



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 2016

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 2016**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-Sep-16 RM'000	Preceding Year Corresponding Quarter 30-Sep-15 RM'000	Current Year To Date 30-Sep-16 RM'000	Preceding Year Corresponding Period 30-Sep-15 RM'000
Revenue	171,262	149,646	483,715	446,572
Operating expenses	(164,208)	(147,735)	(466,816)	(434,779)
Operating income	<u>352</u>	<u>310</u>	<u>6,278</u>	<u>3,552</u>
Operating profit	7,406	2,221	23,177	15,345
Finance cost	(1,085)	(1,003)	(3,587)	(3,423)
Profit before tax	6,321	1,218	19,590	11,922
Tax expense	<u>(2,093)</u>	<u>(347)</u>	<u>(5,437)</u>	<u>(3,436)</u>
Profit for the period	<u><u>4,228</u></u>	<u><u>871</u></u>	<u><u>14,153</u></u>	<u><u>8,486</u></u>
Other comprehensive income:				
Currency translation differences	796	3,005	(724)	3,993
Other comprehensive income for the period, net of tax	<u><u>796</u></u>	<u><u>3,005</u></u>	<u><u>(724)</u></u>	<u><u>3,993</u></u>
Total comprehensive income for the period	<u><u>5,024</u></u>	<u><u>3,876</u></u>	<u><u>13,429</u></u>	<u><u>12,479</u></u>
Profit attributable to:				
-Owners of the parent	3,262	1,209	11,480	7,773
-Non controlling interest	<u>966</u>	<u>(338)</u>	<u>2,673</u>	<u>713</u>
	<u><u>4,228</u></u>	<u><u>871</u></u>	<u><u>14,153</u></u>	<u><u>8,486</u></u>
Total comprehensive income attributable to:				
-Owners of the parent	3,777	3,230	11,179	10,461
-Non controlling interest	<u>1,247</u>	<u>646</u>	<u>2,250</u>	<u>2,018</u>
	<u><u>5,024</u></u>	<u><u>3,876</u></u>	<u><u>13,429</u></u>	<u><u>12,479</u></u>
Earnings per share-basic (sen)	<u>2.40</u>	<u>0.89</u>	<u>8.44</u>	<u>5.72</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 2015 and the accompanying explanatory notes attached to the interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As At 30-Sep-2016 RM'000	Audited As At 31-Dec-2015 RM'000
ASSETS		
Non Current Assets		
Property, plant and equipment	29,839	30,298
Investment properties	2,589	2,571
Prepaid land lease payments	990	1,042
Intangible assets	548	548
Quoted investments	47	47
Deferred tax assets	2,448	917
	<u>36,461</u>	<u>35,423</u>
Current Assets		
Inventories	80,493	72,984
Trade and other receivables	158,929	119,488
Tax recoverables	4,289	5,529
Cash and bank balances	53,697	40,939
	<u>297,408</u>	<u>238,940</u>
Total Assets	<u>333,869</u>	<u>274,363</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	68,000	68,000
Share premium	954	954
Reserves	49,665	42,567
Total shareholders' equity	118,619	111,521
Non controlling interest	9,194	6,944
Total Equity	<u>127,813</u>	<u>118,465</u>
Non Current Liabilities		
Borrowings	2,416	3,234
Retirement benefits obligations	368	359
Deferred tax liabilities	465	1,052
	<u>3,249</u>	<u>4,645</u>
Current Liabilities		
Trade and other payables	85,125	46,715
Borrowings	115,458	104,333
Taxation	2,224	205
	<u>202,807</u>	<u>151,253</u>
	<u>202,807</u>	<u>151,253</u>
Total Liabilities	<u>206,056</u>	<u>155,898</u>
Total Equity and Liabilities	<u>333,869</u>	<u>274,363</u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.87</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 2015 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 2016

	Current Year to Date 30-Sep-16 RM'000 (Unaudited)	Preceding year Corresponding Period 30-Sep-15 RM'000 (Unaudited)
Cash Flows from operating activities		
Profit before taxation	19,590	11,922
Adjustment for:		
Depreciation and amortisation	2,255	1,845
Derivative loss/ (gain)	31	(326)
Unrealised loss on foreign exchange	4,175	578
Provision for doubtful debts	-	13
Loss on disposal of associate	-	(1)
Gain on disposal of PPE and Investment property	(40)	(575)
Provision for slow moving stocks	(69)	-
Interest income	(776)	(459)
Interest expenses	3,587	3,441
Operating profit before working capital changes	28,753	16,438
Changes in working capital:		
Receivable	(44,249)	(1,923)
Inventories	(7,440)	4,589
Payables	39,018	24,446
Cash from operations	16,082	43,550
Income taxes paid	(4,174)	(4,620)
Net cash from operating activities	11,908	38,930
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,859)	(1,928)
Proceeds from disposal of PPE and investment property	40	3,489
Acquisition of non-controlling interest	-	(275)
Interest received	776	459
Net cash (used in)/ from investing activities	(1,043)	1,745
Cash flows from financing activities		
Net drawdown/ (repayment) of borrowings	2,474	(27,916)
Dividend paid	(4,080)	(6,120)
Dividend paid to non-controlling interest	-	(21)
Uplift of fixed deposit pledged to financial institution	399	-
Interest paid	(3,587)	(3,441)
Net cash used in financing activities	(4,794)	(37,498)
Net increase in cash and cash equivalents	6,071	3,177
Cash and cash equivalents at the beginning of period	40,071	32,823
Net effect of exchange rate changes	(747)	3,517
Cash and cash equivalents at the end of period	45,395	39,517
Cash and cash equivalents comprise:		
Cash and bank balances	53,697	42,201
Bank overdraft	(8,302)	(2,684)
	45,395	39,517

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 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 2016**

	← Attributable to owners of the parent →					Retained Profits	Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Reverse Acquisition Reserve	Translation Reserve	Fair Value Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000				
Balance at 1 January 2016	68,000	954	(40,726)	3,209	13	80,070	111,520	6,944	118,464
Profit for the period	-	-	-	-	-	11,480	11,480	2,673	14,153
Other comprehensive income for the period	-	-	-	(301)	-	-	(301)	(423)	(724)
Total comprehensive income for the period	-	-	-	(301)	-	11,480	11,179	2,250	13,429
Dividend paid	-	-	-	-	-	(4,080)	(4,080)	-	(4,080)
Total changes in equity for the period	-	-	-	-	-	(4,080)	(4,080)	-	(4,080)
Balance at 30 September 2016	68,000	954	(40,726)	2,908	13	87,470	118,619	9,194	127,813

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2015**

	← Attributable to owners of the parent →					Retained Profits	Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Share Premium	Reverse Acquisition Reserve	Translation Reserve	Fair Value Reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000				
Balance at 1 January 2015	68,000	954	(40,726)	1,091	15	82,306	111,641	4,309	115,950
Profit for the period	-	-	-	-	-	7,773	7,773	713	8,486
Other comprehensive income for the period	-	-	-	2,688	-	-	2,688	1,304	3,992
Total comprehensive income for the period	-	-	-	2,688	-	7,773	10,461	2,017	12,478
Acquisition of non-controlling interest	-	-	-	-	-	-	-	(165)	(165)
Dividend paid to non controlling interest	-	-	-	-	-	-	-	(21)	(21)
Dividend paid	-	-	-	-	-	(6,120)	(6,120)	-	(6,120)
Total changes in equity for the period	-	-	-	-	-	(6,120)	(6,120)	(186)	(6,306)
Balance at 30 September 2015	68,000	954	(40,726)	3,779	15	83,959	115,982	6,140	122,122

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 2015 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 2016

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

A1. Accounting Policies and Basis of Preparation

The condensed financial statement are unaudited and have been prepared in accordance with IAS 34, 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 2015 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 2015. 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 2015.

A2. Significant Accounting Policies

Except as described below, the same accounting policies and methods of computation are followed in the condensed consolidated financial statement as compared with the consolidated financial statements for 31 December 2015. 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 5, Non-Current Asset Held for Sale and Discontinued Operations
- MFRS 7, Financial Instruments Disclosures
- MFRS 11, Joint Operations
- MFRS 12, Disclosure of Interest in Other Entities
- MFRS 101, Presentation of Financial Statements
- MFRS 116, Property, Plant and Equipment
- MFRS 119, Employee Benefits
- MFRS 127, Equity Method in Separate Financial Statements
- MFRS 138, Intangible Assets
- MFRS 141, Agriculture
- 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)

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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

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 2015.

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

On 18 May 2016, the Company paid a final single tier dividend of 1.5 sen per share in respect of financial year ended 31 December 2015 amounting to RM2.04 million.

On 20 July 2016, the Company paid a first interim dividend of 1.5 sen per share in respect of the financial year ended 31 December 2016 amounting to RM2.04 million.

On 10 October 2016, the Company paid a second interim dividend of 1.5 sen per share in respect of the financial year ended 31 December 2016 amounting to RM2.04 million.

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 in Malaysia whose business operations involve a new concept in the distribution, service and solution of Audio Video and IT industry.

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.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016**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 Quarter 30-Sep-16 RM'000	Preceding Year Corresponding Quarter 30-Sep-15 RM'000	Current Year To Date 30-Sep-16 RM'000	Preceding Year Corresponding Period 30-Sep-15 RM'000
Malaysia	133,287	123,116	384,609	371,223
Indonesia	23,040	24,124	66,664	63,525
Vietnam	55,405	48,570	148,170	143,909
Singapore	912	344	2,142	609
Total revenue including inter-segment sales	212,644	196,154	601,585	579,266
Elimination of inter-segment sales	(43,954)	(46,508)	(124,845)	(132,694)
Total segment revenue	168,690	149,646	476,740	446,572
Segment Result				
Malaysia	1,912	787	8,616	7,145
Indonesia	1,183	(80)	2,838	21
Vietnam	3,417	668	8,830	4,970
Singapore	(150)	(157)	(481)	(214)
Profit before tax	6,362	1,218	19,803	11,922
<u>Audio Video And ICT Distribution Operations:</u>				
Analysed by geographical segments:				
Segment Revenue	Current Quarter 30-Sep-16 RM'000	Preceding Year Corresponding Quarter 30-Sep-15 RM'000	Current Year To Date 30-Sep-16 RM'000	Preceding Year Corresponding Period 30-Sep-15 RM'000
Malaysia	2,706	-	7,473	-
Elimination of inter-segment sales	(134)	-	(498)	-
Total segment revenue	2,572	-	6,975	-
Profit before tax				
Malaysia	(41)	-	(213)	-
Total Revenue	171,262	149,646	483,715	446,572
Total profit before tax	6,321	1,218	19,590	11,922

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

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

On 1 June 2016, the Company acquired 60% equity interest, representing 60 ordinary shares of RM1.00 each in Samsentosa Chemicals Sdn Bhd ("Samsentosa Chemicals"). The principal activity of Samsentosa Chemicals is distribution of industrial chemicals. The acquisition will not have a material effect on the earnings per share and net assets per share of the Company for the financial year ending 31 December 2016.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016**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 2015 except for the following:

	RM'000
As At 31 December 2015:	109,172
Changes during the period:	
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	13,389
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	9,273
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	9,504
As At 30 September 2016	<u><u>141,338</u></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 30-Sep-16 RM'000	Current Year To Date 30-Sep-16 RM'000
Purchase of products*	<u>262</u>	<u>678</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 2016

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

B1. Performance review

(i) Current Quarter

The Group recorded a higher revenue of RM171.26 million for the current quarter under review, compared to RM149.65 million for the corresponding quarter in the preceding year, which represents an increase of 14.44%. The increase is due to the market positioning of the Group in the region.

The Group recorded a higher profit before tax for the current quarter under review of RM6.32 million, representing an increase of RM5.10 million or 418.03%, compared to the profit before tax for the corresponding quarter in the preceding year of RM1.22 million. This increase is mainly due to higher sales and higher profit margin.

(ii) Year-to-date

The Group recorded revenue of RM483.71 million for the current financial year-to-date, compared to RM446.57 million for the preceding year, which represents an increase of 8.32%. The increase is due to the market positioning of the Group in the region.

The Group recorded a higher profit before tax for the current financial year-to-date of RM19.59 million, an increase of RM7.67 million or 64.35% compared to the preceding year of RM11.92 million. This increase is mainly due to higher sales and higher profit margin.

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

The Group recorded a profit before tax of RM6.32 million for the current quarter under review as compared to the profit before tax in the immediate preceding quarter of RM7.36 million. This decrease in profit is mainly due to lower profit margin 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 remaining periods of the financial year ending 31 December 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 2016**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 30-Sep-16 RM'000	Preceding Year Corresponding Quarter 30-Sep-15 RM'000	Current Year To Date 30-Sep-16 RM'000	Preceding Year Corresponding Period 30-Sep-15 RM'000
Interest income	(303)	(207)	(776)	(459)
(Gain)/Loss on disposal of property, plant and equipment	(4)	61	(40)	(575)
Interest expense	1,085	986	3,587	3,441
Depreciation and amortization	1,042	602	2,255	1,845
Foreign exchange (gain)/ loss-realised	-	5,390	(3,904)	8,281
Foreign exchange (gain)/loss-unrealised	(455)	471	4,175	578
(Gain)/ Loss on derivatives-unrealised	24	-	31	-

B6. Taxation

	Current Year Quarter 30-Sep-16 RM'000	Current Year To Date 30-Sep-16 RM'000
Current tax expense	1,742	7,394
Deferred tax expense	351	(1,957)
	<u>2,093</u>	<u>5,437</u>

The effective tax rate for the current quarter under review and financial year-to-date 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 30 SEPTEMBER 2016**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Status of corporate proposal**

On 24 May 2016, the Company announced that its dormant wholly-owned subsidiary, SAMCHEM ENVIRO CYCLE SDN BHD, has been placed under members' voluntary winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965. The winding-up of Samchem Enviro Cycle Sdn Bhd will not have any material effect on the net earnings and net assets of Samchem Group for the financial year ended 31 December 2016 as it is a non-operating subsidiary for the financial year concerned.

On 1 June 2016, the Company announced that its has completed the acquisition of the equity interest of 60%, representing 60 ordinary shares of RM1.00 each in SAMSENTOSA CHEMICALS SDN BHD ("SAMSENTOSA CHEMICALS") by way of transfer of one (1) share from Dato' Ng Lian Poh for a total purchase consideration of RM1.00 and allotment of fifty nine (59) shares satisfied by cash.

B8. Group borrowings and debt securities

The Group's borrowings as at 30 September 2016 are as follows:-

Secured	RM'000
Long term borrowings:-	
Term loans	1,144
Hire purchase creditors	1,272
	<u>2,416</u>
Short term borrowings:-	
Term loans	606
Bank overdrafts	8,302
Bankers acceptances	30,540
Trade loans	1,879
Hire purchase creditors	1,642
	<u>42,969</u>
Unsecured	
Short term borrowings:-	
Term loans	42,883
Bankers acceptances	29,606
	<u>72,489</u>
Total Borrowings:	<u><u>117,874</u></u>

Included in the above borrowings are term loans and trade loans of RM46.51 million in USD.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016**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 and 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	800	4.1200	3,296	24

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

On 15 April 2016, the company announced that the litigation in the High Court of Malaya at Kuala Lumpur (Commercial Division) has been struck out with no liberty to file afresh and with no order as to cost; and The Anton Pillar Order has been discharged with no order as to costs.

B11. Proposed Dividend

The proposed dividend of 1.5 sen per share in respect of the financial year ended 31 December 2015 has been approved at the Annual General Meeting of the Company on 29 April 2016 and paid on 18 May 2016.

For the financial year ended 31 December 2016, the Board of Directors have declared a first interim single-tier dividend of 1.5 sen per share. The dividend has been paid on 20 July 2016 to shareholders whose names appear in the Company's Record of Depositors on 30 June 2016.

For the second quarter, the Directors have declared a second interim dividend of 1.5 sen per share in respect of the financial year ending 31 December 2016. The dividend has been paid on 10 October 2016 to shareholders whose names appear in the Company's Record of Depositors on 19 September 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 2016**B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

B11. Proposed Dividend (Cont'd)

For the third quarter, the Directors have declared a third interim dividend of 1.5 sen per share in respect of the financial year ending 31 December 2016. The dividend will be paid on 16 December 2016 to shareholders whose names appear in the Company's Record of Depositors on 29 November 2016.

B12. Breakdown of Realised and Unrealised Profits and Losses

The retained profits can be analysed as follows:-

	As At 30-Sep-16 RM'000	As At 30-Sep-15 RM'000
Realised profits	89,693	83,162
Unrealised Gains/(losses)	(2,223)	797
	<u>87,470</u>	<u>83,959</u>

B13. Earnings per share

	Current Quarter 30-Sep-16 RM'000	Preceding Year Corresponding Quarter 30-Sep-15 RM'000	Current Year To Date 30-Sep-16 RM'000	Preceding Year Corresponding Period 30-Sep-15 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	3,262	1,209	11,480	7,773
Weighted average number of ordinary shares in issue ('000)	136,000	136,000	136,000	136,000
Earnings per share-basic (sen)	<u>2.40</u>	<u>0.89</u>	<u>8.44</u>	<u>5.72</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.

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NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016

By order of the Board,

Dato' Ng Lian Poh
Group Chief Executive Officer
Date: 14 November 2016