



**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

31 DECEMBER 2014

**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 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-14 RM'000	Preceding Year Corresponding Quarter 31-Dec-13 RM'000	Current Year To Date 31-Dec-14 RM'000	Preceding Year Corresponding Period 31-Dec-13 RM'000
Revenue	159,317	141,549	632,350	543,021
Operating expenses	(156,523)	(138,732)	(614,466)	(528,461)
Operating income	<u>(533)</u>	<u>461</u>	<u>3,088</u>	<u>6,891</u>
Operating profit	2,261	3,278	20,972	21,451
Finance cost	(2,233)	(2,065)	(8,983)	(7,660)
Shares of profit of associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>
Profit before tax	28	1,213	11,989	13,789
Tax expense	<u>(473)</u>	<u>(934)</u>	<u>(4,201)</u>	<u>(4,395)</u>
<b>Profit for the period</b>	<u>(445)</u>	<u>279</u>	<u>7,788</u>	<u>9,394</u>
Other comprehensive income:				
Currency translation differences	356	83	(42)	704
Changes in fair value of available-for-sale financial assets	(10)	14	(20)	28
<b>Other comprehensive income for the period, net of tax</b>	<u>346</u>	<u>97</u>	<u>(62)</u>	<u>732</u>
<b>Total comprehensive income for the period</b>	<u>(99)</u>	<u>376</u>	<u>7,726</u>	<u>10,126</u>
<b>Profit attributable to:</b>				
-Owners of the parent	(541)	308	6,254	8,740
-Non controlling interest	<u>96</u>	<u>(29)</u>	<u>1,534</u>	<u>654</u>
	<u>(445)</u>	<u>279</u>	<u>7,788</u>	<u>9,394</u>
<b>Total comprehensive income attributable to:</b>				
-Owners of the parent	(292)	386	6,286	9,304
-Non controlling interest	<u>137</u>	<u>(10)</u>	<u>1,383</u>	<u>822</u>
	<u>(99)</u>	<u>376</u>	<u>7,726</u>	<u>10,126</u>
Earnings per share-basic (sen)	<u>(0.40)</u>	<u>0.23</u>	<u>4.60</u>	<u>6.43</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 2013 and the accompanying explanatory notes attached to the interim financial report.

**SAMCHEM HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 31-Dec-14 RM'000</b>	<b>Audited As At 31-Dec-13 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	33,182	32,473
Investment properties	1,898	2,147
Prepaid land lease payments	909	867
Intangible assets	548	548
Investment in associates	-	832
Quoted investments	51	70
Unquoted investments	-	805
Deferred tax assets	691	349
	<u>37,279</u>	<u>38,091</u>
<b>Current Assets</b>		
Inventories	74,505	84,598
Trade and other receivables	144,197	131,718
Tax recoverables	211	3,880
Cash and bank balances	46,517	40,959
	<u>265,430</u>	<u>261,155</u>
<b>Total Assets</b>	<u>302,709</u>	<u>299,246</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	68,000	68,000
Share premium	954	954
Reserves	42,592	39,628
Total shareholders' equity	111,546	108,582
Non controlling interest	4,059	2,709
<b>Total Equity</b>	<u>115,605</u>	<u>111,291</u>
<b>Non Current Liabilities</b>		
Borrowings	3,476	5,473
Retirement benefits obligations	248	236
Deferred tax liabilities	139	720
	<u>3,863</u>	<u>6,429</u>
<b>Current Liabilities</b>		
Trade and other payables	32,595	45,670
Borrowings	150,597	135,427
Taxation	49	429
	<u>183,241</u>	<u>181,526</u>
<b>Total Liabilities</b>	<u>187,104</u>	<u>187,955</u>
<b>Total Equity and Liabilities</b>	<u>302,709</u>	<u>299,246</u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.82</u>	<u>0.80</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 2013 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 31 DECEMBER 2014**

	<b>Current Year to Date 31-Dec-14 RM'000 (Unaudited)</b>	<b>Preceding year Corresponding Period 31-Dec-13 RM'000 (Unaudited)</b>
<b>Cash Flows from operating activities</b>		
Profit before taxation	11,989	13,789
Adjustment for:		
Depreciation and amortisation	2,929	3,267
Share of loss in associate	-	2
Unrealised loss/(gain) on foreign exchange	1,253	(2,269)
Provision for doubtful debts	862	12
Loss on disposal of associate	32	-
Retirement benefit obligation	-	62
Impairment loss on receivable	-	147
Income from matured insurance policy	(142)	-
Inventory written down	497	-
PPE and investment property written off	228	1
Gain on disposal of PPE and Investment property	(228)	(1,939)
Interest income	(927)	(1,019)
Interest expenses	8,982	7,137
Operating profit before working capital changes	<u>25,475</u>	<u>19,190</u>
Changes in working capital:		
Receivable	(13,391)	(14,322)
Inventories	9,470	(27,259)
Payables	<u>(11,640)</u>	<u>8,727</u>
<b>Cash from operations</b>	<u>9,914</u>	<u>(13,664)</u>
Income tax refund	-	412
Income taxes paid	<u>(4,393)</u>	<u>(5,110)</u>
<b>Net cash from/(used in) operating activities</b>	<u>5,521</u>	<u>(18,362)</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,751)	(418)
Proceeds from disposal of PPE and investment property	356	6,377
Proceeds from matured insurance policy	946	-
Proceeds from disposal of associate	800	-
Acquisition of non-controlling interest	-	(224)
Interest received	927	1,019
<b>Net cash (used in)/from investing activities</b>	<u>(722)</u>	<u>6,754</u>
<b>Cash flows from financing activities</b>		
Net drawdown of borrowings	16,731	7,171
Dividend paid	(3,400)	(3,400)
Dividend paid to non-controlling interest	(12)	(36)
Interest paid	<u>(8,982)</u>	<u>(7,137)</u>
<b>Net cash from/(used in) financing activities</b>	<u>4,337</u>	<u>(3,402)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>9,136</u>	<u>(15,010)</u>
<b>Cash and cash equivalents at the beginning of period</b>	23,623	38,730
<b>Net effect of exchange rate changes</b>	(30)	(96)
<b>Cash and cash equivalents at the end of period</b>	<u>32,729</u>	<u>23,624</u>
<b>Cash and cash equivalents comprise:</b>		
<b>Cash and bank balances</b>	46,517	40,960
<b>Bank overdraft</b>	<u>(13,788)</u>	<u>(17,336)</u>
	<u>32,729</u>	<u>23,624</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 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 31 DECEMBER 2014**

	← 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			
<b>Balance at 1 January 2014</b>	68,000	954	-	(40,726)	594	35	79,725	108,582	2,709	111,291
Profit for the period	-	-	-	-	-	-	6,254	6,254	1,534	7,788
Other comprehensive income for the period	-	-	-	-	109	(20)	-	89	(151)	(62)
<b>Total comprehensive income for the period</b>	-	-	-	-	109	(20)	6,254	6,343	1,383	7,726
Dividend paid to non controlling interest	-	-	-	-	-	-	-	-	(12)	(12)
Dilution from change in stake	-	-	-	-	8	-	13	21	(21)	-
Dividend paid	-	-	-	-	-	-	(3,400)	(3,400)	-	(3,400)
<b>Total changes in equity for the period</b>	-	-	-	-	8	-	(3,387)	(3,379)	(33)	(3,412)
<b>Balance at 31 December 2014</b>	68,000	954	-	(40,726)	711	15	82,592	111,546	4,059	115,605

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2013**

	← 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			
<b>Balance at 1 January 2013</b>	68,000	954	-	(40,726)	57	8	74,492	102,785	2,040	104,825
Profit for the period	-	-	-	-	-	-	8,740	8,740	654	9,394
Other comprehensive income for the period	-	-	-	-	537	27	-	564	168	732
<b>Total comprehensive income for the period</b>	-	-	-	-	537	27	8,740	9,304	822	10,126
Acquisition of non controlling interest	-	-	-	-	-	-	(107)	(107)	(117)	(224)
Dividend paid to non controlling interest	-	-	-	-	-	-	-	-	(36)	(36)
Dividend paid	-	-	-	-	-	-	(3,400)	(3,400)	-	(3,400)
<b>Total changes in equity for the period</b>	-	-	-	-	-	-	(3,507)	(3,507)	(153)	(3,660)
<b>Balance at 31 December 2013</b>	68,000	954	-	(40,726)	594	35	79,725	108,582	2,709	111,291

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 2013 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 31 DECEMBER 2014**

**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 statements have 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 2013 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

The accounting policies and presentation adopted by the Group for the interim financial statements are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

**A2. Significant Accounting Policies**

At the date of authorization of these interim financial statements, the following MFRS, Amendments to MFRSs and IC Interpretation were issued but not yet effective and have not been applied by the Group:-

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

- Amendments to MFRS 19, Employee Benefits-Defined Benefit Plans: Employee Contributions
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

*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:Disclosures-Mandatory Effective Date of MFRS 9 and Transition Disclosures

**A3. Auditors' report**

There was no qualification on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2013.

**A4. Seasonal or cyclical factors**

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

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014**

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

**A5. Items of unusual nature and amount**

In August 2014, an investment property of a subsidiary was damaged by a fire outbreak and the amount of the building written off was RM228,289. The Group has filed claim for the losses incurred. The insurance claim receivable is yet to be determined.

**A6. 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.

**A7. 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.

**A8. Dividends paid**

A first and final single tier dividend of 2.5 sen per share in respect of the financial year ended 31 December 2013 has been approved at the Annual General Meeting of the Company on 22 May 2014 and paid on 11 July 2014.

**A9. 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 31 DECEMBER 2014****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

## A9. Segmental information (Cont'd)

<b>Analysed by geographical segments:</b>				
<b>Segment Revenue</b>	<b>Current Quarter 31-Dec-14 RM'000</b>	<b>Preceding Year Corresponding Quarter 31-Dec-13 RM'000</b>	<b>Current Year To Date 31-Dec-14 RM'000</b>	<b>Preceding Year Corresponding Period 31-Dec-13 RM'000</b>
Malaysia	109,331	109,186	513,318	462,427
Indonesia	21,641	22,533	86,007	74,666
Vietnam	56,775	28,463	169,884	109,942
Singapore	186	572	1,256	5,789
Total revenue including inter-segment sales	<u>187,933</u>	<u>160,754</u>	<u>770,465</u>	<u>652,824</u>
Elimination of inter-segment sales	(28,616)	(19,205)	(138,114)	(109,803)
Total revenue	<u>159,317</u>	<u>141,549</u>	<u>632,351</u>	<u>543,021</u>
<b>Segment Result</b>				
Malaysia	(540)	230	7,251	11,945
Indonesia	(929)	(264)	(1,450)	(1,667)
Vietnam	1,519	1,249	6,227	3,510
Singapore	(22)	(2)	(39)	3
Share of profit/(loss) of associates				
-Malaysia	-	-	-	(2)
Profit before tax	<u>28</u>	<u>1,213</u>	<u>11,989</u>	<u>13,789</u>

## A10. 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.

## A11. Capital commitments

There were no capital commitments at the end of the financial period.



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING****A12. 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.

**A13. Changes in the composition of the Group**

On 26 February 2014, Sam Chem Sphere Company Limited ("SCSCL"), a 80% owned-subsiary of Samchemsphere Export Sdn Bhd ("SESB"), a 70% owned-subsiary of the Company, incorporated a 100% owned-subsiary ie Sann Sphere (Cambodia) Co. Ltd for a cash consideration of 40,000,000 Riel (equivalent to approximately RM32,800).

On the 6 October 2014, SESB disposed its wholly owned subsidiary, Samchemsphere Indochina (Vietnam) Company Limited ("SICL"), to SCSCL for a cash consideration of USD300,000. SICL is now a wholly owned subsidiary of SCSCL. The Company's effective interest in SICL is diluted to 56%.

**A14. 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 2014 except for the following:

	<b>RM'000</b>
As At 31 December 2013:	152,195
Changes during the period:	
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	(10,191)
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	(7,443)
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	(5,331)
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	(6,135)
As At 31 December 2014	<u><u>123,095</u></u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014**

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

A15. Related party transactions

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

	<b>Current Quarter 31-Dec-14 RM'000</b>	<b>Current Year To Date 31-Dec-14 RM'000</b>
Purchase of products*	-	2,755
Sales of products*	-	1,166

\* 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 31 DECEMBER 2014**

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

B1. Performance review

(i) Current Quarter

The Group recorded revenue of RM159.32 million for the current quarter under review, compared to RM141.55 million for the corresponding quarter in the preceding year, which represents an increase of 12.55%. The increase is mainly due to higher revenue generated by the subsidiary in Vietnam.

The Group recorded a lower profit before tax for the current quarter under review of RM0.03 million, representing a decrease of RM1.18 million compared to the profit before tax for the corresponding quarter in the preceding year of RM1.21 million. The lower profit before tax is due to higher costs from losses on foreign exchange and provision for doubtful debts in the current quarter under review.

(ii) Year-to-date

The Group recorded revenue of RM632.35 million for the current financial year-to-date, compared to RM543.02 million for the previous financial year-to-date, which represents an increase of 16.45%. The increase in revenue is mainly due to higher revenue generated by the local subsidiaries as well as the subsidiaries in Vietnam and Indonesia in the current financial year-to-date compared to the previous financial year-to-date.

The Group recorded a lower profit before tax for the current financial year-to-date of RM11.99 million, which represents a decrease of RM1.80 million compared to the profit before tax of RM13.79 million in the previous corresponding period. The lower profit before tax is mainly due to gain on disposal of land of RM1.87 million in the previous corresponding period as well as higher costs from losses on foreign exchange and provision for doubtful debts in the current financial year-to-date.

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

The Group recorded a lower profit before tax for the current quarter under review of RM0.03 million as compared to the immediate preceding quarter of RM3.90 million mainly due to higher costs from losses on foreign exchange and provision for doubtful debts in the current quarter under review.

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 forthcoming year.

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.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B5. Profit for the period

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-14 RM'000	Preceding Year Corresponding Quarter 31-Dec-13 RM'000	Current Year To Date 31-Dec-14 RM'000	Preceding Year Corresponding Period 31-Dec-13 RM'000
Interest income	(203)	(469)	(927)	(1,044)
Gain on disposal of property, plant and equipment	(90)	-	(228)	(1,887)
Impairment of stocks	497	-	497	-
PPE and IP written off	24	-	228	-
Interest expense	2,233	2,065	8,982	7,667
Depreciation and amortization	773	850	2,929	3,287
Foreign exchange loss/(gain)-realised	1,375	(254)	149	2,311
Foreign exchange loss/(gain)-unrealised	471	49	1,253	(2,230)
Provision/Write back of doubtful debts	862	(37)	862	12

## B6. Taxation

	Current Year Quarter 31-Dec-14 RM'000	Current Year To Date 31-Dec-14 RM'000
Current tax expense	759	5,177
Deferred tax expense	(286)	(976)
	<u>473</u>	<u>4,201</u>

The effective tax rate for the current quarter under review was higher than the statutory tax rate due to operating losses suffered by certain subsidiaries from which the tax savings were not claimed.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Status of corporate proposal**

(a) On 6 February 2014, the Company announced that its wholly-owned subsidiary, Samchem Sdn Bhd ("SSB") had on 6 February 2014 entered into a sale and purchase agreement with Yong Tai Berhad ("YTB") for the disposal of the 40% of the issued and paid-up share capital of Yong Tai Samchem Sdn Bhd ("YTSSB") comprising 800,000 ordinary shares of RM1.00 each at a total cash consideration of RM800,000. After the above disposal, YTSSB has ceased to be an associated company of SSB.

(b) On 26 February 2014, the Company announced that Sam Chem Sphere Company Limited ("SCSCL"), a 80% owned-subsiary of Samchemsphere Export Sdn Bhd ("SESB"), a 70% owned-subsiary of the Company, had incorporated a 100% owned-subsiary ie Samm Sphere (Cambodia) Co. Ltd for a cash consideration of 40,000,000 Riel (equivalent to approximately RM32,800).

(c) On the 6 October 2014, SESB disposed its wholly owned subsidiary, Samchemsphere Indochina (Vietnam) Company Limited ("SICL"), to SCSCL for a cash consideration of USD300,000. SICL is now a wholly owned subsidiary of SCSCL. The Company's effective interest in SICL is diluted to 56%.

**B8. Group borrowings and debt securities**

The Group's borrowings as 31 December 2014 are as follows:-

<b>Secured</b>	<b>RM'000</b>
Long term borrowings:-	
Term loans	2,387
Hire purchase creditors	1,089
	<u>3,476</u>
Short term borrowings:-	
Bank overdrafts	13,652
Bankers acceptances	28,135
Trade loans	55,990
Term loans	4,471
Hire purchase creditors	705
	<u>102,953</u>
<b>Unsecured</b>	
Short term borrowings:-	
OD	136
Revolving Credit	24,458
Bankers acceptances	11,305
Trade loans	11,745
	<u>47,644</u>
<b>Total Borrowings:</b>	<u>154,073</u>

Included in the above borrowings are term loans and trade loans of RM92.20 million in USD.

**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 31 DECEMBER 2014**

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

B9. Financial Instruments

There were no financial instruments at the end of the financial period.

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 2.5 sen per share in respect of the financial year ended 31 December 2013 has been approved at the Annual General Meeting of the Company on 22 May 2014 and paid on 11 July 2014.

For the financial year ended 31 December 2014, the Board of Directors is recommending a first and final dividend of 2.5 sen per share for the shareholders' approval at the forthcoming Annual General Meeting of the Company. The date of book closure for the dividend payment will be announced in due course.

B12. Breakdown of Realised and Unrealised Profits and Losses

The retained profits can be analysed as follows:-

	<b>As At 31-Dec-14 RM'000</b>	<b>As At 31-Dec-13 RM'000</b>
Realised profits	83,293	77,456
Unrealised Gains/(losses)	(701)	2,269
	<u>82,592</u>	<u>79,725</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2014****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B13. Earnings per share

	Current Quarter 31-Dec-14 RM'000	Preceding Year Corresponding Quarter 31-Dec-13 RM'000	Current Year To Date 31-Dec-14 RM'000	Preceding Year Corresponding Period 31-Dec-13 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	(541)	308	6,254	8,740
Weighted average number of ordinary shares in issue ('000)	136,000	136,000	136,000	136,000
Earnings per share-basic (sen)	<u>(0.40)</u>	<u>0.23</u>	<u>4.60</u>	<u>6.43</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: 27 February 2015