taxation of RM62.471 million for the current quarter against the profit before taxation of RM52.772 million reported in the preceding quarter ended 31 March 2021. The higher profit before taxation was primarily attributable to improved gross profit arising from higher 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

The Directors expect the performance of the Group to be satisfactory for the next financial quarter.

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

	Current Quarter Ended 30/6/2021 RM'000	Corresponding Quarter Ended 30/6/2020 RM'000	Current Year to date Ended 30/6/2021 RM'000	Corresponding Year to date Ended 30/6/2020 RM'000
Depreciation and amortisation	(48,797)	(41,056)	(95,679)	(79,830)
Foreign exchange (loss)/gains	(2,241)	64	(1,796)	4,110
Interest expense	(614)	(1,350)	(1,331)	(2,915)
Write down of inventories to net realisable value	(334)	(46)	(403)	(101)
Interest income	3,027	744	5,621	1,563
Grant income received	542	110	817	470
Gain/(Loss) on disposal of properties	-	-	-	-
Bad debts written off	-	-	-	-
Gain/(Loss) on derivatives	-	-	-	-



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SECOND FINANCIAL QUARTER ENDED 30 JUNE 2021

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 30/6/2021 RM'000	Corresponding Quarter Ended 30/6/2020 RM'000	Current Year to date Ended 30/6/2021 RM'000	Corresponding Year to date Ended 30/6/2020 RM'000
Tax expense on results from continuing operations:				
Income tax payable	1,301	(1,572)	(7,246)	(4,460)
Deferred tax	(9,018)	(5,973)	(7,450)	(7,847)
	(7,717)	(7,545)	(14,696)	(12,307)
Over provision in prior year	-	22	-	22
	<u>(7,717)</u>	<u>(7,523)</u>	<u>(14,696)</u>	<u>(12,285)</u>

The effective tax rate for the current quarter and six months period ended 30 June 2021 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:

Further to Note 9(b) to the Company's audited financial statements for the financial year ended 31 December 2020, PT Unisem received corporate income tax refunds for FY2011 and FY2012 amounting to RM9.18 million as of the date of this announcement. PT Unisem is in the midst of applying for the refund of tax penalty for FY2011.

Other than the above, there were no further updates on other objections/appeals to the Supreme Court.

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

The utilisation of the gross proceeds raised from the Private Placement is as follows:

Details of utilisation of proceeds	Estimate timeframe for utilisation*	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Balance available for utilisation RM'000
Capital expenditure – Unisem Ipoh	Within 12 months	124,193	87,680	-	36,513
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	206,293	552	240,523

* from 3 February 2021, being the listing date of the placement shares.



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B9. (b) Status of utilisation of proceeds raised from any corporate proposal for the quarter under review (cont'd)

Pending utilisation, the balance of the proceeds has been placed in deposit accounts with financial institutions/short-term money market instruments. The interest derived from the deposits with financial institutions or any gains arising from the short-term money market instruments will be used for the working capital of the Unisem Group.

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 30/6/2021 RM'000	Corresponding Quarter Ended 30/6/2020 RM'000
<i>Unsecured Borrowings</i>		
Due within 12 months	102,013	62,438
Due after 12 months	81,801	146,866
	<u>183,814</u>	<u>209,304</u>

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 30/6/2021 RM'000	Corresponding Quarter Ended 30/6/2020 RM'000
Neither past due nor impaired	186,208	167,908
Past due but not impaired:		
61 – 90 days	4,882	4,896
91 – 120 days	320	817
Above 120 days	71	365
	5,273	6,078
Past due and impaired:		
Above 120 days	406	-
	<u>191,887</u>	<u>173,986</u>

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.



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B15. Dividend

The Directors approved an interim dividend of 2.0 sen per share tax-exempt for the current financial quarter ended 30 June 2021. (2.0 sen per share tax-exempt for the financial quarter ended 30 June 2020). The dividend will be paid on 3 September 2021.

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 30/6/2021	Corresponding Quarter Ended 30/6/2020	Current Year to date Ended 30/6/2021	Corresponding Year to date Ended 30/6/2020
Net profit/(loss) attributable to owners of the Company (RM'000)				
- Continuing operations	54,754	33,910	100,547	39,229
- Discontinued operations	(113)	40	(495)	(8,107)
	<u>54,641</u>	<u>33,950</u>	<u>100,052</u>	<u>31,122</u>
Number of ordinary shares in issue at beginning of period, excluding treasury shares ('000)	799,794	727,086	778,719	727,086
Weighted average number of shares in issue pursuant to Private Placement/resale of treasury shares ('000)	4,031	-	19,578	-
Weighted average number of shares in issue as of June 30 ('000)	<u>803,825</u>	<u>727,086</u>	<u>798,297</u>	<u>727,086</u>
Basic & diluted earnings/(loss) per share (sen)				
- Continuing operations	6.81	4.66	12.59	5.39
- Discontinued operations	(0.01)	0.01	(0.06)	(1.11)
	<u>6.80</u>	<u>4.67</u>	<u>12.53</u>	<u>4.28</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: 30 July 2021