



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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Current Quarter Ended 31/12/2023 RM'000	Corresponding Quarter Ended 31/12/2022 RM'000	Changes %	Current Year to date Ended 31/12/2023 RM'000	Corresponding Year to date Ended 31/12/2022 RM'000	Changes %
CONTINUING OPERATIONS						
Revenue	350,793	453,647	-22.7	1,439,686	1,781,838	-19.2
Cost of sales	(313,118)	(361,814)	-13.5	(1,299,308)	(1,447,225)	-10.2
Gross profit	37,675	91,833	-59.0	140,378	334,613	-58.0
Operating expenses	(19,611)	(20,341)	-3.6	(78,917)	(80,122)	-1.5
Other operating income	18,206	5,722	218.2	48,365	30,437	58.9
Interest expense	(1,861)	(2,255)	-17.5	(9,414)	(5,248)	79.4
Profit before tax	34,409	74,959	-54.1	100,412	279,680	-64.1
Taxation	(5,350)	(9,436)	-43.3	(18,466)	(36,269)	-49.1
Profit for the period from continuing operations	29,059	65,523	-55.7	81,946	243,411	-66.3
DISCONTINUED OPERATIONS						
(Loss)/Profit for the period from discontinued operations	(623)	1,554	-140.1	(1,708)	141,950	-101.2
Profit for the period	28,436	67,077	-57.6	80,238	385,361	-79.2
Profit attributable to owners of the Company	28,436	67,077	-57.6	80,238	385,361	-79.2
Earnings/(Loss) per share (sen):						
Basic and diluted						
- Continuing operations	1.80	4.07	-55.7	5.08	15.09	-66.3
- Discontinued operations	(0.04)	0.09	-144.4	(0.11)	8.80	-101.3
	1.76	4.16	-57.6	4.97	23.89	-79.2

(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)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME OR LOSS

	Current Quarter Ended 31/12/2023 RM'000	Corresponding Quarter Ended 31/12/2022 RM'000	Changes %	Current Year to date Ended 31/12/2023 RM'000	Corresponding Year to date Ended 31/12/2022 RM'000	Changes %
Profit for the period	28,436	67,077	-57.6	80,238	385,361	-79.2
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	1,965	(28,309)	106.9	17,567	(38,286)	145.9
Total Comprehensive Income for the period	30,401	38,768	-21.6	97,805	347,075	-71.8
Total Comprehensive Income attributable to owners of the Company	30,401	38,768	-21.6	97,805	347,075	-71.8

(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)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at end of Financial Year End 31/12/2023 RM'000	As at Preceding Financial Year End 31/12/2022 RM'000
Assets		
<i>Non-Current Assets</i>		
Property, Plant and Equipment	2,063,903	1,949,547
Prepaid Interest in Leased Land	16,703	16,323
Total Non-current Assets	2,080,606	1,965,870
<i>Current Assets</i>		
Inventories	225,812	269,980
Trade and Other Receivables	198,233	226,199
Tax Recoverable	2,136	716
Cash and Cash Equivalents	480,991	556,044
Total Current Assets	907,172	1,052,939
Total Assets	2,987,778	3,018,809
Equity and Liabilities		
<i>Capital and Reserves</i>		
Share Capital	1,036,677	1,036,677
Reserves	1,348,488	1,379,729
Total Equity	2,385,165	2,416,406
<i>Non-Current Liabilities</i>		
Bank Borrowings	140,754	33,019
Deferred Income	47,313	52,454
Deferred Tax Liabilities	63,105	63,133
Total Non-current Liabilities	251,172	148,606
<i>Current Liabilities</i>		
Trade and Other Payables	248,493	279,211
Bank Borrowings	89,555	163,458
Amount owing to Other Related Companies	216	140
Provision for Tax	13,177	10,988
Total Current Liabilities	351,441	453,797
Total Liabilities	602,613	602,403
Total Equity and Liabilities	2,987,778	3,018,809
Net Assets per ordinary share attributable to owners of the Company (RM)	1.4786	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)



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Current Year To Date Ended 31/12/2023 RM'000	Corresponding Year To Date Ended 31/12/2022 RM'000
Operating Activities		
Profit For The Period	80,238	385,361
Adjustments for non-cash items:		
Depreciation and amortisation	211,705	204,943
Interest (income)/expense - net	(6,738)	(4,935)
Gain on disposal of non-current assets classified as held for sale	-	(131,778)
Others	17,068	33,280
Operating Profit Before Changes In Working Capital	<u>302,273</u>	<u>486,871</u>
Net change in current assets	74,500	(62,356)
Tax (paid)/refunded	(20,063)	(5,041)
Net change in current liabilities	7,229	(15,076)
Others	76	60
Net Cash Flows From Operating Activities	<u>364,015</u>	<u>404,458</u>
Investing Activities		
Additions to property, plant and equipment	(352,069)	(595,183)
Proceeds from disposal of non-current assets classified as held for sale	-	141,354
Others	16,774	14,284
Net Cash Flows Used In Investing Activities	<u>(335,295)</u>	<u>(439,545)</u>
Financing Activities		
Drawdown/(Repayment) of bank borrowings – net	28,524	19,919
Dividends paid	(129,046)	(96,785)
Others	(7,814)	13,821
Net Cash Flows Used In Financing Activities	<u>(108,336)</u>	<u>(63,045)</u>
Net Change in Cash & Cash Equivalents	<u>(79,616)</u>	<u>(98,132)</u>
Cash And Cash Equivalents At Beginning Of Period	556,044	655,959
Effect of exchange rate differences	4,563	(1,783)
	<u>560,607</u>	<u>654,176</u>
Cash And Cash Equivalents At End Of Period	<u>480,991</u>	<u>556,044</u>
Cash and Cash Equivalents comprised the following :		
	RM'000	RM'000
Cash and Cash Equivalents	<u>480,991</u>	<u>556,044</u>

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



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QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 31 December 2023					
At 1 January 2023	1,036,677	77,289	175,314	1,127,126	2,416,406
Profit for the period	-	-	-	80,238	80,238
Other comprehensive income	-	-	17,567	-	17,567
Total comprehensive income for the period	-	-	17,567	80,238	97,805
Dividends	-	-	-	(129,046)	(129,046)
Transfer to statutory reserve fund	-	8,093	-	(8,093)	-
At 31 December 2023	1,036,677	85,382	192,881	1,070,225	2,385,165
Corresponding Period To Date Ended 31 December 2022					
At 1 January 2022	1,036,677	63,228	213,600	852,613	2,166,118
Profit for the period	-	-	-	385,361	385,361
Other comprehensive loss	-	-	(38,286)	-	(38,286)
Total comprehensive income for the period	-	-	(38,286)	385,361	347,075
Dividends	-	-	-	(96,785)	(96,785)
Transfer to statutory reserve fund	-	14,063	-	(14,063)	-
Capital reduction to non-controlling interest	-	(2)	-	-	(2)
At 31 December 2022	1,036,677	77,289	175,314	1,127,126	2,416,406

(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
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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.



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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023

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 current financial year was paid by the Company on 24 November 2023.

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 31 December 2023	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	863,048	160,410	416,228	1,439,686
Segment results	48,478	15,405	29,697	93,580
Year To Date Ended 31 December 2022	USA RM'000	Europe RM'000	Asia RM'000	Group RM'000
Revenue from external customers	1,052,415	172,979	556,444	1,781,838
Segment results	158,150	27,265	89,018	274,433
			Current Year to date Ended 31/12/2023 RM'000	Corresponding Year to date Ended 31/12/2022 RM'000
Reconciliation of segment results from continuing operations				
Reportable segments			93,580	274,433
Non-reportable segments			230	312
Interest expense			(9,414)	(5,248)
Interest income			16,016	10,183
Profit before tax			100,412	279,680
Taxation			(18,466)	(36,269)
Profit after tax			81,946	243,411



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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 31/12/2023 RM'000	Corresponding Year to date Ended 31/12/2022 RM'000
Other operating income	136	6,272
Other gains/(losses)	75	(1,968)
Expenses	(635)	(1,492)
Gain on disposal of non-current assets classified as held for sale	-	131,778
(Loss)/Profit before tax	(424)	134,590
Taxation	(1,284)	7,360
(Loss)/Profit after tax	(1,708)	141,950

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 RM350.793 million and RM29.059 million respectively for the current quarter ended 31 December 2023, these represent decrease of 22.7% and 55.7% compared to the same quarter a year ago.

For the twelve months ended 31 December 2023, the Group reported revenue and net profit from continuing operations of RM1.440 billion and RM81.946 million respectively, these represent decrease of 19.2% and 66.3% 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.



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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 31/12/2023 RM'000	Immediate Preceding Quarter Ended 30/9/2023 RM'000	Changes %
Continuing operations			
Revenue	350,793	356,186	-1.5
Gross Profit	37,675	38,439	-2.0
Profit Before Tax	34,409	24,346	41.3

The Group achieved profit before taxation of RM34.409 million for the current quarter ended 31 December 2023 against the profit before taxation of RM24.346 million in the preceding quarter ended 30 September 2023, representing an increase of 41.3%. The increase in profit before taxation for the current quarter was mainly attributable to foreign exchange gains recorded in the current quarter against the foreign exchange losses reported previously as well as higher income from scrap sales.

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 Board expects the demand for the Group's products and services to be soft in the first financial quarter of 2024 and we expect the performance of the Group to be satisfactory for the rest of the 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.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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B7. Profit Before Taxation

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

	Current Quarter Ended 31/12/2023 RM'000	Corresponding Quarter Ended 31/12/2022 RM'000	Current Year to date Ended 31/12/2023 RM'000	Corresponding Year to date Ended 31/12/2022 RM'000
Depreciation and amortisation	(52,785)	(51,174)	(211,705)	(204,943)
Interest expense	(1,861)	(2,255)	(9,414)	(5,248)
Interest income	4,906	2,915	16,016	10,183
Foreign exchange losses	2,618	(2,665)	1,480	(3,898)
Reversal/(Write down) of inventories previously written down	572	(489)	611	(921)
Grant income received	512	9	846	974
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 31/12/2023 RM'000	Corresponding Quarter Ended 31/12/2022 RM'000	Current Year to date Ended 31/12/2023 RM'000	Corresponding Year to date Ended 31/12/2022 RM'000
Tax expense on results from continuing operations:				
Income tax payable	(7,141)	(11,260)	(19,952)	(21,515)
Deferred tax	1,127	1,824	956	(14,593)
	(6,014)	(9,436)	(18,996)	(36,108)
Over/(Under) provision in prior year	664	-	530	(161)
	(5,350)	(9,436)	(18,466)	(36,269)

The effective tax rate for the current quarter and period ended 31 December 2023 was lower than the statutory tax rate mainly due to the availability of tax allowances and incentives to offset taxable income.



QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
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B8. Breakdown of tax charge and explanation on variance between effective and statutory tax rate for the current quarter and financial year to date (cont'd)

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 current financial year, 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.

PT Unisem has also submitted a notification on the withdrawal of tax appeal for YA2016 to the Tax Office and full amount of the tax payment has been charged to profit and loss in the current financial year.

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 31/12/2023 RM'000	Corresponding Quarter Ended 31/12/2022 RM'000
<i>Unsecured Borrowings</i>		
Due within 12 months	89,555	163,458
Due after 12 months	140,754	33,019
	<u>230,309</u>	<u>196,477</u>

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

QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE
FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 2023**B11. Trade Receivables**

The age analysis of trade receivables is as follows:

	Current Quarter Ended 31/12/2023 RM'000	Corresponding Quarter Ended 31/12/2022 RM'000
Neither past due nor impaired	179,933	208,421
Past due but not impaired:		
1 – 60 days	1,194	5,337
61 – 120 days	26	671
Above 120 days	-	-
	1,220	6,008
Past due and impaired:		
Above 120 days	-	-
	<u>181,153</u>	<u>214,429</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.

B15. Dividend

The Directors approved a fourth interim dividend of 2.0 sen per share, single-tier for the current financial year ending 31 December 2023. The dividend will be paid on 5 April 2024.



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FOURTH FINANCIAL QUARTER ENDED 31 DECEMBER 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 31/12/2023	Corresponding Quarter Ended 31/12/2022	Current Year to date Ended 31/12/2023	Corresponding Year to date Ended 31/12/2022
Net profit/(loss) attributable to owners of the Company (RM'000)				
- Continuing operations	29,059	65,523	81,946	243,411
- Discontinued operations	(623)	1,554	(1,708)	141,950
	<u>28,436</u>	<u>67,077</u>	<u>80,238</u>	<u>385,361</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	1.80	4.07	5.08	15.09
- Discontinued operations	(0.04)	0.09	(0.11)	8.80
	<u>1.76</u>	<u>4.16</u>	<u>4.97</u>	<u>23.89</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: 27 February 2024