



SAMCHEM HOLDINGS BERHAD

(Company No: 797567 U)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED

30 SEPTEMBER 2012

SAMCHEM HOLDINGS BERHAD

(Company No: 797567 U)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30-Sep-12	Quarter	To Date	Period
	RM'000	30-Sep-11	30-Sep-12	30-Sep-11
		RM'000	RM'000	RM'000
Revenue	140,873	122,618	403,974	380,306
Operating expenses	(136,339)	(115,410)	(388,130)	(355,454)
Operating income	<u>426</u>	<u>1,561</u>	<u>2,084</u>	<u>2,789</u>
Operating profit	4,960	8,769	17,928	27,641
Finance cost	(1,996)	(1,813)	(5,459)	(5,150)
Shares of profit of associates	<u>(38)</u>	<u>(19)</u>	<u>(86)</u>	<u>118</u>
Profit before tax	2,926	6,937	12,383	22,609
Tax expense	<u>(907)</u>	<u>(1,758)</u>	<u>(3,561)</u>	<u>(6,164)</u>
Profit for the period	<u><u>2,019</u></u>	<u><u>5,179</u></u>	<u><u>8,822</u></u>	<u><u>16,445</u></u>
Other comprehensive income:				
Currency translation differences	(74)	302	(30)	241
Changes in fair value of available-for-sale financial assets	(1)	(3)	3	(18)
Other comprehensive income for the period, net of tax	<u>(75)</u>	<u>299</u>	<u>(27)</u>	<u>223</u>
Total comprehensive income for the period	<u><u>1,944</u></u>	<u><u>5,478</u></u>	<u><u>8,795</u></u>	<u><u>16,668</u></u>
Profit attributable to:				
-Owners of the parent	1,504	4,653	8,048	14,811
-Non controlling interest	<u>515</u>	<u>526</u>	<u>774</u>	<u>1,634</u>
	<u>2,019</u>	<u>5,179</u>	<u>8,822</u>	<u>16,445</u>
Total comprehensive income attributable to:				
-Owners of the parent	1,505	4,832	8,091	14,925
-Non controlling interest	<u>439</u>	<u>646</u>	<u>704</u>	<u>1,744</u>
	<u>1,944</u>	<u>5,478</u>	<u>8,795</u>	<u>16,668</u>
Earnings per share-basic (sen)	<u>1.11</u>	<u>3.42</u>	<u>5.92</u>	<u>10.89</u>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

SAMCHEM HOLDINGS BERHAD

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30-Sep-12 RM'000	Audited As At 31-Dec-11 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	40,907	35,452
Investment properties	417	2,195
Prepaid land lease payments	546	622
Intangible assets	557	557
Investment in associates	997	3,607
Quoted investments	42	39
Unquoted investments	751	744
Deferred tax assets	592	325
	<u>44,809</u>	<u>43,541</u>
Current Assets		
Inventories	61,502	50,286
Trade and other receivables	136,657	125,605
Tax recoverables	2,571	1,420
Cash and bank balances	56,811	45,373
	<u>257,541</u>	<u>222,684</u>
Total Assets	<u><u>302,350</u></u>	<u><u>266,225</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	68,000	68,000
Share premium	954	954
Reserves	33,354	33,786
Total shareholders' equity	102,308	102,740
Non controlling interest	2,142	2,974
Total Equity	<u>104,450</u>	<u>105,714</u>
Non Current Liabilities		
Borrowings	8,401	8,318
Retirement benefits obligations	106	108
Deferred tax liabilities	246	631
	<u>8,753</u>	<u>9,057</u>
Current Liabilities		
Trade and other payables	50,171	37,035
Derivative liability	99	178
Borrowings	136,437	113,960
Taxation	2,440	281
Total Current Liabilities	<u>189,147</u>	<u>151,454</u>
Total Liabilities	<u>197,900</u>	<u>160,511</u>
Total Equity and Liabilities	<u><u>302,350</u></u>	<u><u>266,225</u></u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.75</u>	<u>0.76</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2012

	Current Year to Date 30-Sep-12 RM'000 (Unaudited)	Preceding year Corresponding Period 30-Sep-11 RM'000 (Unaudited)
Cash Flows from operating activities		
Profit before taxation	12,383	22,609
Adjustment for:		
Depreciation and amortisation	2,168	2,031
Share of (profits)/losses in associated	86	(118)
Fair value (gain)/loss on derivative financial instruments	(80)	268
Unrealised (gain)/loss on foreign exchange	(423)	(242)
(Gain)/loss on disposal of PPE and investment property	(212)	(193)
(Gain)/loss on disposal of quoted shares	-	(23)
Interest income	(544)	(681)
Interest expenses	5,460	5,150
Other non-cash items	-	(7)
Operating profit before working capital changes	<u>18,838</u>	<u>28,794</u>
Changes in working capital:		
Receivable	(11,412)	(5,997)
Inventories	(11,648)	(20,693)
Payables	14,210	25,167
Cash generated from operations	<u>9,988</u>	<u>27,271</u>
Income taxes paid	<u>(3,075)</u>	<u>(4,300)</u>
Net cash generated from operating activities	<u>6,913</u>	<u>22,971</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,396)	(1,920)
Proceeds from disposal of property, plant and equipment	722	208
Proceeds from disposal of quoted shares	-	133
Dividend received from associated company	2,640	-
Acquisition of non-controlling interest	(4,574)	-
Interest received	537	662
Net cash used in investing activities	<u>(7,071)</u>	<u>(917)</u>
Cash flows from financing activities		
Net drawdown/(repayment) of borrowings	17,126	(6,598)
Interest paid	(5,459)	(5,150)
Proceeds from issuances of shares by subsidiary to non-controlling shareholders	-	921
Dividend paid to non controlling shareholders	(45)	(81)
Dividend paid to shareholders of the Company	(5,440)	(4,760)
Net cash generated from/(used in) financing activities	<u>6,182</u>	<u>(15,668)</u>
Net increase in cash and cash equivalents	6,024	6,386
Cash and cash equivalents at the beginning of period	33,971	29,305
Net effect of exchange rate changes	(21)	68
Cash and cash equivalents at the end of period	<u>39,974</u>	<u>35,759</u>
Cash and cash equivalents comprise:		
Cash and bank balances	56,811	48,945
Bank overdraft	<u>(16,837)</u>	<u>(13,186)</u>
	<u>39,974</u>	<u>35,759</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2012**

	← Attributable to owners of the parent →							Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Capital Reserve	Reverse Acquisition Reserve	Translation Reserve	Fair Value Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance as at 1 January 2012	68,000	954	82	(40,725)	135	4	74,290	102,740	2,974	105,714
Acquisition of non-controlling interest	-	-	-	-	-	-	(3,083)	(3,083)	(1,491)	(4,574)
Transfer from capital reserve	-	-	(82)	-	-	-	82	-	-	-
Dividend paid to non-controlling shareholders of the subsidiaries	-	-	-	-	-	-	-	-	(45)	(45)
Dividend paid	-	-	-	-	-	-	(5,440)	(5,440)	-	(5,440)
Total changes in equity for the period	-	-	(82)	-	-	-	(8,441)	(8,523)	(1,536)	(10,059)
Profit for the period	-	-	-	-	-	-	8,048	8,048	774	8,822
Other comprehensive income for the period	-	-	-	-	40	3	-	43	(70)	(27)
Total comprehensive income for the period	-	-	-	-	40	3	8,048	8,091	704	8,795
Balance at 30 September 2012	68,000	954	-	(40,725)	175	7	73,897	102,308	2,142	104,450

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2011**

	← Attributable to owners of the parent →							Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Capital Reserve	Reverse Acquisition Reserve	Translation Reserve	Fair Value Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance as at 1 January 2011	68,000	954	82	(40,725)	(133)	17	61,272	89,467	659	90,126
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	-	921	921
Dividend paid to non-controlling shareholders of the subsidiaries	-	-	-	-	-	-	-	-	(81)	(81)
Dividend paid	-	-	-	-	-	-	(4,760)	(4,760)	-	(4,760)
Total changes in equity for the period	-	-	-	-	-	-	(4,760)	(4,760)	840	(3,920)
Profit for the period	-	-	-	-	-	-	14,811	14,811	1,634	16,445
Other comprehensive income for the period	-	-	-	-	132	(18)	-	114	109	223
Total comprehensive income for the period	-	-	-	-	132	(18)	14,811	14,925	1,743	16,668
Balance at 30 September 2011	68,000	954	82	(40,725)	(1)	(1)	71,323	99,632	3,242	102,874

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the interim financial report.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A1. Accounting Policies and Basis of Preparation

The unaudited interim financial report has been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Bursa Malaysia Securities Berhad Listing Requirements and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2011 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

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 2011 except for the first time adoption of Malaysian Financial Reporting Standards ("MFRS") Framework.

The Group has adopted the new MFRS Framework issued by the Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS Framework comprises International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

In the transition to the MFRS Framework, the Group has applied MFRS 1 "First-time Adoption of MFRS" which provides certain optional exemptions and certain mandatory exceptions for first-time MFRS adopters. As the former FRSS are virtually identical to the MFRSS, adoption of most of the MFRSS has no significant effect to the Group's results and financial position.

As of 1 January 2012 the following MFRSS, Amendments to MFRSS and IC Interpretation were issued but not yet effective and have not been applied by the Group:

MFRS 9	Financial Instruments
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 127 (revised)	Separate Financial Statements
MFRS 128 (revised)	Investments in Associates and Joint Ventures
Amendments to MFRS 1	Government Loans
Amendments to MFRS 7	Disclosures-Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income
Amendments to MFRS 119	Employee Benefits
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

A2. Auditors' report

There was no qualification on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2011.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A3. Seasonal or cyclical factors

The principal business operations of the Group are not significantly affected by seasonal or cyclical factors.

A4. Items of unusual nature and amount

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the current quarter under review and financial year-to-date.

A5. Material changes in estimates

There were no changes in estimates that have a material effect in the current quarter under review and financial year-to-date.

A6. Issuance, cancellation, repurchase, resale and repayment of debt and equity securities

There have been no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review and financial year-to-date.

A7. Dividends paid

There were no dividends paid by the Company in the current quarter under review and financial year-to-date.

A8. Segmental information

Business Segments

The Group operates solely in the business segment involving the distribution of industrial chemicals with operations in the blending of customized solvents.

Geographical Segments

The Group's activities are segmented based on the location of its subsidiaries. The subsidiaries are located in Malaysia, Indonesia, Vietnam and Singapore. Segment revenue is based on the management reports of the subsidiaries.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

A8. Segmental information (Cont'd)

Analysed by geographical segments:

Segment Revenue	Current Quarter 30-Sep-12 RM'000	Preceding Year Corresponding Quarter 30-Sep-11 RM'000	Current Year To Date 30-Sep-12 RM'000	Preceding Year Corresponding Period 30-Sep-11 RM'000
Malaysia	137,926	108,744	374,417	342,143
Indonesia	15,795	19,667	50,811	61,384
Vietnam	23,097	15,824	63,702	48,206
Singapore	1,119.00	-	1,223	-
Total revenue including inter-segment sales	177,937	144,235	490,153	451,733
Elimination of inter-segment sales	(37,064)	(21,617)	(86,179)	(71,427)
Total revenue	140,873	122,618	403,974	380,306
Segment Result				
Malaysia	1,231	5,907	9,886	17,685
Indonesia	(126)	441	(972)	3,080
Vietnam	1,898	632	3,676	1,743
Singapore	(39)	(24)	(121)	(17)
Share of profit/(loss) of associates				
-Malaysia	(42)	-	(42)	158
-Indonesia	4	(19)	(44)	(40)
Profit before tax	2,926	6,937	12,383	22,609

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review and financial year-to-date.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012

A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING

A10. Capital commitments

	As at 30-Sep-12 RM'000
Capital expenditure:	
Approved and contracted for: Property, plant and equipment	<u>347</u>
Approved but not contracted for: Property, plant and equipment	<u>-</u>

A11. Material events subsequent to the end of period reported

There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group in the current quarter under review and financial year-to-date.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING****A13. Changes in contingent liabilities and contingent assets**

There were no changes in the contingent liabilities and contingent assets since the Statement of Financial Position as at 31 December 2011 except for the following:

	RM'000
As At 31 December 2011:	126,022
Changes during the period:	
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	340
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	(839)
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	19,363
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	(885)
As At 30 September 2012	<u>144,001</u>

A14. Related party transactions

The Group has the following transactions with the related parties during the current quarter under review and financial year-to-date.

	Current Quarter 30-Sep-12 RM'000	Current Year To Date 30-Sep-12 RM'000
Purchase of products*	604	3,484
Sales of products*	508	1,614

* Company in which a director of the subsidiaries have substantial financial interests

In the opinion of the Directors, the above transactions have been entered into in the ordinary course of business and have been established under terms no less favorable than those transacted with unrelated parties.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012

B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Performance review

(i) Current Quarter

The Group recorded revenue of RM140.87 million for the current quarter under review, compared to RM122.62 million for the corresponding quarter in the preceding year, which represents an increase of 14.88%. The increase is mainly due to higher revenue generated by local subsidiaries as well as the Vietnam and Singapore subsidiaries.

The Group recorded a lower profit before tax for the current quarter under review of RM2.93 million, representing a decrease of RM4.01 million compared to the profit before tax of RM6.94 million for the corresponding quarter in the preceding year. The decline in profit before tax is mainly due to more competitive sales pricing which result in a lower gross profit margin in the current quarter as compared to the preceding quarter.

(ii) Year-to-date

The Group recorded revenue of RM403.97 million for the current financial year-to-date, compared to RM380.31 million for the previous financial year-to-date, which represents an increase of 6.22%. The increase in revenue in the current financial year-to-date compared to the previous financial year-to-date is mainly due to higher revenue generated by local subsidiaries as well as Vietnam and Singapore subsidiaries.

The Group recorded a lower profit before tax for the current financial year-to-date of RM12.38 million, which represents a decrease of RM10.23 million compared to the profit before tax of RM22.61 million in the previous corresponding period. The decline in profit before tax is mainly due to more competitive sales pricing which result in a lower gross profit margin in the current financial year-to-date compared to the previous financial year-to-date.

B2. Material changes in profit before taxation for the current quarter as compared with the immediate preceding quarter

There were no material changes in profit before taxation for the current quarter as compared with the immediate preceding quarter.

B3. Prospects for the current financial year

Barring any unforeseen circumstances, the Group and the Directors expect that the Group's performance will be positive for the remaining periods of the financial year ending 31 December 2012.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B4. Variance between actual profit and forecast profit

The Group did not issue any profit forecast in a public document during the current financial period.

B5. Profit for the period

Profit for the period is arrived at after charging/(crediting):

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30-Sep-12	Quarter	To Date	Period
	RM'000	30-Sep-11	30-Sep-12	30-Sep-11
		RM'000	RM'000	RM'000
Interest income	(13)	(228)	(544)	(681)
Gain on disposal of property, plant and equipment	(59)	(161)	(212)	(193)
Gain on disposal of quoted investment	-	-	-	(23)
Interest expense	1,997	1,813	5,460	5,150
Depreciation and amortization	726	620	2,168	2,031
Foreign exchange (gain)/loss-realised	998	533	3,124	1,512
Foreign exchange (gain)/loss-unrealised	85	(1,869)	(423)	(242)
(Gain)/loss on derivatives-unrealised	(79)	226	(80)	268

B6. Taxation

	Current Year Quarter	Current Year To Date
	30-Sep-12	30-Sep-12
	RM'000	RM'000
Current tax expense	947	4,221
Deferred tax expense	(40)	(660)
	<u>907</u>	<u>3,561</u>

The effective tax rate for the current quarter under review and financial year-to-date was higher than the statutory tax rate mainly due to certain non-deductible expenses.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Status of corporate proposal**

On 27 April 2012, the Company entered into a Share Sale Agreement with a non-controlling shareholder to acquire a 33% equity interest in PT Samchem Prasandha for cash consideration of USD1,386,000 (equivalent to RM4,394,000). The transaction was completed on 31 May 2012 and the Company now holds 93% equity interest in PT Samchem Prasandha.

On 20 June 2012, the Company entered into a Share Sale Agreement with a non-controlling shareholder to acquire a 30% equity interest in TN Industries Sdn Bhd for cash consideration of RM180,000. The Company now holds 100% equity interest in TN Industries Sdn Bhd.

B8. Group borrowings and debt securities

The Group's borrowings as 30 September 2012 are as follows:-

Secured	RM'000
Long term borrowings:-	
Term loans	7,380
Hire purchase creditors	1,021
	<hr/>
	8,401
Short term borrowings:-	
Bank overdrafts	16,805
Bankers acceptances	69,546
Trade loans	34,596
Term loans	11,874
Hire purchase creditors	984
	<hr/>
	133,805
Unsecured	
Short term borrowings:-	
Bank overdrafts	32
Bankers acceptances	2,600
	<hr/>
	2,632
Total Borrowings:	<hr/>
	144,838

Included in the above short term borrowings are trade loans of RM32.23 million in USD.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B9. Financial Instruments**

The Group has entered into some foreign exchange forward contracts to hedge its exposure to fluctuations in foreign currency arising from its purchases.

The details of the open foreign exchange forward contracts are as follows:

	Amount in original currency USD'000	Average Contract Rate	Contract Value RM'000	Fair Value (Unfavourable) RM'000
Less than 1 year	7,196	3.1137	22,406	(99)

The derivatives have been recorded on the Consolidated Statement of Financial Position for this current quarter under review in compliance with FRS 139.

(a) The above instruments are executed with credit worthy financial institutions in Malaysia and as such credit and counterparty risks are minimal. There are no transaction costs at the inception of these contracts. The Group is exposed to minimal cash flow risk in view of its healthy cash position.

(b) There are no gain/(loss) arising from fair value changes in financial liabilities in the current quarter under review and financial year-to-date.

B10. Material Litigation

As at the date of this report, neither the Company nor any of its subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and our Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

B11. Proposed Dividend

The proposed dividend of 4.0 sen per share in respect of the financial year ended 31 December 2011 has been approved at the Annual General Meeting of the Company on 25 May 2012 and paid on 24 July 2012.

SAMCHEM HOLDINGS BERHAD

(Company No: 797567 U)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965)

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2012**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B12. Breakdown of Realised and Unrealised Profits and Losses

The retained profits can be analysed as follows:-

	As At 30-Sep-12 RM'000	As At 30-Sep-11 RM'000
Realised profits	73,229	71,796
Unrealised Gains/(losses)	668	(473)
	<u>73,897</u>	<u>71,323</u>

B13. Earnings per share

	Current Quarter 30-Sep-12 RM'000	Preceding Year Corresponding Quarter 30-Sep-11 RM'000	Current Year To Date 30-Sep-12 RM'000	Preceding Year Corresponding Period 30-Sep-11 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	1,504	4,653	8,048	14,811
Weighted average number of ordinary shares in issue ('000)	136,000	136,000	136,000	136,000
Earnings per share-basic (sen)	<u>1.11</u>	<u>3.42</u>	<u>5.92</u>	<u>10.89</u>

There are no diluted earnings per share as there were no potential dilutive ordinary shares outstanding as at end of the current quarter under review and financial year-to-date.

By order of the Board,

Ng Thin Poh
Chairman of the Board
Date: 23 November 2012