



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE MONTHS ENDED 31 MARCH 2014 (UNAUDITED)**

<i>In thousands of RM</i>	Current Quarter 31 March		Current Period 31 March	
	2014	2013	2014	2013
Revenue	273,769	288,486	273,769	288,486
Cost of goods sold	(220,053)	(232,606)	(220,053)	(232,606)
Gross profit	53,716	55,880	53,716	55,880
Other income	746	933	746	933
Distribution expenses	(17,764)	(16,363)	(17,764)	(16,363)
Administrative expenses	(17,468)	(19,321)	(17,468)	(19,321)
Other expenses	(5,205)	(6,651)	(5,205)	(6,651)
Results from operating activities	14,025	14,478	14,025	14,478
Share of profit of equity accounted investee, net of tax	806	1,167	806	1,167
Finance income	797	1,400	797	1,400
Finance costs	(6,891)	(7,617)	(6,891)	(7,617)
Profit before tax	8,737	9,428	8,737	9,428
Income tax expense	(2,385)	(2,322)	(2,385)	(2,322)
Profit for the period	6,352	7,106	6,352	7,106
Other comprehensive income				
Foreign currency translation differences for foreign operations	4,045	1,042	4,045	1,042
Total comprehensive income for the period	10,397	8,148	10,397	8,148
Profit attributable to :				
Owners of the Company	3,772	4,376	3,772	4,376
Non-controlling interests	2,580	2,730	2,580	2,730
	6,352	7,106	6,352	7,106
Total comprehensive income attributable to :				
Owners of the Company	7,197	5,418	7,197	5,418
Non-controlling interests	3,200	2,730	3,200	2,730
	10,397	8,148	10,397	8,148
Basic earnings per share (Sen)	0.82	0.96	0.82	0.96
Diluted earnings per share (Sen)	0.82	0.96	0.82	0.96

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (UNAUDITED)**

<i>In thousands of RM</i>	As at 31 March 2014	As at 31 December 2013
ASSETS		
Property, plant and equipment	576,579	578,306
Intangible assets	288,090	288,090
Investment properties	30,940	30,940
Prepaid lease payments	5,647	5,744
Investment in associates	14,369	13,563
Other Investments	15,887	124
Deferred tax assets	11,075	9,945
Total non-current assets	942,587	926,712
Trade and other receivables	294,716	283,648
Inventories	299,012	290,107
Current tax assets	26,719	23,284
Assets classified as held for sale	-	74,814
Cash and cash equivalents	281,203	255,337
Total current assets	901,650	927,190
TOTAL ASSETS	1,844,237	1,853,902
EQUITY AND LIABILITIES		
Share capital	457,630	457,630
Reserves	40,487	36,442
Retained earnings	314,282	310,510
Total equity attributable to equity holders of the Company	812,399	804,582
Non-controlling interests	125,251	122,671
Total equity	937,650	927,253
Loans and borrowings	380,000	380,000
Deferred tax liabilities	20,176	19,897
Total non-current liabilities	400,176	399,897
Provisions	410	410
Trade and other payables	171,834	155,092
Current tax liabilities	603	1,616
Loans and borrowings	333,564	369,634
Total current liabilities	506,411	526,752
Total liabilities	906,587	926,649
TOTAL EQUITY AND LIABILITIES	1,844,237	1,853,902
Net assets per share attributable to ordinary equity holders of the parent (sen)	179	177

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2014 (UNAUDITED)

<i>In thousands of RM</i>	←——— Attributable to shareholders of the Company ———→								Distributable Retained earnings	Total	Non- controlling interest	Total equity
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revalua- tion reserve	Fair value reserve	Other capital reserve	Treasury shares				
At 1 January 2014	457,630	39,944	73	(2,746)	2,002	23	2,982	(5,836)	310,510	804,582	122,671	927,253
Foreign exchange translation differences	-	-	-	4,045	-	-	-	-	-	4,045	-	4,045
Total other comprehensive income for the period	-	-	-	4,045	-	-	-	-	-	4,045	-	4,045
Profit for the year	-	-	-	-	-	-	-	-	3,772	3,772	2,580	6,352
Total comprehensive income for the period	-	-	-	4,045	-	-	-	-	3,772	7,817	2,580	10,397
At 31 March 2014	<u>457,630</u>	<u>39,944</u>	<u>73</u>	<u>1,299</u>	<u>2,002</u>	<u>23</u>	<u>2,982</u>	<u>(5,836)</u>	<u>314,282</u>	<u>812,399</u>	<u>125,251</u>	<u>937,650</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Reports.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2013

In thousands of RM

	← Attributable to shareholders of the Company →								Distributable Retained earnings	Total	Non- controlling interest	Total equity
	Share capital	Share premium	Capital redemption reserve	Transla- tion reserve	Revalua- tion reserve	Fair value reserve	Other capital reserve	Treasury shares				
At 1 January 2013	457,630	39,944	73	(7,915)	2,002	23	2,982	(5,836)	345,779	834,682	133,272	967,954
Foreign exchange translation differences	-	-	-	5,169	-	-	-	-	-	5,169	620	5,789
Total other comprehensive income for the year	-	-	-	5,169	-	-	-	-	-	5,169	620	5,789
Profit for the year	-	-	-	-	-	-	-	-	647	647	10,890	11,537
Total comprehensive income for the year	-	-	-	5,169	-	-	-	-	647	5,816	11,510	17,326
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(35,916)	(35,916)	-	(35,916)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(22,111)	(22,111)
At 31 December 2013	457,630	39,944	73	(2,746)	2,002	23	2,982	(5,836)	310,510	804,582	122,671	927,253

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Report.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2014 - unaudited**

In thousands of RM	Three Months Ended 31 March	
	2014	2013
Cash flows from operating activities		
Profit before taxation	8,737	9,428
Adjustments for:		
Amortisation of prepaid lease payments	97	106
Depreciation of property, plant and equipment	12,557	14,232
Share of profit of equity accounted associates	(806)	(1,167)
Interest income	(797)	(1,400)
Finance costs	6,891	7,617
<i>Operating profit before changes in working capital</i>	26,679	28,816
Change in inventories	(8,905)	21,088
Change in receivables, deposits and prepayments	(11,068)	101,336
Change in payables and accruals	16,742	(27,661)
<i>Cash generated from operations</i>	23,448	123,576
Finance costs paid	(6,891)	(7,617)
Interest income	797	1,400
Income tax paid	(7,685)	(6,443)
Net cash generated from/(used in) operating activities	9,669	110,919
Cash flows from investing activities		
Acquisition of property, plant and equipment	(10,332)	(10,827)
Acquisition of other investment	(15,763)	-
Proceeds from disposal of property, plant and equipment	74,814	-
Net cash used in investing activities	48,719	(10,827)
Cash flows from financing activities		
Net drawdown/(repayment) of loans and borrowings	(36,070)	(69,163)
Net cash generated from/(used in) financing activities	(36,070)	(69,163)
Exchange difference on translation of the financial statements of foreign operations	3,548	862
Net increase in cash and cash equivalents	25,866	31,791
Cash and cash equivalents at 1 January	255,337	293,958
Cash and cash equivalents as at 31 March	281,203	325,749

The Condensed Cash Flow Statement should be read in conjunction with the Notes to the Interim Financial Report.



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NOTES TO THE INTERIM FINANCIAL REPORT

A1) Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia and with IAS 34, *Interim Financial Reporting*.

A2) Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2013.

The following MFRSs, Interpretations and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2014.

- Amendments to MFRS 10, *Consolidated Financial Statements: Investments Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investments Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011) : Investments Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount disclosure for Non-Financial Assets.*
- Amendments to MFRS 139, *Financial Instruments : Recognition and Measurement – Novation of Derivative and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

The adoption of the above standards and amendments did not have any material impact to the current and prior periods financial statements of the Group.

The following revised MFRSs and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group.

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combination (Annual Improvement 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans : Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Asset (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*



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A2) Changes in Accounting Policies (continued)

MFRSs, interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments : Disclosure – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

A3) Disclosure of audit report qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2013 was not subject to any qualification.

A4) Explanatory comments about the seasonality or cyclicity of operations

The Group's operations were not subjected to any material seasonal or cyclical factor other than market fluctuations in selling prices and costs of raw materials.

A5) Unusual Items due to their nature, size or incidence

There was no item affecting assets, liabilities, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period under review.

A6) Changes in prior estimates of amounts which materially affect the current interim period

There was no material changes in the prior estimates which would materially affect the current interim period.

A7) Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the quarter under review.

A8) Dividends paid

No dividend was paid in the current quarter under review.


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A9) Segment reporting

<i>In thousands of RM</i>	Segment Revenue			
	Individual 1 st Quarter 2014	2013	Cumulative 1 st Quarter 2014	2013
Pharmaceuticals	71,873	70,342	71,873	70,342
Chemicals	71,611	74,968	71,611	74,968
Fertilizers	129,579	143,318	129,579	143,318
	<u>273,063</u>	<u>288,628</u>	<u>273,063</u>	<u>288,628</u>
Others* and inter segment transactions	(294)	(142)	(294)	(142)
Group result	<u>273,769</u>	<u>288,486</u>	<u>273,769</u>	<u>288,486</u>

<i>In thousands of RM</i>	Cumulative Profit/ (Loss) before tax			
	Individual 1 st Quarter 2014	2013	Cumulative 1 st Quarter 2014	2013
Pharmaceuticals	7,924	4,498	7,924	4,498
Chemicals	4,848	5,022	4,848	5,022
Fertilizers	(1,720)	696	(1,720)	696
	<u>11,052</u>	<u>10,216</u>	<u>11,052</u>	<u>10,216</u>
Others* and inter segment transactions	(2,315)	(788)	(2,315)	(788)
Group result	<u>8,737</u>	<u>9,428</u>	<u>8,737</u>	<u>9,428</u>

* Administrative and non-core activities (including intra-Group dividends)

A10) Property, plant and equipment

The Group adopts the cost model for its property, land and building.

A11) Post balance sheet event

There are no other material events after the period end that has not been reflected in the Interim Financial Reports for the financial period ended 31 March 2014.

A12) Effect of changes in the composition of the Group

There was no change in the composition of the Group for the current quarter under review.



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A13) Changes in contingent liabilities or contingent assets since the last annual balance sheet date

There were no changes in contingent liabilities or assets as at end of the current interim financial period.

A14) Capital Commitments

Commitments for the purchase of property, plant and equipments as at 31 March 2014.

	At 31 March 2014 RM'000	At 31 December 2013 RM'000
Approved but not contracted for	26,013	36,075
Contracted but not provided for	<u>32,705</u>	<u>38,281</u>
	<u>58,718</u>	<u>74,356</u>



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Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1) Review of Performance

Commentary for Quarter and Period ended 31 March 2014

For the current quarter and period ended 31 March 2014, the Group recorded revenue of RM273.8 million, lower by 5.1% compared to the corresponding quarter and period last year. The Group's profit before tax for the current quarter and period under review decreased by 7% to RM8.7 million from RM9.4 million recorded in the same quarter and period last year.

Pharmaceuticals Division recorded profit before tax of RM7.9 million, an increase of 76% as compared to the corresponding quarter and period last year. The increase was mainly due to the higher revenue generated during the quarter and period under review, as well as improved margin on its ethical, Over-the-counter ("OTC") and export segments.

Chemicals Division recorded a lower profit before tax of RM4.8 million, a decrease of 3% as compared to the corresponding quarter and period last year. The decrease was mainly due to lower revenue generated by 4.5% from RM75.0 million to RM71.6 million. The lower revenue recorded during the quarter and period under review was primarily due to lower sales volume of its trading products.

Fertilizers Division recorded revenue of RM129.6 million during the quarter and period under review. This was 10% lower compared to the same quarter and period last year primarily contributed by lower sales to dealers segments due to extended dry season during the quarter. The lower revenue has resulted in the division to record a loss of RM1.7 million during the quarter and period under review as compared to a profit of RM0.7 million in the same period last year.

B2) Material changes in the Quarterly Results compared to the results of the Preceding Quarter

The Group's revenue for the current quarter of RM273.8 million, lower by RM19.7 million (or 7%) as compared to the immediate preceding quarter revenue of RM293.5million. This was primarily attributable to the decrease in revenue contribution from all divisions across the Group. The Group recorded profit before tax of RM8.7 million during the quarter. The Group recorded a loss of RM15.6 million in the preceding quarter due to impairment on marketing rights of RM 15.8 million made in the said quarter.

B3) Prospects for the current financial year

The Group will continue to focus on enhancing business profitability by increasing sales growth domestically and regionally, improving production efficiency and cost effectiveness across all of its business divisions.

The demand for pharmaceuticals products is expected to remain relatively stable throughout the financial year. The prospects for the Division remain positive as it consolidates its position in the local and regional markets.



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B3) Prospects for the current financial year (continued)

For Chemicals Division, the chlor alkali market is still experiencing a phase of consolidation but the regional market has shown signs of stability. The polymer coating businesses is expected to soften the cyclical effect of the chlor alkali market. The Division is continuously striving to increase its trading margin for the current financial year, which focuses on new trading segments and expansion of its customer base within the region.

The demand of fertilizers is expected to improve in the coming quarters as manuring season for plantations resume, couple with the trend revival in the crude palm oil (CPO) prices. Albeit this favourable business landscape, the Division is however cautious of the negative impact for the fertilizers demand due to the expected dry season in the second half of the financial year. Notwithstanding the above, Fertilizers Division will continue to focus on costs optimisation and operational excellence in an effort to improve its profit margin.

The Group's performance for the financial year ending 31 December 2014 is expected to continue to be challenging.

B4) Variance of Actual Profit from Forecast Profit

The Group did not make any profit forecast or issue any profit guarantee.

B5) Taxation

Taxation charge of the Group for the current quarter and financial period was as follows:

	Current Quarter 31 March 2014 RM'000	Current Period 31 March 2014 RM'000
Taxation		
In respect of profit for the year	3,236	3,236
Transfer from deferred tax	(851)	(851)
	<u>2,385</u>	<u>2,385</u>



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B6) Profit Before Tax

	Current Quarter 31 March 2014 RM'000	Current Period 31 March 2014 RM'000
Operating profit is arrived at after charging / (crediting):		
Allowance for doubtful debt	871	871
Depreciation of property, plant and equipment	12,654	12,654
Interest expense	6,891	6,891
Net foreign exchange loss	610	610
Provision for and write-off of inventories	(183)	(183)
Interest income	(797)	(797)
Reversal of impairment loss on trade receivables	(408)	(408)
	(408)	(408)

Other than the above, there were no impairment of assets and gain or loss on derivatives for the current quarter and current period under review.

B7) Status of corporate proposals that have been announced by the Company but not completed as at the date of this announcement

There were no corporate proposals announced but not yet completed as at the date of this report.

B8) Group Borrowings and Debt Securities

The Group borrowings as at 31 March 2014 were as follows:

	31-Mar-14 RM'000	31-Dec-13 RM'000
Short term borrowings		
Unsecured		
Ringgit Malaysia denominated	289,426	318,724
United States Dollar denominated	43,488	50,260
Singapore Dollar denominated	650	650
	333,564	369,634
Long term borrowings		
Unsecured		
Ringgit Malaysia denominated	380,000	380,000
	380,000	380,000



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B9) Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risks as at the date of this report.

B10) Earnings per share

	Current Quarter 31 March 2014	Current Period 31 March 2014
Basic and Diluted Earnings Per Share:-		
Profit after tax and minority shareholders' interests (RM'000)	3,772	3,772
Issued ordinary shares at beginning of the period ('000)	457,630	457,630
Weighted average number of ordinary shares ('000) at ending of the quarter/year	457,630	457,630
Basic and diluted earnings per share (sen)	0.82	0.82

B11) Dividend

No dividend is proposed for the current quarter under review.

B12) Economic Profit ("EP") Statement

	Curren Quarter 31 March		Current Period 31 March	
	2014	2013	2014	2013
<i>In millions of RM</i>				
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax	14.0	14.5	14.0	14.5
Adjusted tax	(3.5)	(3.6)	(3.5)	(3.6)
NOPAT	10.5	10.9	10.5	10.9
<u>Economic charge computation:</u>				
Average invested capital	1,459.6	1,500.0	1,459.6	1,500.0
Weighted average cost of capital (%)	5.20%	5.08%	5.20%	5.08%
Economic charge	19.0	19.1	19.0	19.1
Economic (loss)/ profit	(8.5)	(8.2)	(8.5)	(8.2)



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B12) Economic Profit (“EP”) Statement (continued)

The EP statement is as prescribed under the Government-Linked Corporations (GLC) Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.

B13) Material litigation

There was no material litigation against the Group as at the end of period under review.

B14) Disclosure of Realised and Unrealised

	31 March 2014 RM'000	31 December 2013 RM'000
Total retained profits of CCM Berhad and its subsidiaries:		
- Realised	272,123	261,129
- Unrealised	42,159	49,381
Total	314,282	310,510

B15) Authorisation for issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 May 2014.

By Order of the Board

NOOR AZWAH SAMSUDIN (LS0006071)

Company Secretary

27 May 2014