

# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 30/6/2022 RM'000	Corresponding Quarter Ended 30/6/2021 RM'000	Changes	Current Year to date Ended 30/6/2022 RM'000	Corresponding Year to date Ended 30/6/2021 RM'000	Changes %
CONTINUING OPERATIONS						
Revenue	464,060	402,233	15.4	888,505	776,171	14.5
Cost of sales	(371,347)	(326,525)	13.7	(724,369)	(637,733)	13.6
Gross profit	92,713	75,708	22.5	164,136	138,438	18.6
Operating expenses	(19,926)	(18,517)	7.6	(39,880)	(35,682)	11.8
Other operating income	9,842	5,894	67.0	17,647	13,818	27.7
Interest expense	(903)	(614)	47.1	(1,459)	(1,331)	9.6
Profit before tax	81,726	62,471	30.8	140,444	115,243	21.9
Taxation	(11,329)	(7,717)	46.8	(18,867)	(14,696)	28.4
Profit for the period from continuing operations	70,397	54,754	28.6	121,577	100,547	20.9
DISCONTINUED OPERATION	NS					
Profit/(Loss) for the period from discontinued operations	135,461	(113)	>100.0	134,975	(495)	>100.0
Profit for the period	205,858	54,641	276.7	256,552	100,052	156.4
Profit attributable to owners of the Company	205,858	54,641	276.7	256,552	100,052	156.4
Earnings/(Loss) per share (sen):						
Basic and diluted						
<ul><li>Continuing operations</li><li>Discontinued operations</li></ul>	4.36 8.40	3.41* (0.01)*	27.9 >100.0	7.53 8.37	6.31* (0.03)*	19.3 >100.0
-	12.76	3.40*	275.3	15.90	6.28*	153.2

<sup>\*</sup> Adjusted for bonus issue

(The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021)



# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

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

	Current Quarter Ended 30/6/2022 RM'000	Corresponding Quarter Ended 30/6/2021 RM'000	Changes %	Current Year to date Ended 30/6/2022 RM'000	Corresponding Year to date Ended 30/6/2021 RM'000	Changes
Profit for the period	205,858	54,641	276.7	256,552	100,052	156.4
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss Exchange differences on translating foreign operations	(9,467)	14,737	-164.2	1,499	33,288	-95.5
Total Comprehensive Income for the period	196,391	69,378	183.1	258,051	133,340	93.5
Total Comprehensive Income attributable to owners of the Company	196,391	69,378	183.1	258,051	133,340	93.5

(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 2021)



# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Assets	As at end of Current Quarter 30/6/2022 RM'000	As at Preceding Financial Year End 31/12/2021 RM'000
Non-Current Assets		
Property, Plant and Equipment	1,866,786	1,637,477
Prepaid Interest in Leased Land	16,725	16,798
Total Non-current Assets	1,883,511	1,654,275
Current Assets		
Inventories	286,133	260,492
Trade and Other Receivables	241,610	200,455
Tax Recoverable	194	2,711
Cash and Cash Equivalents	627,600	655,959
	1,155,537	1,119,617
Non-Current Asset Classified As Held for Sale	-	9,069
Total Current Assets	1,155,537	1,128,686
<b>Total Assets</b>	3,039,048	2,782,961
Equity and Liabilities  Capital and Reserves  Share Capital  Reserves  Total Equity	1,036,677 1,355,231 2,391,908	1,036,677 1,129,441 2,166,118
Non-Current Liabilities		
Bank Borrowings	46,281	56,241
Deferred Income	37,643	39,552
Deferred Tax Liabilities	62,442	57,290
Total Non-current Liabilities	146,366	153,083
Current Liabilities		
Trade and Other Payables	345,095	344,429
Bank Borrowings	150,756	118,684
Amount owing to Other Related Companies	209	80
Provision for Tax	4,714	567
Total Current Liabilities	500,774	463,760
Total Liabilities	647,140	616,843
Total Equity and Liabilities	3,039,048	2,782,961
Net Assets per ordinary share attributable to owners of the Company (RM)	1.4828	1.3428
owners of the Company (KIVI)	1.4828	1.3428

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021)



# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 30/6/2022 RM'000	Corresponding Year To Date Ended 30/6/2021 RM'000
Operating Activities		
Profit For The Period	256,552	100,052
Adjustments for non-cash items:		
Depreciation and amortisation	101,455	95,679
Interest (income)/expense - net	(3,306)	(4,290)
Gain on disposal of non-current assets classified as held		
for sale	(127,932)	-
Others	11,734	18,032
Operating Profit Before Changes In Working Capital	238,503	209,473
Net change in current assets	(65,092)	(62,401)
Tax (paid)/refund	(223)	466
Net change in current liabilities	20,345	9,828
Others	129	813
Net Cash Flows From Operating Activities	193,662	158,179
Investing Activities		
Additions to property, plant and equipment	(352,610)	(215,579)
Proceeds from disposal of non-current assets classified as		
held for sale	137,229	-
Others	7,093	7,113
Net Cash Flows Used In Investing Activities	(208,288)	(208,466)
Financing Activities		
Drawdown/(Repayment) of bank borrowings – net	15,606	(29,768)
Net proceeds from issuance of shares	-	160,559
Proceeds from sale of treasury shares	-	48,204
Dividends paid	(32,261)	(15,996)
Others	(1,234)	(1,359)
Net Cash Flows (Used In)/From Financing Activities	(17,889)	161,640
Net Change in Cash & Cash Equivalents	(32,515)	111,353
Cash And Cash Equivalents At Beginning Of Period	655,959	664,095
Effect of exchange rate differences	4,156	7,368
-	660,115	671,463
Cash And Cash Equivalents At End Of Period	627,600	782,816
Cash and Cash Equivalents comprised the following:		
<u>-</u>	RM'000	RM'000
Cash and Cash Equivalents	627,600	782,816

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021)



# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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Current Period To Date Ended	Share Capital RM'000	Treasury Shares RM'000	Other Reserves RM'000	Foreign Currency Translation Reserve RM'000	Distributable Reserve Retained Earnings RM'000	Total Equity RM'000
30 June 2022						
At 1 January 2022	1,036,677	-	63,228	213,600	852,613	2,166,118
Profit for the period	-	-	-	-	256,552	256,552
Other comprehensive income	-	-	-	1,499	-	1,499
Total comprehensive income for the period	-	-	-	1,499	256,552	258,051
Dividends	-	-	-	-	(32,261)	(32,261)
At 30 June 2022	1,036,677	-	63,228	215,099	1,076,904	2,391,908
Corresponding 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

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2021)



### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

# 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 2021.

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 2021.

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, 2022. 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 2021 were reported without any audit qualification.

#### A3. Explanatory comment about the seasonality or cyclicality 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 SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### A9. Dividend Paid

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 8 April 2022.

### 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 2022	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	519,891	73,307	295,307	888,505
Segment results	77,968	10,809	48,172	136,949
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
			Current Year to date Ended 30/6/2022 RM'000	Corresponding Year to date Ended 30/6/2021 RM'000
Reconciliation of segment operations	nt results from c	ontinuing		
Reportable segments Non-reportable segments Interest expense Interest income Profit before tax Taxation			136,949 189 (1,459) 4,765 140,444 (18,867)	110,860 93 (1,331) 5,621 115,243 (14,696)
Profit after tax			121,577	100,547

### 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.



### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

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

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

	Current Year to date Ended 30/6/2022 RM'000	Corresponding Year to date Ended 30/6/2021 RM'000
Gain on disposal of non-current assets classified		
as held for sale	127,932	-
Other operating income	2,154	56
Other (losses)/gains	(1,232)	204
Expenses	(1,024)	(755)
Profit/(Loss) before tax	127,830	(495)
Taxation	7,145	-
Profit/(Loss) after tax	134,975	(495)

PT Unisem, an indirect subsidiary of the Company completed the sale of its land and building in the current quarter ended 30 June 2022, resulting in a gain on disposal amounting to RM127.93 million. The net proceeds from disposal of RM137.23 million has been fully settled in cash.

# 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 RM464.060 million and RM888.505 million respectively for the current quarter and six months ended 30 June 2022, representing an increase of 15.4% and 14.5% respectively as compared to the same quarter/period a year ago.

The Group achieved net profit from continuing operations of RM70.397 million for the current quarter and RM121.577 million for the six months period ended 30 June 2022, representing an improvement of 28.6% and 20.9% respectively against the corresponding quarter/period ended 30 June 2021.

The improvement in revenue and net profit was mainly attributable to increase in average selling prices coupled with the appreciation of USD/MYR exchange rates.

# 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	<b>Immediate</b>	
	Quarter	Preceding	
	Ended	Quarter Ended	
	30/6/2022	31/3/2022	Changes
	RM'000	RM'000	%
Continuing operations			
Revenue	464,060	424,445	9.3
Gross Profit	92,713	71,423	29.8
Profit Before Tax	81,726	58,718	39.2



### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

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 RM81.726 million for the current quarter ended 30 June 2022 against the profit before taxation of RM58.718 million reported in the preceding quarter ended 31 March 2022, representing an improvement of 39.2%. The higher profit before taxation was primarily attributable to improved gross profit margins and the appreciation of USD/MYR exchange rates.

- 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
  - Despite the economic and geopolitical uncertainties, interest rates concerns and global supply chain disruption, the outlook of the Group remains positive. 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 30/6/2022 RM'000	Corresponding Quarter Ended 30/6/2021 RM'000	Current Year to date Ended 30/6/2022 RM'000	Corresponding Year to date Ended 30/6/2021 RM'000
Depreciation and amortisation	(51,755)	(48,797)	(101,455)	(95,679)
Interest expense	(903)	(614)	(1,459)	(1,331)
Foreign exchange losses	(227)	(2,241)	(801)	(1,796)
Write down of inventories to				
net realisable value	(208)	(334)	(151)	(403)
Grant income received	728	542	967	817
Interest income	2,700	3,027	4,765	5,621
Gain/(Loss) on disposal of				
properties	-	-	-	-
Bad debts written off	-	-	-	-
Gain/(Loss) on derivatives				-



### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

### 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 Corresponding		Current	Corresponding
	Quarter	Quarter	Year to date	Year to date
	Ended	Ended	Ended	Ended
	30/6/2022	30/6/2021	30/6/2022	30/6/2021
	RM'000	RM'000	RM'000	RM'000
Tax expense on results from continuing operations:				
Income tax payable	(4,107)	1,301	(6,745)	(7,246)
Deferred tax	(7,061)	(9,018)	(11,961)	(7,450)
	(11,168)	(7,717)	(18,706)	(14,696)
Under provision in prior year	(161)	-	(161)	-
	(11,329)	(7,717)	(18,867)	(14,696)

The effective tax rate for the current quarter and period ended 30 June 2022 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 2021, there were no further updates on PT Unisem's tax objection and tax refund status.

#### 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 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	124,193	-	-
Capital expenditure – Unisem Chengdu	Within 24 months	204,010	106,056	-	97,954
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	348,862	552	97,954

<sup>\*</sup> from 3 February 2021, being the listing date of the placement shares.

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.



### QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### 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 30/6/2022 RM'000	Corresponding Quarter Ended 30/6/2021 RM'000
Unsecured Borrowings		
Due within 12 months	150,756	102,013
Due after 12 months	46,281	81,801
	197,037	183,814

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 30/6/2022 RM'000	Corresponding Quarter Ended 30/6/2021 RM'000
Neither past due nor impaired	222,332	186,208
Past due but not impaired:		
1-60  days	4,099	4,882
61 – 120 days	89	320
Above 120 days	-	71
	4,188	5,273
Past due and impaired:		
Above 120 days	-	406
	226,520	191,887

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 an interim dividend of 2.0 sen per share tax-exempt for the current financial quarter ended 30 June 2022. (2.0 sen per share tax-exempt for the financial quarter ended 30 June 2021). The dividend will be paid on 25 August 2022.



# QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE SECOND FINANCIAL QUARTER ENDED 30 JUNE 2022

#### **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 30/6/2022	Corresponding Quarter Ended 30/6/2021	Current Year to date Ended 30/6/2022	Corresponding Year to date Ended 30/6/2021
Net profit/(loss) attributable to owners of the Company (RM'000)				
- Continuing operations	70,397	54,754	121,577	100,547
- Discontinued operations	135,461	(113)	134,975	(495)
•	205,858	54,641	256,552	100,052
Number of ordinary shares in issue at beginning of period ('000) Effect of bonus issue ('000) Weighted average number of shares in issue ('000) Weighted average number of shares in issue as of December 31 ('000)	1,613,079 - 1,613,079 - 1,613,079	799,794 799,794 1,599,588 8,062 1,607,650	1,613,079 - 1,613,079 - 1,613,079	778,719 778,719 1,557,438 36,162 1,593,600
Basic & diluted earnings/(loss) per share (sen)				
- Continuing operations	4.36	3.41*	7.53	6.31*
- Discontinued operations	8.40	(0.01)*	8.37	(0.03)*
-	12.76	3.40*	15.90	6.28*

<sup>\*</sup> Adjusted for bonus issue

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: 28 July 2022