



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 MARCH 2015

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 MARCH 2015**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Mar-15 RM'000	Preceding Year Corresponding Quarter 31-Mar-14 RM'000	Current Year To Date 31-Mar-15 RM'000	Preceding Year Corresponding Period 31-Mar-14 RM'000
Revenue	155,887	153,688	155,887	153,688
Operating expenses	(153,113)	(147,807)	(153,113)	(147,807)
Operating income	4,099	1,334	4,099	1,334
Operating profit	6,873	7,215	6,873	7,215
Finance cost	(1,362)	(1,954)	(1,362)	(1,954)
Profit before tax	5,511	5,261	5,511	5,261
Tax expense	(1,445)	(1,513)	(1,445)	(1,513)
Profit for the period	4,066	3,748	4,066	3,748
Other comprehensive income:				
Currency translation differences	942	(71)	942	(71)
Changes in fair value of available-for-sale financial assets	-	(10)	-	(10)
Other comprehensive income for the period, net of tax	942	(81)	942	(81)
Total comprehensive income for the period	5,008	3,667	5,008	3,667
Profit attributable to:				
-Owners of the parent	3,545	3,333	3,545	3,333
-Non controlling interest	521	415	521	415
	4,066	3,748	4,066	3,748
Total comprehensive income attributable to:				
-Owners of the parent	4,172	3,317	4,172	3,317
-Non controlling interest	836	350	836	350
	5,008	3,667	5,008	3,667
Earnings per share-basic (sen)	2.61	2.45	2.61	2.45

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

SAMCHEM HOLDINGS BERHAD

(Company No: 797567 U)

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31-Mar-15 RM'000	Audited As At 31-Dec-14 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	30,011	29,745
Investment properties	2,527	2,497
Prepaid land lease payments	875	807
Intangible assets	548	548
Quoted investments	51	51
Deferred tax assets	830	870
	<u>34,842</u>	<u>34,518</u>
Current Assets		
Inventories	79,029	74,501
Trade and other receivables	142,307	145,479
Tax recoverables	419	4,374
Cash and bank balances	43,304	47,136
	<u>265,059</u>	<u>271,490</u>
Non Current Assets Classified As Held for Sale	2,839	2,839
Total Assets	<u>302,740</u>	<u>308,847</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	68,000	68,000
Share premium	954	954
Reserves	46,859	42,687
Total shareholders' equity	115,813	111,641
Non controlling interest	5,143	4,307
Total Equity	<u>120,956</u>	<u>115,948</u>
Non Current Liabilities		
Borrowings	3,134	3,784
Retirement benefits obligations	297	296
Deferred tax liabilities	336	296
	<u>3,767</u>	<u>4,376</u>
Current Liabilities		
Trade and other payables	48,229	35,002
Borrowings	127,757	151,457
Taxation	473	506
	<u>176,459</u>	<u>186,965</u>
Liabilities Directly Attributable to Assets Classified As Held for Sale	1,558	1,558
Total Liabilities	<u>181,784</u>	<u>192,899</u>
Total Equity and Liabilities	<u>302,740</u>	<u>308,847</u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.85</u>	<u>0.82</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 2014 and the accompanying explanatory notes attached to the interim financial report.

SAMCHEM HOLDINGS BERHAD

(Company No: 797567 U)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2015

	Current Year to Date 31-Mar-15 RM'000 (Unaudited)	Preceding year Corresponding Period 31-Mar-14 RM'000 (Unaudited)
Cash Flows from operating activities		
Profit before taxation	5,511	5,260
Adjustment for:		
Depreciation and amortisation	699	774
Unrealised loss/(gain) on foreign exchange	(2,467)	4
Fair value (gain)/loss on derivative financial instruments	91	(13)
Loss on disposal of associate	-	32
Gain on disposal of PPE and Investment property	(73)	(65)
Interest income	(118)	(251)
Interest expenses	1,415	1,954
Operating profit before working capital changes	5,058	7,695
Changes in working capital:		
Receivable	8,807	(21,598)
Inventories	(4,528)	(12,772)
Payables	13,247	6,572
Cash from operations	22,584	(20,103)
Income taxes paid	(1,333)	(1,130)
Net cash from/(used in) operating activities	21,251	(21,233)
Cash flows from investing activities		
Purchase of property, plant and equipment	(808)	(179)
Proceeds from disposal of PPE and investment property	125	880
Interest received	118	243
Net cash (used in)/from investing activities	(565)	944
Cash flows from financing activities		
Net drawdown of borrowings	(16,103)	29,165
Interest paid	(1,415)	(1,954)
Net cash (used in)/from financing activities	(17,518)	27,211
Net increase in cash and cash equivalents	3,168	6,922
Cash and cash equivalents at the beginning of period	32,822	23,623
Net effect of exchange rate changes	1,543	(132)
Cash and cash equivalents at the end of period	37,533	30,413
Cash and cash equivalents comprise:		
Cash and bank balances	43,304	46,790
Bank overdraft	(5,771)	(16,377)
	37,533	30,413

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the interim financial report.

SAMCHEM HOLDINGS BERHAD

(Company No: 797567 U)

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2015**

	← Attributable to owners of the parent →						Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Reverse Acquisition Reserve	Translation Reserve	Fair Value Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance at 1 January 2015	68,000	954	(40,726)	1,091	16	82,306	111,641	4,307	115,948
Profit for the period	-	-	-	-	-	3,545	3,545	521	4,066
Other comprehensive income for the period	-	-	-	627	-	-	627	315	942
Total comprehensive income for the period	-	-	-	627	-	3,545	4,172	836	5,008
Balance at 31 March 2015	68,000	954	(40,726)	1,718	16	85,851	115,813	5,143	120,956

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2014**

	← Attributable to owners of the parent →						Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Reverse Acquisition Reserve	Translation Reserve	Fair Value Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			
Balance at 1 January 2014	68,000	954	(40,726)	593	36	79,725	108,582	2,709	111,291
Profit for the period	-	-	-	-	-	3,333	3,333	415	3,748
Other comprehensive income for the period	-	-	-	(6)	(10)	-	(16)	(65)	(81)
Total comprehensive income for the period	-	-	-	(6)	(10)	3,333	3,317	350	3,667
Balance at 31 March 2014	68,000	954	(40,726)	587	26	83,058	111,899	3,059	114,958

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 2014 and the accompanying explanatory notes attached to the interim financial report.

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 MARCH 2015

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 2014 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 2014. 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 2014.

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:-

1) MFRSs, Interpretations and amendments effective for 1 January 2016

- MFRS 14, Regulatory Deferral Accounts
- MFRS 11, Accounting for Acquisitions of Interests in Joint Operations
- MFRS 101, Disclosure Initiative
- MFRS 116 and MFRS 138, Clarification of Acceptable Methods of Depreciation and Amortisation
- MFRS 116 and MFRS 141, Agriculture: Bearer Plants
- MFRS 127, Equity Method in Separate Financial Statements
- MFRS 10 and MFRS 128, Sale or Contribution of Assets between an investor and its Associate or Joint Venture

2) MFRSs, Interpretations and amendments effective for 1 January 2017

- MFRS 15, Revenue from Contracts with Customers

3) MFRSs, Interpretations and amendments effective for 1 January 2018

- MFRS 9, Financial Instruments (IFRS issued by IASB in July 2014)

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 2014.

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 MARCH 2015

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

A4. Seasonal or cyclical factors

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

A5. 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.

A6. Material changes in estimates

There were no changes in estimates that have a material effect in the current quarter under review.

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.

A8. Dividends paid

There were no dividends paid in the current quarter under review.

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.

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 MARCH 2015**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

A9. Segmental information (Cont'd)

Analysed by geographical segments:	Preceding Year		Current	Preceding Year
	Current	Corresponding	Year	Corresponding
Segment Revenue	Quarter	Quarter	To Date	Period
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	RM'000	RM'000	RM'000	RM'000
Malaysia	130,315	142,998	130,315	142,998
Indonesia	19,355	23,094	19,355	23,094
Vietnam	50,770	29,719	50,770	29,719
Singapore	61	664	61	664
Total revenue including inter-segment sales	200,501	196,475	200,501	196,475
Elimination of inter-segment sales	(44,614)	(42,787)	(44,614)	(42,787)
Total revenue	155,887	153,688	155,887	153,688
Segment Result				
Malaysia	3,636	3,457	3,636	3,457
Indonesia	(152)	338	(152)	338
Vietnam	2,058	1,435	2,058	1,435
Singapore	(31)	31	(31)	31
Profit before tax	5,511	5,261	5,511	5,261

A10. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

A11. Capital commitments

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

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.

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 MARCH 2015**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING****A13. Changes in the composition of the Group**

There were no changes in the composition of the Group in the current quarter under review.

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:

	RM'000
As At 31 December 2014:	152,195
Changes during the period:	
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	(18,594)
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	-
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	1,364
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	4,565
As At 31 March 2015	<u>139,530</u>

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 MARCH 2015

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.

	Current Quarter 31-Mar-15 RM'000
Purchase of products*	777
Sales of products*	<u>230</u>

* 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.

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

B1. Performance review

Current Quarter

The Group recorded revenue of RM155.89 million for the current quarter under review, compared to RM153.69 million for the corresponding quarter in the preceding year, which represents an increase of 1.4%. The increase is mainly due to higher revenue generated by the subsidiary in Vietnam.

The Group recorded a higher profit before tax for the current quarter under review of RM5.51 million, representing an increase of RM0.25 million compared to the profit before tax for the corresponding quarter in the preceding year of RM5.26 million. The higher profit before tax is due to higher gross margin and lower finance costs in the current quarter under review.

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

The Group recorded a higher profit before tax for the current quarter under review of RM5.51 million as compared to the profit before tax in the immediate preceding quarter of RM0.03 million mainly due to lower operating expenses and finance cost 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.

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**

B5. Profit for the period

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31-Mar-15	31-Mar-14	31-Mar-15	31-Mar-14
	RM'000	RM'000	RM'000	RM'000
Interest income	(118)	(251)	(118)	(251)
Gain on disposal of property, plant and equipment	(73)	(65)	(73)	(65)
Interest expense	1,415	1,954	1,415	1,954
Depreciation and amortization	699	774	699	774
Foreign exchange loss/(gain)-realised	3,528	(205)	3,528	(205)
Foreign exchange loss/(gain)-unrealised	(2,467)	4	(2,467)	4
Loss on Derivative	91	25	91	25

B6. Taxation

	Current Year Quarter
	31-Mar-15
	RM'000
Current tax expense	1,286
Deferred tax expense	159
	<u>1,445</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.

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****B7. Status of corporate proposal**

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

B8. Group borrowings and debt securities

The Group's borrowings as 31 March 2015 are as follows:-

Secured	RM'000
Long term borrowings:-	
Term loans	2,209
Hire purchase creditors	925
	<hr/>
	3,134
Short term borrowings:-	
Bankers acceptances	26,657
Trade loans	44,046
Term loans	20,866
Hire purchase creditors	946
	<hr/>
	92,515
Unsecured	
Short term borrowings:-	
Overdraft	5,771
Bankers acceptances	8,000
Trade loans	21,471
	<hr/>
	35,242
Total Borrowings:	<hr/>
	130,891

Included in the above borrowings are term loans and trade loans of RM78.60 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**

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

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	1,784	3.6900	6,583	(91)

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.

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.

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

B11. Proposed Dividend

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 on the 22 May 2015. The proposed dividend will be paid on 10 July 2015 to shareholders whose names appear in the Company's Record of Depositors on 12 June 2015.

B12. Breakdown of Realised and Unrealised Profits and Losses

The retained profits can be analysed as follows:-

	As At 31-Mar-15 RM'000	As At 31-Mar-14 RM'000
Realised profits	82,981	83,430
Unrealised Gains/(losses)	2,870	(372)
	<hr/> 85,851	<hr/> 83,058

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**

B13. Earnings per share

	Current Quarter 31-Mar-15 RM'000	Preceding Year Corresponding Quarter 31-Mar-14 RM'000	Current Year To Date 31-Mar-15 RM'000	Preceding Year Corresponding Period 31-Mar-14 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	3,545	3,333	3,545	3,333
Weighted average number of ordinary shares in issue ('000)	136,000	136,000	136,000	136,000
Earnings per share-basic (sen)	<u>2.61</u>	<u>2.45</u>	<u>2.61</u>	<u>2.45</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.

By order of the Board,

Dato' Ng Lian Poh
Group Chief Executive Officer
Date: 21 May 2015