



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 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 DECEMBER 2015**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 31-Dec-15 RM'000	Preceding Year Corresponding Quarter 31-Dec-14 RM'000	Current Year To Date 31-Dec-15 RM'000	Preceding Year Corresponding Period 31-Dec-14 RM'000
Revenue	155,518	159,317	602,090	630,592
Operating expenses	(164,799)	(156,523)	(599,579)	(613,245)
Operating income	9,771	(533)	13,323	3,309
Operating profit	490	2,261	15,834	20,656
Finance cost	(1,181)	(2,233)	(4,603)	(9,017)
Profit before tax	(691)	28	11,231	11,639
Tax expense	(2,510)	(530)	(5,946)	(4,248)
Profit for the period	(3,201)	(502)	5,285	7,391
Other comprehensive income:				
Currency translation differences	(357)	356	3,636	699
Changes in fair value of available-for-sale financial assets	-	(10)	-	(20)
Credit Difference	124	-	124	-
Other comprehensive income for the period, net of tax	(233)	346	3,760	679
Total comprehensive income for the period	(3,434)	(156)	9,045	8,070
Profit attributable to:				
-Owners of the parent	(3,755)	(598)	4,018	5,966
-Non controlling interest	554	96	1,267	1,425
	(3,201)	(502)	5,285	7,391
Total comprehensive income attributable to:				
-Owners of the parent	(3,807)	(292)	6,654	6,436
-Non controlling interest	373	136	2,391	1,634
	(3,434)	(156)	9,045	8,070
Earnings per share-basic (sen)	(2.76)	(0.44)	2.95	4.39

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.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 31-Dec-2015 RM'000	Audited As At 31-Dec-2014 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	30,799	29,745
Investment properties	2,618	2,497
Prepaid land lease payments	1,042	807
Intangible assets	-	548
Quoted investments	51	51
Deferred tax assets	986	870
	<u>35,496</u>	<u>34,518</u>
Current Assets		
Inventories	74,091	74,501
Trade and other receivables	121,587	145,478
Tax recoverables	1,132	4,374
Cash and bank balances	44,776	47,136
	<u>241,586</u>	<u>271,489</u>
Non-current asset held for sale	-	2,839
	<u>241,586</u>	<u>274,328</u>
Total Assets	<u><u>277,082</u></u>	<u><u>308,846</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	68,000	68,000
Share premium	954	954
Reserves	42,973	42,687
Total shareholders' equity	111,927	111,641
Non controlling interest	6,927	4,308
Total Equity	<u>118,854</u>	<u>115,949</u>
Non Current Liabilities		
Borrowings	2,605	3,784
Retirement benefits obligations	358	295
Deferred tax liabilities	1,026	296
	<u>3,989</u>	<u>4,375</u>
Current Liabilities		
Trade and other payables	48,680	35,002
Borrowings	104,950	151,456
Taxation	609	506
	<u>154,239</u>	<u>186,964</u>
Liability attributable to asset held for sale	-	1,558
	<u>154,239</u>	<u>188,522</u>
Total Liabilities	<u>158,228</u>	<u>192,897</u>
Total Equity and Liabilities	<u><u>277,082</u></u>	<u><u>308,846</u></u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.82</u>	<u>0.82</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for financial year ended 31 December 2014 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 2015

	Current Year to Date 31-Dec-15 RM'000 (Unaudited)	Preceding year Corresponding Period 31-Dec-14 RM'000 (Audited)
Cash Flows from operating activities		
Profit before taxation	11,231	11,639
Adjustment for:		
Depreciation and amortisation	2,468	2,928
Derivative gain	(7)	-
Unrealised (gain)/loss on foreign exchange	(3,762)	1,526
Provision for doubtful debts	2,776	853
Loss on disposal of associate	-	32
Impairment loss on investment property	-	228
Impairment loss on goodwill	547	-
Dividend income from other investments	-	(11)
Retirement benefit obligations	64	49
Gain on disposal of PPE and Investment property	(520)	(249)
Provision for slow moving stocks	283	-
Interest income	(860)	(1,091)
Interest expenses	4,604	9,017
Operating profit before working capital changes	<u>16,824</u>	<u>24,921</u>
Changes in working capital:		
Receivable	28,455	10,078
Inventories	126	(9,255)
Payables	13,787	(12,959)
Cash from operations	<u>59,192</u>	<u>12,785</u>
Income taxes paid	<u>(5,799)</u>	<u>(5,472)</u>
Net cash from operating activities	<u>53,393</u>	<u>7,313</u>
Cash flows from investing activities		
Dividend received from other investments	-	11
Purchase of property, plant and equipment	(3,055)	(2,161)
Proceeds from disposal of PPE and investment property	3,783	569
Proceeds from disposal of associates	-	800
Acquisition of non-controlling interest	(275)	-
Interest received	861	1,091
Net cash from investing activities	<u>1,314</u>	<u>310</u>
Cash flows from financing activities		
Net (repayment)/drawdown of borrowings	(37,081)	14,000
Dividend paid	(6,120)	(3,400)
Dividend paid to non-controlling interest	(21)	(12)
Interest paid	(4,604)	(9,017)
Net cash (used in)/from financing activities	<u>(47,826)</u>	<u>1,571</u>
Net increase in cash and cash equivalents	6,881	9,194
Cash and cash equivalents at the beginning of period	32,823	23,624
Net effect of exchange rate changes	3,217	5
Cash and cash equivalents at the end of period	<u>42,921</u>	<u>32,823</u>
Cash and cash equivalents comprise:		
Cash and bank balances	44,776	46,611
Bank overdraft	(1,855)	(13,788)
	<u>42,921</u>	<u>32,823</u>

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

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

	← 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 at 1 January 2015	68,000	954	-	(40,726)	1,091	16	82,306	111,641	4,308	115,949
Profit for the period	-	-	-	-	-	-	4,018	4,018	1,267	5,285
Other comprehensive income for the period	-	-	-	-	2,512	-	-	2,512	1,124	3,636
Total comprehensive income for the period	-	-	-	-	2,512	-	4,018	6,530	2,391	8,921
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	400	400
Acquisition of non-controlling interest	-	-	-	-	-	-	(124)	(124)	(151)	(275)
Dividend paid to non controlling interest	-	-	-	-	-	-	-	-	(21)	(21)
Dividend paid	-	-	-	-	-	-	(6,120)	(6,120)	-	(6,120)
Total changes in equity for the period	-	-	-	-	-	-	(6,244)	(6,244)	228	(6,016)
Balance at 31 December 2015	68,000	954	-	(40,726)	3,603	16	80,080	111,927	6,927	118,854

**AUDITED 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			
Balance at 1 January 2014	68,000	954	-	(40,726)	593	36	79,725	108,582	2,709	111,291
Profit for the period	-	-	-	-	-	-	5,966	5,966	1,425	7,391
Other comprehensive income for the period	-	-	-	-	490	(20)	-	470	209	679
Total comprehensive income for the period	-	-	-	-	490	(20)	5,966	6,436	1,634	8,070
Diluted interest in a subsidiary	-	-	-	-	8	-	15	23	(23)	-
Dividend paid to non controlling interest	-	-	-	-	-	-	-	-	(12)	(12)
Dividend paid	-	-	-	-	-	-	(3,400)	(3,400)	-	(3,400)
Total changes in equity for the period	-	-	-	-	8	-	(3,385)	(3,377)	(35)	(3,412)
Balance at 31 December 2014	68,000	954	-	(40,726)	1,091	16	82,306	111,641	4,308	115,949

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

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

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 and financial year-to-date.

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 financial year ended 31 December 2014 has been approved at the Annual General Meeting of the Company on 22 May 2015 and was paid on 10 July 2015.

An interim single tier dividend of 2.0 sen per share in respect of year ended 31 December 2015 was declared and paid on 30 September 2015.

A9. Segmental information

Business Segments

The Group's operations involve primarily the distribution of industrial chemicals as well as the blending of customized solvents. In October 2015, the Group acquired subsidiaries whose business operations involve the retail and distribution of Audio Video and ICT Distribution, trading, system integrator and solution provider.

Geographical Segments

The Group's chemical distribution and blending activities are segmented based on the geographical 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.

The Audio Video and ICT Distribution business is currently based only in Malaysia.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

A9. Segmental information (Cont'd)

Chemical Distribution And Blending Operations:**Analysed by geographical segments:**

Segment Revenue	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM'000	RM'000	RM'000	RM'000
Malaysia	128,448	109,331	499,670	506,145
Indonesia	19,014	21,641	82,539	86,381
Vietnam	51,833	56,775	195,742	167,946
Singapore	176	186	786	1,252
Total revenue including inter-segment sales	199,471	187,933	778,737	761,724
Elimination of inter-segment sales	(46,624)	(28,616)	(179,318)	(131,132)
Total revenue	152,847	159,317	599,419	630,592
Segment Result				
Malaysia	(713)	(540)	6,847	7,203
Indonesia	(2,749)	(929)	(2,728)	(1,530)
Vietnam	2,823	1,519	7,378	6,006
Singapore	(184)	(22)	(398)	(40)
Profit before tax	(823)	28	11,099	11,639

Audio Video And ICT Distribution Operations:**Analysed by geographical segments:**

Revenue	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
	RM'000	RM'000	RM'000	RM'000
Malaysia	2,801	-	2,801	-
Elimination of inter-segment sales	(130)	-	(130)	-
Total revenue	2,671	-	2,671	-
Profit before tax				
Malaysia	132	-	132	-

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015

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

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.

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

The Company holds 96.5% shares in PT Samchem Prasadha ("PTSP"). On 30 June 2015, Samchem Sdn Bhd, a wholly-owned subsidiary of the Company, acquired the remaining 3.5% non-controlling interest in PTSP for a cash consideration of Rp 665,350,000 (equivalent to approximately RM201,046). After the above acquisition, the Group holds 100% of PTSP.

On 9 July 2015, the Company acquired 60% equity interest, representing 6 ordinary shares of RM1.00 each in Sampro Distribution Sdn Bhd ("Sampro") from Mr Mohd Firdaus bin Jamari for a total cash consideration of RM6.00. The principal activity of Sampro Distribution is retail sale of Audio Video and ICT Distribution, trading, system integrator and solution provider. In September 2015, Sampro issued new shares of 499,990 at RM1.00 per share to its existing shareholders. The Company had subscribed for 60% of the new shares for a total cash consideration of RM299,994.

On 9 July 2015, the Company acquired 60% equity interest, representing 6 ordinary shares of RM1.00 each in Samserv Services Sdn Bhd ("Samserv") from Mr Mohd Firdaus bin Jamari for a total cash consideration of RM6.00. The principal activity of Samserv Services is retail sale of Audio Video and ICT Distribution, trading, system integrator and solution provider. In September 2015, Samserv issued new shares of 249,990 at RM1.00 per share to its existing shareholders. The Company had subscribed for 60% of the new shares for a total cash consideration of RM149,994.

On 9 July 2015, the Company acquired 60% equity interest, representing 6 ordinary shares of RM1.00 each in My Online AV Sdn Bhd ("My Online AV") from Mr Mohd Firdaus bin Jamari for a total cash consideration of RM6.00. The principal activity of My Online AV is retail sale of Audio Video and ICT Distribution, trading, system integrator and solution provider. In September 2015, My Online AV issued new shares of 249,990 at RM1.00 per share to its existing shareholders. The Company had subscribed for 60% of the new shares for a total cash consideration of RM149,994.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 2015**A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

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	(26,886)
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	(3,593)
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	3,347
As At 31 December 2015	<u>125,063</u>

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.

	Current Quarter 31-Dec-15 RM'000	Current Year To Date 31-Dec-15 RM'000
Purchase of products*	1,360	4,478
Sales of products*	-	622
	<u> </u>	<u> </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.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015

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

B1. Performance review

(i) Current Quarter

The Group recorded a lower revenue of RM155.52 million for the current quarter under review, compared to RM159.32 million for the corresponding quarter in the preceding year, which represents a decrease of 2.4%. The decrease in sales was mainly due to the lower crude oil price in the current quarter under review.

Despite higher gross profit margin and lower finance costs in the current quarter under review, the Group recorded a loss before tax of RM 0.69 million compared to the profit before tax for the corresponding quarter in the preceding year of RM 0.03 million. This is mainly due to higher provision for doubtful debt as well as higher operating costs in the current quarter under review.

(ii) Year-to-date

The Group recorded a lower revenue of RM602.09 million for the current financial year-to-date, compared to RM630.59 million for the preceding year, which represents a decrease of 4.5%. The decrease was mainly due to lower crude oil price in the current financial year-to-date.

Despite higher gross profit margin and lower finance costs in the current financial year-to-date, the Group recorded a lower profit before tax of RM 11.23 million, a decrease of RM 0.41 million compared to the preceding year of RM 11.64 million. This was mainly due to the foreign exchange losses, provision for doubtful debts and higher operating costs 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 loss before tax of RM 0.69 million for the current quarter under review as compared to the profit before tax in the immediate preceding quarter of RM1.2 million mainly due to the 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 2016.

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 30 SEPTEMBER 2015**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	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	31-Dec-15	Quarter	To Date	Period
	RM'000	31-Dec-14	31-Dec-15	31-Dec-14
		RM'000	RM'000	RM'000
Interest income	(401)	(203)	(860)	(1,091)
Loss/(gain) on disposal of property, plant and equipment	55	(90)	(520)	(249)
PPE and IP written off	-	228	-	228
Interest expense	1,163	2,233	4,604	9,017
Depreciation and amortization	623	773	2,468	2,928
Foreign exchange loss/(gain)-realised	4,435	1,375	12,716	10
Foreign exchange (gain)/loss-unrealised	(4,340)	471	(3,762)	1,526
(Gain) on derivatives-unrealised	(7)	-	(7)	-
Provision for doubtful debts	2,763	853	2,776	853
Impairment of goodwill	547	-	547	-
Provision for slow moving stocks	283	-	283	-

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B6. Taxation

	Current Year Quarter 31-Dec-15 RM'000	Current Year To Date 31-Dec-15 RM'000
Current tax expense	1,457	5,174
Deferred tax expense	1,053	772
	<u>2,510</u>	<u>5,946</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.

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 December 2015 are as follows:-

Secured	RM'000
Long term borrowings:-	
Term loans	1,888
Hire purchase creditors	<u>717</u>
	<u>2,605</u>
Short term borrowings:-	
Term loans	
Bank overdrafts	468
Bankers acceptances	17,364
Trade loans	742
Hire purchase creditors	<u>1,420</u>
	<u>19,994</u>
Unsecured	
Short term borrowings:-	
Term loans	16,018
Revolving Credit	3,744
Bankers acceptances	35,975
Trade loans	27,832
Bank overdrafts	<u>1,387</u>
	<u>84,956</u>
Total Borrowings:	<u>107,555</u>

Included in the above borrowings are term loans and trade loans of RM37.22 million in USD.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**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 Favourable RM'000
Less than 1 year	738	4.2913	3,167	7

The derivatives have been recorded on the Consolidated Statement of Financial Position for this current quarter under review and financial year-to-date 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 26 February 2016 and with further reference to the Company's announcement on 31 December 2015 pertaining to the litigation in the High Court of Malaya at Kuala Lumpur (Commercial Division) Suit No. 22NCC-398-12/2015 and subject to further disclosure below, the Company is not engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company 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.

Samserve, Sampro, My Online AV and Dato' Ng Lian Poh have applied to set aside the Anton Piller Order dated 16 December 2015 and the hearing for this setting aside application is on 15 March 2016.

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 2015**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 has recommended a first and final dividend of 2.5 sen per share which has been approved at the Annual General Meeting of the Company held on the 22 May 2015 and paid on 10 July 2015.

For the financial year ended 31 December 2015, the Board of Directors has declared an interim single-tier dividend of 2.0 sen per share. The dividend was paid on 30 September 2015 to shareholders whose names appear in the Company's Record of Depositors on 9 September 2015.

For the financial year ended 31 December 2015, the Board of Directors has recommended a final single-tier dividend of 1.50 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:-

	As At 31-Dec-15 RM'000	As At 31-Dec-14 RM'000
Realised profits	76,351	83,258
Unrealised Gains/(losses)	3,729	(952)
	<u>80,080</u>	<u>82,306</u>

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B13. Earnings per share

	Current Quarter 31-Dec-15 RM'000	Preceding Year Corresponding Quarter 31-Dec-14 RM'000	Current Year To Date 31-Dec-15 RM'000	Preceding Year Corresponding Period 31-Dec-14 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	(3,755)	(598)	4,018	5,966
Weighted average number of ordinary shares in issue ('000)	136,000	136,000	136,000	136,000
Earnings per share-basic (sen)	<u>(2.76)</u>	<u>(0.44)</u>	<u>2.95</u>	<u>4.39</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,

Dato' Ng Lian Poh
Group Chief Executive Officer
Date: 25 February 2016