



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 31 DECEMBER 2017 (UNAUDITED)**

<i>In thousands of RM</i>	Current Quarter		Current Period	
	31 December		31 December	
	2017	2016	2017	2016
		Restated		Restated
<u>Continuing operations</u>				
Revenue	109,232	73,733	370,709	296,374
Cost of goods sold	(79,565)	(49,354)	(272,510)	(213,427)
Gross profit	29,667	24,379	98,199	82,947
Other income	4,521	2,633	8,016	3,479
Distribution expenses	(6,248)	(8,236)	(9,176)	(10,694)
Administrative expenses	(19,726)	(11,149)	(54,030)	(39,241)
Other expenses	3,075	(2,232)	(8,712)	(14,210)
Results from operating activities	11,289	5,395	34,297	22,281
Share of profit of equity accounted investee, net of tax	533	444	681	1,770
Finance income	1,737	1,163	5,021	5,147
Finance costs	(6,425)	(8,345)	(24,965)	(27,073)
Profit/(loss) before tax	7,134	(1,343)	15,034	2,125
Income tax expense	(13,825)	(8,750)	(17,271)	(9,916)
Loss from continuing operations	(6,691)	(10,093)	(2,237)	(7,791)
<u>Discontinued operations</u>				
Profit/(loss) from discontinued operations, net of tax	13,676	(76,888)	42,487	(76,047)
Profit/(loss) for the period	6,985	(86,981)	40,250	(83,838)
Other comprehensive income				
Fair value of available-for-sale financial assets	932	34,210	(4,506)	34,210
Foreign currency translation differences for foreign operations	13,770	7,956	18,578	8,256
Revaluation of property, plant and equipment	-	112,361	-	112,361
Total comprehensive income for the period	21,687	67,546	54,322	70,989
Profit/(loss) attributable to :				
Owners of the Company				
- from continuing operations	(6,526)	(17,868)	(4,826)	(17,515)
- from discontinued operations	10,034	(48,818)	31,173	(46,114)
	3,508	(66,686)	26,347	(63,629)
Non-controlling interests	3,477	(20,295)	13,903	(20,209)
	6,985	(86,981)	40,250	(83,838)
Total comprehensive income attributable to :				
Owners of the Company				
- from continuing operations	8,176	134,768	9,246	137,063
- from discontinued operations	10,034	(47,176)	31,173	(46,114)
	18,210	87,592	40,419	90,949
Non-controlling interests	3,477	(20,046)	13,903	(19,960)
	21,687	67,546	54,322	70,989
Basic earnings per share (Sen)				
- from continuing operations	(1.43)	(3.93)	(1.06)	(3.85)
- from discontinued operations	2.20	(10.74)	6.83	(10.14)
	0.77	(14.67)	5.77	(13.99)
Diluted earnings per share (Sen)				
- from continuing operations	(1.43)	(3.93)	(1.06)	(3.85)
- from discontinued operations	2.20	(10.74)	6.83	(10.14)
	0.77	(14.67)	5.77	(13.99)

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 DECEMBER 2017 (UNAUDITED)

<i>In thousands of RM</i>	As at 31 December 2017	As at 31 December 2016
ASSETS		
Property, plant and equipment	138,514	419,963
Investment properties	24,875	210,370
Intangible assets	94,997	296,555
Investment in associates	15,608	14,927
Other Investments	45,583	50,074
Deferred tax assets	2,321	9,053
Total non-current assets	321,898	1,000,942
Inventories	39,277	173,092
Current tax assets	18,493	26,546
Trade and other receivables	135,918	195,415
Cash and cash equivalents	160,345	288,317
	<u>354,033</u>	<u>683,370</u>
Assets classified as held for sale	185,900	1,000
Total current assets	539,933	684,370
TOTAL ASSETS	861,831	1,685,312
EQUITY AND LIABILITIES		
Share capital	81,920	457,630
Reserves	163,421	183,529
Retained earnings	37,359	98,429
Total equity attributable to equity holders of the Company	282,700	739,588
Non-controlling interests	(1,385)	152,188
Total equity	281,315	891,776
Loans and borrowings	108,750	536,118
Deferred tax liabilities	24,044	29,609
Total non-current liabilities	132,794	565,727
Loans and borrowings	359,388	85,633
Provisions	-	493
Trade and other payables	87,980	141,230
Current tax liabilities	354	453
Total current liabilities	447,722	227,809
Total liabilities	580,516	793,536
TOTAL EQUITY AND LIABILITIES	861,831	1,685,312
Net assets per share attributable to ordinary equity holders of the parent (sen)	169	163

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 PERIOD ENDED 31 DECEMBER 2017 (UNAUDITED)

In thousands of RM

	←——— Attributable to shareholders of the Company ———→								Distributable	Non-controlling	Total	
	←——— Non-distributable ———→											able
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Fair value reserve	Revaluation reserve	Other capital reserve	Treasury shares	Retained earnings	Total		
At 1 January 2017	457,630	39,944	73	(228)	34,233	112,361	2,982	(5,836)	98,429	739,588	152,188	891,776
Fair value of available-for-sale financial assets	-	-	-	-	(4,506)	-	-	-	-	(4,506)	-	(4,506)
Foreign exchange translation differences	-	-	-	18,579	-	-	-	-	-	18,579	-	18,579
Revaluation of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income for the period	-	-	-	18,579	(4,506)	-	-	-	-	14,073	-	14,073
Profit for the year	-	-	-	-	-	-	-	-	26,347	26,347	13,903	40,250
Total comprehensive income for the period	-	-	-	18,579	(4,506)	-	-	-	26,347	40,420	13,903	54,323
Transfer in accordance with Section 618(2) of the Companies Act 2016	40,017	(39,944)	(73)	-	-	-	-	-	-	-	-	-
Treasury shares sold	-	-	-	-	-	-	-	5,836	(1,278)	4,558	-	4,558
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(8,805)	(8,805)	(31,195)	(40,000)
Placement of new shares	60,010	-	-	-	-	-	-	-	-	60,010	-	60,010
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(11,367)	(11,367)	-	(11,367)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(8,428)	(8,428)
Capital reduction	(475,737)	-	-	-	-	-	-	-	475,737	-	-	-
Distribution of shares in subsidiary	-	-	-	-	-	-	-	-	(471,853)	(471,853)	-	(471,853)
Effect of loss of control in subsidiary	-	-	-	-	-	-	-	-	(69,851)	(69,851)	(127,853)	(197,704)
As at end of period	81,920	-	-	18,351	29,727	112,361	2,982	-	37,359	282,700	(1,385)	281,315

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 PERIOD ENDED 31 DECEMBER 2016

<i>In thousands of RM</i>	← Attributable to shareholders of the Company →									Total	Non-controlling interest	Total equity
	← Non-distributable →					Distributable						
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Fair value reserve	Revaluation reserve	Other capital reserve	Treasury shares	Retained earnings			
At 1 January 2016	457,630	39,944	73	(8,235)	23	-	2,982	(5,836)	184,790	671,371	178,581	849,952
Fair value of available-for-sale financial assets	-	-	-	-	34,210	-	-	-	-	34,210	-	34,210
Foreign exchange translation differences	-	-	-	8,007	-	-	-	-	-	8,007	249	8,256
Revaluation of property, plant and equipment	-	-	-	-	-	112,361	-	-	-	112,361	-	112,361
Total other comprehensive income for the period	-	-	-	8,007	34,210	112,361	-	-	-	154,578	249	154,827
Profit for the year	-	-	-	-	-	-	-	-	(63,629)	(63,629)	(20,209)	(83,838)
Total comprehensive income for the period	-	-	-	8,007	34,210	112,361	-	-	(63,629)	90,949	(19,960)	70,989
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(22,732)	(22,732)	-	(22,732)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(6,433)	(6,433)
As at end of period	457,630	39,944	73	(228)	34,233	112,361	2,982	(5,836)	98,429	739,588	152,188	891,776

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 CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2017 (UNAUDITED)

In thousands of RM	2017	2016
Cash flows from operating activities		
Profit/(loss) before taxation - Continuing operations	15,034	33,604
- Discontinued operations	51,799	(98,741)
	<u>66,833</u>	<u>(65,137)</u>
Adjustments for:		
Change in fair value of investment properties	(405)	-
Depreciation of property, plant and equipment	47,239	50,191
Dividend income from other investment	-	(3)
Gain on disposal of property, plant and equipment	-	(118)
Finance costs	30,229	34,518
Interest income	(7,735)	(9,664)
Impairment loss on property, plant and equipment	-	4,606
Impairment loss on receivables	1,313	12,827
Share of profit of equity accounted associates	(681)	(1,770)
Provision for warranty	-	(471)
Inventories written down / written off	8,545	36,411
Properties, plant and equipment written off	-	1,324
Intangible assets written off	1,600	-
Unrealised foreign exchange loss/(gain)	(3,055)	1,888
<i>Operating profit before changes in working capital</i>	<u>143,883</u>	<u>64,602</u>
Change in inventories	(11,200)	30,386
Change in payables and accruals	31,440	7,627
Change in receivables, deposits and prepayments	(38,669)	3,466
<i>Cash generated from operations</i>	<u>125,454</u>	<u>106,081</u>
Finance costs paid	(30,229)	(34,518)
Interest income	7,735	9,664
Income tax paid	(19,580)	(16,924)
Net cash generated from operating activities	<u>83,380</u>	<u>64,303</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(91,838)	(102,674)
Acquisition of development expenditure	(5,373)	(230)
Acquisition of non-controlling interests	(40,000)	-
Dividends received from other investments	-	3,063
Change in pledged deposits	-	15,000
Proceeds from disposal of property, plant and equipment	-	1,219
Net cash outflow from demerger of subsidiary	(92,071)	-
Disposal of discontinued operation	-	97,903
Net cash used in investing activities	<u>(229,282)</u>	<u>14,281</u>
Cash flows from financing activities		
Dividends paid to non-controlling interests	(8,428)	(6,433)
Dividends paid to owners of the Company	(11,367)	(22,732)
Proceeds from sale of treasury shares	4,558	-
Proceeds from new share issued to non-controlling interests	60,010	-
Net drawdown of loans and borrowings	(26,174)	(82,075)
Net cash used in financing activities	<u>18,599</u>	<u>(111,240)</u>
Exchange difference on translation of the financial statements of foreign operations	(669)	8,256
Net decrease in cash and cash equivalents	(127,972)	(24,400)
Cash and cash equivalents at 1 January	288,317	312,717
Cash and cash equivalents as at end of period	<u>160,345</u>	<u>288,317</u>

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



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

(Incorporated in Malaysia)

For the Period Ended 31 December 2017

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 2016 except for the adoption of the following MFRS and Amendments to MFRSs during the current financial period :-

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- Amendments to MFRS12, *Disclosure of Interests in Other Entities (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 107, *Statement of Cash Flows – Disclosure Initiative*
- Amendments to MFRS 112, *Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of the above MFRS and Amendments to MFRSs did not have any material impact on these condensed consolidated interim financial statements.

The following revised MFRSs and Amendments to MFRSs 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 January 2018;

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 2, *Classification and measurement of share-based payment transactions*
- Amendments to MFRS 4, *Applying MFRS 9- Financial Instruments with MFRS 4-Insurance Contracts*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures (Annual Improvements 2014-2016 Cycle)*
- Amendments to MFRS 140, *Transfer of Investment Property*
- IC Interpretation 22, *Foreign Currency Transactions and Advance Consideration*
- Clarifications to MFRS 15, *Revenue from Contracts with Customers*



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A2) Changes in Accounting Policies (continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 128, *Long-term Interests in Associates and Joint Ventures*
- Amendments to MFRS 9, *Prepayment Features with Negative Compensation*
- Amendments to MFRS 3, *Business Combinations - Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 11, *Joint Arrangements - Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes - Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 123, *Borrowing Costs - Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRS Standards 2015–2017 Cycle)*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

The Group is currently assessing the financial impact that may arise from the adoption of the above amendments.

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 2016 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.



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

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

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

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

On 13 October 2017, the Company completed a private placement exercise, for the issuance and listing of 45,463,186 new shares on the Main Market of Bursa Securities.

During the period from 26 October 2017 to 1 November 2017, the Company had sold off all of its 2,998,000 Treasury Shares held.

On 23 November 2017, the High Court had granted an order confirming the Company's application for capital reduction pursuant to Section 116 of the Companies Act 2016. The capital reduction was required to give effect to proposed distribution of the Company's entire shareholding in CCM Duopharma Biotech Berhad to the shareholders of the Company. Subsequently, on 22 December 2017, 503,093,042 of the Company's Shares have been consolidated into 167,695,988 CCMB Consolidated Shares. The CCMB Consolidated Shares was listed and quoted on the Main Market of Bursa Securities with effect on 26 December 2017.

Save as disclosed, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review

A8) Dividends paid

On 1 June 2017, the Company paid first interim single tier dividend of 2.50 sen per ordinary share totaling RM11.37 million for the financial year ending 31 December 2017.

On 28 December 2017, the Company completed the distribution of the Company's entire shareholding in CCM Duopharma Biotech Berhad ("CCMD") to the shareholders of the Company, following the crediting of the distribution shares into the accounts of the entitled shareholders of the Company. Following the completion of the distribution, CCMD has ceased to be a subsidiary of the Company.



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
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A9) Segment reporting

<i>In thousands of RM</i>	Segment Revenue			
	Individual 4th Quarter		Cumulative 4th Quarter	
	2017	2016	2017	2016
<u>Continuing operations</u>				
Chemicals	85,727	48,410	283,565	214,740
Polymers	23,556	21,511	84,277	81,206
Others* and inter-segment transactions	(51)	3,812	2,867	428
Group result	<u>109,232</u>	<u>73,733</u>	<u>370,709</u>	<u>296,374</u>
<u>Discontinued operations</u>				
Pharmaceuticals	112,253	74,033	467,987	312,940
Fertilizers	0	16,482	0	145,924
	<u>221,485</u>	<u>164,248</u>	<u>838,696</u>	<u>755,238</u>

<i>In thousands of RM</i>	Segment Profit/(Loss) Before Tax			
	Individual 4th Quarter		Cumulative 4th Quarter	
	2017	2016	2017	2016
<u>Continuing operations</u>				
Chemicals	16,706	3,415	44,029	18,018
Polymers	4,676	3,951	19,145	17,686
Others* and inter-segment transactions	(14,248)	(8,709)	(48,140)	(33,579)
Group result	<u>7,134</u>	<u>(1,343)</u>	<u>15,034</u>	<u>2,125</u>
<u>Discontinued operations</u>				
Pharmaceuticals	12,828	6,298	51,799	31,479
Fertilizers	-	(85,683)	-	(102,807)
	<u>19,962</u>	<u>(80,728)</u>	<u>66,833</u>	<u>(69,203)</u>

* *Administrative and non-core activities*

A10) Property, plant and equipment

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

A11) Post balance sheet events

There are no material events after the period end that has not been reflected in the Interim Financial Reports for the current financial period under review.



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

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A12) Changes in the composition of the Group

On 19 September 2017, the Company entered into separate Sale of Shares Agreements with Lanjut Setia Sdn Bhd and Permodalan Nasional Berhad to acquire their 10% equity interest each in CCM Chemicals Sdn Bhd. On 24 November 2017 the acquisitions were completed in accordance with the terms and conditions of the Share Sale Agreements. CCM Chemicals is now a wholly-owned subsidiary of the Group.

On 28 December 2017, the Company completed the distribution of the Company's entire shareholding in CCM Duopharma Biotech Berhad ("CCMD") to the shareholders of the Company, following the crediting of the distribution shares into the accounts of the entitled shareholders of the Company. Following the completion of the distribution, CCMD has ceased to be a subsidiary of the Company.

Save as disclosed above, there were no other material changes in the composition of the Group for the period under review.

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

During financial year 2014, PT CCM Indonesia ("PTCCMI"), a subsidiary of the Company appealed against tax auditor's assessment with respect to year of assessment 2011. The contingent liability involved in the tax appeal amounted to IDR36,100,000,000 (equivalent to approximately RM11.6 million). The hearing of the appeals was concluded on 29th July 2015 and the matter is still pending decision from the Indonesian Tax Court.

Save as disclosed, there are no changes in contingent liabilities or assets as at end of the current interim financial period.

A14) Capital Commitments

	31 December 2017 RM'000	31 December 2016 RM'000
Approved but not contracted for	30,756	325,189
Contracted but not provided for	22,249	8,308
	<u>53,005</u>	<u>333,497</u>

**CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)****(Incorporated in Malaysia)****For the Period Ended 31 December 2017****A15) Discontinued Operations and Assets/Liabilities classified as Held for Sale**

- (i) In 2015, the Group commenced scaling down its Fertilizers operating segment, consistent with the Group's strategy to place greater focus on enhancing business profitability on its Pharmaceuticals, Chemicals and Polymers segments and to exit business operations which have been consistently underperforming over the years. Subsequently, the Group completed the sale of disposal group during the financial year ended 31 December 2016, thus reported as Discontinued Operation results, in the comparative period 2016.
- (ii) On 2 August 2017, the Company announced a proposed distribution of the entire shareholding in CCM Duopharma Biotech Berhad ("CCMD") to the shareholders of the Company and a reduction of the paid up capital of the Company pursuant to Section 116 of the Companies Act 2016 ("Proposed distribution and capital reduction"). The proposals were approved by the shareholders at the Extraordinary General Meeting held on 3 October 2017. Subsequently, on 23 November 2017, the High Court granted an order confirming the capital reduction. Finally, on 28 December 2017, the Company completed the distribution of the Company's entire shareholding in CCMD to the shareholders of the Company, following the crediting of the distribution shares into the accounts of the entitled shareholders of the Company. Following the completion of the distribution, CCMD has ceased to be a subsidiary of the Company, as such, their results were reported as Discontinued Operations.
- (iii) On 2 August 2017, the Company announced a proposed disposal of three (3) parcels of leasehold land measuring approximately 70.93 acres for a cash consideration of RM190 million to GBA Corporation Sdn Bhd. ("GBA") Subsequently, on 30 November 2017, the Company and Global Vision Logistics Sdn Bhd (GBA's nominee purchaser) had on even date entered into a Sale and Purchase Agreement. The properties are thus reclassified as Asset Held For Sale during the period under review.



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A15) Discontinued Operations and Assets/Liabilities classified as Held for Sale (Continued)

The results of the discontinued operations were as follows:-

<i>In thousands of RM</i>	Current Period	
	12 months ended 31 December	
	2017	2016
<u>Results of discontinued operation</u>		
Revenue	467,987	458,864
Expenses	(416,188)	(530,192)
Results from operating activities	51,799	(71,328)
Income tax expense	(9,312)	(4,719)
Profit from discontinued operations	42,487	(76,047)
<u>Cash flows of discontinued operation</u>		
Cash generated from operating activities	58,669	62,703
Cash used in investing activities	(73,866)	68,516
Cash used in financing activities	(3,989)	(60,147)
Effect of cash flows	(19,186)	71,072

Assets Held for Sale as at end of the period consists of:-

<i>In thousands of RM</i>	As at	As at
	31 December	31 December
	2017	2016
<u>Assets classified as held for sale</u>		
Property, plant and equipment	-	1,000
Investment property	185,900	-
	185,900	1,000



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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 Individual Quarter ended 31 December 2017

Continuing operations

For the current quarter ended 31 December 2017, the Group recorded revenue of RM109.2 million, higher by 48% compared to the corresponding quarter last year of RM73.7 million, mainly due to improved revenue from Chemicals and Polymers Divisions. The Group recorded profit before tax in the current quarter of RM7.1 million, from a loss before tax of RM1.3 million recorded in the same quarter last year, mainly due to improved sales for the current quarter under review as well as positive impact from operational efficiency initiatives.

Chemicals Division recorded revenue of RM85.7 million during the quarter under review, which was 77% higher compared to the same quarter last year of RM48.4 million. The Division recorded a higher profit before tax of RM16.7 million, as compared to the corresponding quarter last year of RM3.4 million. The growth in profit before tax was primarily due to higher sales and margin as a result of higher average selling prices of its chlor-alkali products, higher volume sold during the quarter under review and positive impact on operational efficiency initiatives.

Polymers Division recorded revenue of RM23.6 million during the quarter under review, which was 10% higher compared to the same quarter last year of RM21.5 million. The Division recorded higher profit before tax of RM4.7 million, an increase of 18% as compared to the corresponding quarter last year of RM3.9 million. The increase in profit before tax was primarily due to changes in product mix and price increases on certain products.

Discontinued operations

In Note A15, the Group presents and discloses in its financial statements, the financial effects of discontinued operations in accordance to MFRS 5 (*Non Current Assets Held For Sale and Discontinued Operations*).

In August 2017, the Group announced a proposal to distribute its entire shareholding in CCM Duopharma Biotech Berhad ("CCMD") to the shareholders of the Company, which was then announced as completed on 28 December 2017. Accordingly the Group present the Pharmaceutical financial results as discontinued operations, including their comparatives.

Pharmaceuticals Division's revenue for the quarter was RM112.3 million, increased by 52% compared to the same quarter last year of RM74.0 million, mainly due to supply of renal and endocrine products and increased demand from public health sector via tenders. The Division recorded profit before tax of RM12.8 million, an increase of 104% as compared to the corresponding quarter last year of RM6.3 million. The higher profit recorded was mainly attributed by the increase in sales.

The Group completed the disposal of fertilizer assets held for sale, namely the 2 subsidiaries in Fertilizers Divisions in East Malaysia, certain trade marks and 2 parcels of land in Bintulu, Sarawak in the fourth quarter 2016, and recorded a loss of RM37.1 million from the disposal.



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Commentary for Cumulative Quarter ended 31 December 2017

Continuing operations

For the cumulative quarter ended 31 December 2017, the Group recorded revenue of RM370.7 million, higher by 25% compared to the corresponding period last year of RM296.4 million, mainly contributed by improved revenue from Chemicals and Polymers Divisions. Group's profit before tax for the cumulative quarter under review, increased to RM15.0 million from RM2.1 million recorded in the same period last year, contributed by better margins in both Chemicals and Polymers Divisions. The Group's profit before tax for the period of RM15.0 million included expenses of RM6.8 million for works on dismantling of Shah Alam Fertilizers plant and RM7.0 million for the various corporate exercises that were undertaken during the period.

Chemicals Division recorded revenue of RM283.6 million during the period under review, which was 32% higher compared to the same period last year of RM214.7 million. The Division recorded a higher profit before tax of RM44.0 million, as compared to the corresponding period last year of RM18.0 million. The growth in profit before tax was primarily due to higher sales and margin as a result of higher average selling prices of its chlor-alkali products, higher volume sold during the period under review and positive impact on operational efficiency initiatives.

Polymers Division recorded revenue of RM84.3 million during the period under review, which was 3.8% higher compared to the same period last year of RM81.2 million. The Division recorded a higher profit before tax of RM19.1 million, an increase of 8.2% as compared to the corresponding period last year of RM17.7 million. The increase in profit before tax was primarily due to changes in product mix and price increases on certain products.

Discontinued operations

In Note A15, the Group presents and discloses in its financial statements, the financial effects of discontinued operations in accordance to MFRS 5 (*Non Current Assets Held For Sale and Discontinued Operations*).

In August 2017, the Group announced a proposal to distribute its entire shareholding in CCM Duopharma Biotech Berhad ("CCMD") to the shareholders of the Company, which was then announced as completed on 28 December 2017. Accordingly the Group present the Pharmaceutical financial results as discontinued operations, including their comparatives.

Pharmaceuticals Division's revenue for the period was RM468.0 million, increased by 49% compared to the same period last year of RM312.9 million mainly due to supply of renal and endocrine products and increased demand from public health sector via tenders. The Division recorded profit before tax of RM51.8 million, an increase of 65% as compared to the corresponding period last year of RM31.5 million. The higher profit recorded was mainly attributed by the increase in sales.

The Group completed the disposal of fertilizer assets held for sale, namely the 2 subsidiaries in Fertilizers Divisions in East Malaysia, certain trade marks and 2 parcels of land in Bintulu, Sarawak in the fourth quarter 2016, and recorded a loss of RM37.1 million from the disposal. In addition to operational losses, the financial year 2016 Discontinued Operation financial results included an impairment made on damaged and slow moving inventories totaling to RM17.1 million.



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

<i>In thousands of RM</i>	Segment Revenue		Segment profit/(loss) before tax	
	Current Quarter	Preceding Quarter	Current Quarter	Preceding Quarter
<u>Continuing operations</u>				
Chemicals	85,727	68,179	16,706	11,078
Polymers	23,556	20,483	4,676	4,602
Others* and inter-segment transactions	(51)	(544)	(14,248)	(14,845)
Group result	109,232	88,118	7,134	835
<u>Discontinued operations</u>				
Pharmaceuticals	112,253	115,379	12,828	14,207
	221,485	203,497	19,962	15,042

* *Administrative and non-core activities*

Continuing operations

The Group's revenue for the current quarter of RM109.2 million was higher by 24% as compared to the immediate preceding quarter revenue of RM88.1 million. The higher revenue was mainly contributed by both Chemicals and Polymers Divisions. The Group's profit before tax for the current quarter increased to RM7.1 million compared to RM0.8 million in the immediate preceding quarter. The increase was attributed to the increase in average selling prices of Chlor alkali products resulted to improvement in margins.

Discontinued operations

The Pharmaceuticals Division saw a 3% decline in revenue to RM112.3 million compared to RM115.4 million in the immediate preceding quarter due to slower off take from public sector towards the end of year. Accordingly profit before tax decreased by 10% from RM14.2 million in preceding quarter to RM12.8 million in current quarter.

B3) Prospects

The de-merger of CCM Duopharma Biotech Berhad from the Group was completed on 28 December 2017. The Group will now focus on growing its Chemicals and Polymers Divisions going forward.

The Group is continuously consolidating its position to make steady progress in each of its core businesses. Both Divisions will continue to evaluate opportunities within its respective markets to ensure growth. The Group will continue its de-gearing plans via divestment of identified non-core assets to continuously strengthen its financial position. This will give the Group ample agility to pursue its planned expansion and growth strategy moving forward.



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B3) Prospects (continued)

Although the markets remain competitive, the Chemicals Division is expected to continue to perform positively. It will be reactivating its Pasir Gudang Works 1 to increase its production capacity, enabling the Chemicals Division to seize the market opportunities for its chlor alkali products. It will continue implementing continuous improvement program to extract operational savings, and striving to increase its trading margin while expanding its customer base within the region. The Division will continue to expand its core capabilities both domestically and regionally to improve its market share.

Polymer Division is expected to remain stable. The Division will continue to roll out research and development (R&D) programs to develop newer products to enhance competitiveness and market share.

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 RM'000	Current Period RM'000
Taxation		
In respect of profit for the year	1,348	10,469
Under provision of tax in the prior year	5,635	5,635
Transfer from deferred tax	6,842	1,167
	<u>13,825</u>	<u>17,271</u>

The Group's effective tax rate was higher than the statutory tax rate mainly due to under provision of tax in the prior year and non-deductibility of certain expenses for tax purposes.



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B6) Profit Before Tax

	Current Quarter RM'000	Current Period RM'000
Operating profit is arrived at after charging / (crediting):		
Depreciation and amortization	10,641	47,239
(Write-back)/Provision for receivables	(285)	1,313
Provision for and write-off of inventories	3,338	8,545
Impairment of intangibles	-	1,600
Net foreign exchange gain	(4,350)	(3,055)
Interest expense	7,822	30,229
Interest income	(2,770)	(7,735)

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

A. On 2 August 2017, followed by amendments and clarifications on 4 August 2017, the Company announced and made further clarification on the following proposals :

- (i) Proposed placement of up to 10% of the issued share capital of the Company (excluding treasury shares) (“Proposed Placement”);

The proposal was completed on 13 October 2017, following the listing and quotation of 45,463,186 new shares on the Main Market of Bursa Securities.

- (ii) Proposed disposal of the following three (3) parcels of leasehold land measuring approximately 70.93 acres for a cash consideration of RM190 million to GBA Corporation Sdn Bhd (“GBA Corp”):

- a) PN 112585 Lot 818 Seksyen 16 Bandar Shah Alam, Daerah Petaling, Negeri Selangor (“Lot 818”) (excluding that portion of Lot 818 measuring 11,655 square metres which has been taken over by Perbadanan Kemajuan Negeri Selangor and which is to be surrendered to the relevant authority(ies) pursuant to the terms and conditions of the Land Exchange Agreement dated 1 July 2004 as amended and supplemented by a supplemental agreement to the Land Exchange Agreement dated 4 April 2016);
- b) HS(D) 135878, PT 757 Sek 16, Bandar Shah Alam, Daerah Petaling, Negeri Selangor (“PT 757”); and
- c) HS(D) 135879, PT 758 Sek 16, Bandar Shah Alam, Daerah Petaling, Negeri Selangor (“PT 758”)

(The aforesaid three (3) parcels of land are collectively referred to as “Shah Alam Land”) (“Proposed disposal of Shah Alam Land”).



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B7) Status of corporate proposals (continued)

On 18 September 2017, the parties to the Proposed Disposal of Shah Alam Land namely the Company (“CCMB”) and GBA Corporation Sdn Bhd (“GBA” or “GBA Corp”) mutually agreed (via exchange of letters (“Extension Letters”)) to extend the deadline to agree on the terms and conditions of the Sale and Purchase Agreement (“SPA”) for the Proposed Disposal of Shah Alam Land from 15 September 2017 to 31 October 2017. The parties further extended the deadline, to agree on the terms and conditions of the SPA, from 31 October 2017 to 30 November 2017, via exchange of letters dated 24 October 2017. On 30 November 2017, the Company entered into a conditional SPA with Global Vision Logistics Sdn Bhd (“GVL” or “Purchaser”), being the party nominated by GBA Corp, for the Proposed Disposal of Shah Alam Land. The proposal is now pending approval of shareholders, scheduled to be held on 2 March 2018, and other authorities.

- (iii) Proposed distribution of the entire shareholding in CCM Duopharma Biotech Berhad (“CCMD”) (“Proposed distribution”) to the shareholders of the Company by way of a reduction of the paid up capital of the Company pursuant to Section 116 of the Companies Act 2016 (“Proposed distribution and capital reduction”).

On 23 November 2017, the High Court had granted an order confirming the Company’s application for capital reduction. The capital reduction was required to give effect to proposed distribution of the Company’s entire shareholding in CCMD to the shareholders of the Company.

On 28 December 2017, the Company completed the distribution of the Company’s entire shareholding in CCMD to the shareholders of the Company, following the crediting of the distribution shares into the accounts of the entitled shareholders of the Company. Following the completion of the distribution, CCMD has ceased to be a subsidiary of the Company.

- (iv) Proposed share consolidation of every 3 existing ordinary shares in the Company (“CCMB share(s)” or “share(s)”) into 1 ordinary share in the Company (“Consolidated share(s)”) (“Proposed share consolidation”)

The proposal was approved by the shareholders at the Extraordinary General Meeting held on 3 October 2017. Subsequent to the completion of the capital reduction on 23 November 2017, on 22 December 2017, 503,093,042 of the Company’s Shares have been consolidated into 167,695,988 CCMB Consolidated Shares. The consolidation of the shares was completed and listed on the Main Market of Bursa Securities with effect on 26 December 2017.

- B. On 11 August 2017, the Company announced a Debt Settlement Agreement with CCM Marketing Sdn Bhd (“CCMM”), a wholly owned subsidiary, whereby all debts owing and payable by CCMM to the Company (including interest) calculated as at a closing date, shall be satisfied by way of a transfer of CCM Duopharma Biotech Berhad shares owned by CCMM to the Company.

The Internal Reorganisation exercise was completed on 25 September 2017 following the receipt of the approval from Securities Commission exempting the Company from the obligation to undertake the Mandatory Offer vide its letter dated 29 August 2017 and the transfer of 204,665,784 CCMD Shares from CCMM to the Company.



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B7) Status of corporate proposals (continued)

- C. On 10 August 2017, the Company ("CCM") received a letter of offer from Lanjut Setia Sdn Bhd ("LSSB") to dispose 2,000,000 ordinary shares representing 10% equity interest in CCM Chemicals Sdn Bhd ("CCM Chemicals") to CCM ("LSSB Offer Letter"). CCM had on 25 August 2017 accepted the offer from LSSB to acquire 2,000,000 ordinary shares representing 10% equity interest in CCM Chemicals.

In conjunction with the above Proposed Acquisition, CCM had on 15 August 2017 made an offer to acquire 2,000,000 ordinary shares representing 10% equity interest in CCM Chemicals from Permodalan Nasional Berhad ("PNB"). CCM had on 24 August 2017 received an acceptance of CCM's offer from PNB for the acquisition of 2,000,000 ordinary shares representing 10% equity interest in CCM Chemicals ("PNB Acceptance Letter").

On 19 September 2017, the Company entered into a Sale of Shares Agreement with LSSB ("SSA 1") and a Sale of Shares Agreement with PNB ("SSA 2"). The Proposed Acquisitions were completed on 24 November 2017 in accordance with the terms and conditions of the Share Sale Agreements. CCM Chemicals is now a wholly-owned subsidiary of the Group.

Save for as disclosed above, there are no corporate proposals that have been announced by the Company but not completed as at the date of this report.

B8) Group Borrowings and Debt Securities

	31 December 2017 RM'000	31 December 2016 RM'000
Short term borrowings		
Unsecured		
Ringgit Malaysia denominated	359,388	79,135
US Dollar denominated	-	6,498
	<hr/> 359,388	<hr/> 85,633
Long term borrowings		
Unsecured		
Ringgit Malaysia denominated	108,750	536,118
	<hr/> 468,138	<hr/> 621,751

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.



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B10) Earnings per share

	Individual 4th Quarter		Cumulative 4th Quarter	
	31 December 2017 RM'000	31 December 2016 RM'000	31 December 2017 RM'000	31 December 2016 RM'000
Basic and Diluted Earnings Per Share:-				
Profit after tax and minority shareholders' interests (RM'000)				
- from continuing operations	(6,526)	(17,868)	(4,826)	(17,515)
- from discontinued operations	10,034	(48,818)	31,173	(46,114)
	<u>3,508</u>	<u>(66,686)</u>	<u>26,347</u>	<u>(63,629)</u>
Issued ordinary shares at beginning of the quarter/year ('000)	454,632	454,632	454,632	454,632
Effects of new shares placement ('000)	9,840	-	9,840	-
Effects of treasury shares re-issued ('000)	504	-	504	-
Effects of share consolidation exercise ('000)	(8,270)	-	(8,270)	-
	<u>456,706</u>	<u>454,632</u>	<u>456,706</u>	<u>454,632</u>
Weighted average number of ordinary shares ('000) at ending of the quarter/year				
Basic earnings per share (sen)				
- from continuing operations	(1.43)	(3.93)	(1.06)	(3.85)
- from discontinued operations	2.20	(10.74)	6.83	(10.14)
	<u>0.77</u>	<u>(14.67)</u>	<u>5.77</u>	<u>(13.99)</u>

There is no dilution to the earnings per ordinary share as there are no dilutive potential ordinary shares.

B11) Dividend

No dividend is proposed for the current quarter under review.



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B12) Economic Profit (“EP”) Statement

<u>Net operating profit after tax</u> <u>computation:</u> <i>In millions of RM</i>	Individual 4th Quarter		Cumulative 4th Quarter	
	31 December		31 December	
	2017	2016	2017	2016
Earnings before interest and tax	11.3	5.4	34.3	22.3
Adjusted tax	(2.8)	(1.4)	(8.6)	(5.6)
NOPAT	8.5	4.0	25.7	16.7
<u>Economic charge computation:</u>				
Average invested capital	566.4	672.4	566.4	672.4
Weighted average cost of capital	7.66%	6.98%	7.66%	6.98%
Economic charge	10.8	11.7	32.5	35.2
Economic (loss)/ profit	(2.3)	(7.7)	(6.8)	(18.5)

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 were no material litigations as at the end of period under review.

B14) 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 February 2018.

By Order of the Board

NOOR AZWAH SAMSUDIN (LS0006071)
 Company Secretary
 27 February 2018