



**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 JUNE 2017

**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 JUNE 2017**

	Individual Quarter		Cumulative Quarter	
	Current Quarter 30-Jun-17 RM'000	Preceding Year Corresponding Quarter 30-Jun-16 RM'000	Current Year To Date 30-Jun-17 RM'000	Preceding Year Corresponding Period 30-Jun-16 RM'000
Revenue	215,995	152,809	433,562	312,453
Operating expenses	(211,464)	(146,327)	(421,053)	(302,609)
Operating income	<u>2,688</u>	<u>2,090</u>	<u>5,372</u>	<u>5,926</u>
Operating profit	7,219	8,572	17,881	15,770
Finance cost	(1,745)	(1,215)	(3,330)	(2,502)
Profit before tax	<u>5,474</u>	<u>7,357</u>	<u>14,551</u>	<u>13,268</u>
Tax expense	<u>(1,483)</u>	<u>(1,625)</u>	<u>(4,067)</u>	<u>(3,344)</u>
<b>Profit for the period</b>	<u><u>3,991</u></u>	<u><u>5,732</u></u>	<u><u>10,484</u></u>	<u><u>9,924</u></u>
Other comprehensive income:				
Currency translation differences	(938)	(867)	(975)	(1,520)
<b>Other comprehensive income for the period, net of tax</b>	<u>(938)</u>	<u>(867)</u>	<u>(975)</u>	<u>(1,520)</u>
<b>Total comprehensive income for the period</b>	<u><u>3,053</u></u>	<u><u>4,865</u></u>	<u><u>9,509</u></u>	<u><u>8,404</u></u>
<b>Profit attributable to:</b>				
-Owners of the parent	3,374	4,575	8,384	8,218
-Non controlling interest	<u>617</u>	<u>1,157</u>	<u>2,100</u>	<u>1,706</u>
	<u>3,991</u>	<u>5,732</u>	<u>10,484</u>	<u>9,924</u>
<b>Total comprehensive income attributable to:</b>				
-Owners of the parent	2,928	4,494	7,906	7,402
-Non controlling interest	<u>125</u>	<u>371</u>	<u>1,603</u>	<u>1,002</u>
	<u>3,053</u>	<u>4,865</u>	<u>9,509</u>	<u>8,404</u>
Earnings per share-basic (sen)				
- Basic	<u>1.51</u>	<u>3.36</u>	<u>3.76</u>	<u>6.04</u>
- Diluted	<u>1.51</u>	<u>2.05</u>	<u>3.76</u>	<u>3.69</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 2016 and the accompanying explanatory notes attached to the interim financial report.

**SAMCHEM HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Unaudited As At 30-Jun-2017 RM'000	Audited As At 31-Dec-2016 RM'000
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	35,220	36,522
Investment properties	924	844
Prepaid land lease payments	1,021	1,060
Quoted investments	40	40
Deferred tax assets	1,124	1,165
	<u>38,329</u>	<u>39,631</u>
<b>Current Assets</b>		
Inventories	111,220	88,612
Trade and other receivables	185,655	160,512
Tax recoverables	6,312	5,933
Cash and bank balances	60,533	53,791
	<u>363,720</u>	<u>308,848</u>
Non-current asset held for sale	738	-
<b>Total Assets</b>	<u><u>402,787</u></u>	<u><u>348,479</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	136,000	68,000
Share premium	954	954
Retained profits	24,517	86,853
Reverse acquisition reserve	(40,725)	(40,725)
Other reserves	3,951	4,429
Total shareholders' equity	<u>124,697</u>	<u>119,511</u>
Non controlling interest	9,929	11,069
<b>Total Equity</b>	<u><u>134,626</u></u>	<u><u>130,580</u></u>
<b>Non Current Liabilities</b>		
Borrowings	3,452	3,641
Retirement benefits obligations	533	540
Deferred tax liabilities	368	288
	<u>4,353</u>	<u>4,469</u>
<b>Current Liabilities</b>		
Trade and other payables	72,466	81,484
Borrowings	190,857	130,141
Taxation	485	1,805
	<u>263,808</u>	<u>213,430</u>
	<u>263,808</u>	<u>213,430</u>
<b>Total Liabilities</b>	<u><u>268,161</u></u>	<u><u>217,899</u></u>
<b>Total Equity and Liabilities</b>	<u><u>402,787</u></u>	<u><u>348,479</u></u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for financial year ended 31 December 2016 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 JUNE 2017**

	<b>Current Year to Date 30-Jun-17 RM'000 (Unaudited)</b>	<b>Preceding year Corresponding Period 30-Jun-16 RM'000 (Unaudited)</b>
<b>Cash Flows from operating activities</b>		
Profit before taxation	14,551	13,268
Adjustment for:		
Depreciation and amortisation	1,630	1,213
Derivative loss/ (gain)	8	(8)
Unrealised loss on foreign exchange	1,767	4,663
Loss on partial disposal of shares in subsidiary	400	-
Gain on disposal of PPE	(63)	(36)
Interest income	(603)	(473)
Interest expenses	3,330	2,502
Operating profit before working capital changes	<u>21,020</u>	<u>21,081</u>
Changes in working capital:		
Receivable	(26,920)	(18,315)
Inventories	(22,609)	2,928
Payables	(12,120)	6,193
Cash (used in)/ from operations	<u>(40,629)</u>	<u>11,887</u>
Income taxes paid	<u>(5,472)</u>	<u>(1,221)</u>
<b>Net cash (used)/ from in operating activities</b>	<u>(46,101)</u>	<u>10,666</u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,482)	(283)
Proceeds from disposal of PPE	532	36
Interest received	603	473
<b>Net cash (used in)/ from investing activities</b>	<u>(347)</u>	<u>226</u>
<b>Cash flows from financing activities</b>		
Net drawdown of borrowings	61,814	2,099
Dividend paid to shareholders of the company	(2,720)	(2,040)
Dividend to non-controlling interest	(48)	-
Interest paid	(3,330)	(2,502)
<b>Net cash from/ (used in) financing activities</b>	<u>55,716</u>	<u>(2,443)</u>
<b>Net increase in cash and cash equivalents</b>	<u>9,268</u>	<u>8,449</u>
<b>Cash and cash equivalents at the beginning of period</b>	<u>44,715</u>	<u>40,071</u>
<b>Net effect of exchange rate changes</b>	<u>(1,239)</u>	<u>(1,308)</u>
<b>Cash and cash equivalents at the end of period</b>	<u>52,744</u>	<u>47,212</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	60,533	52,446
Bank overdraft	(7,390)	(4,835)
Fixed deposit pledged	(399)	(399)
	<u>52,744</u>	<u>47,212</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 JUNE 2017**

	← 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				
<b>Balance at 1 January 2017</b>	68,000	954	(40,726)	4,425	5	86,853	119,511	11,069	130,580
Profit for the period	-	-	-	-	-	8,384	8,384	2,100	10,484
Other comprehensive income for the period	-	-	-	(478)	-	-	(478)	(497)	(975)
<b>Total comprehensive income for the period</b>	-	-	-	(478)	-	8,384	7,906	1,603	9,509
Disposal of shares in subsidiary	-	-	-	-	-	-	-	400	400
Bonus Issue	68,000	-	-	-	-	(68,000)	-	-	-
Dividend to non controlling interest	-	-	-	-	-	-	-	(3,143)	(3,143)
Dividend paid to shareholders of the company	-	-	-	-	-	(2,720)	(2,720)	-	(2,720)
<b>Total changes in equity for the period</b>	68,000	-	-	-	-	(70,720)	(2,720)	(2,743)	(5,463)
<b>Balance at 30 June 2017</b>	136,000	954	(40,726)	3,947	5	24,517	124,697	9,929	134,626

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 30 JUNE 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				
<b>Balance at 1 January 2016</b>	68,000	954	(40,726)	3,209	13	80,070	111,520	6,945	118,465
Profit for the period	-	-	-	-	-	8,218	8,218	1,706	9,924
Other comprehensive income for the period	-	-	-	(816)	-	-	(816)	(704)	(1,520)
<b>Total comprehensive income for the period</b>	-	-	-	(816)	-	8,218	7,402	1,002	8,404
Dividend paid	-	-	-	-	-	(2,040)	(2,040)	-	(2,040)
<b>Total changes in equity for the period</b>	-	-	-	-	-	(2,040)	(2,040)	-	(2,040)
<b>Balance at 30 June 2016</b>	68,000	954	(40,726)	2,393	13	86,248	116,882	7,947	124,829

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 2016 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 JUNE 2017**

**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 2016 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 2016. 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 2016.

**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 2016. 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) The adoption of the below amendments/ improvements to MFRSs did not have any significant effect on the financial statement of the Group and the Company;*

- MFRS 5, Non-Current Asset Held for Sale and Discontinued Operations
- MFRS 7, Financial Instruments Disclosures
- MFRS 10, Consolidated Financial Statement
- 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, Separate Financial Statements
- MFRS 128, Investment in Associates and Joint Ventures
- MFRS 138, Intangible Assets
- MFRS 141, Agriculture

*2) New MFRSs effective from 1 January 2018 and 1 January 2019*

- MFRS 9, Financial Instruments
- MFRS 15, Revenue from Contracts with Customers
- MFRS 16, Leases

*3) Amendments/ improvements to MFRSs effective from 1 January 2017 and 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 JUNE 2017**

**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 2016.

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 was a bonus issue of 1 to 1 during the current quarter under review and financial year-to-date.

A8. Dividends paid

On 16 June 2017, the Company paid a final single tier dividend of 1.0 sen per share in respect of financial year ended 31 December 2016 amounting to RM2.72 million.

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. The Company also acquired subsidiaries in Malaysia whose business operations involve the distribution, service and solution of Audio Video and IT industry.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

## A9. Segmental information (Cont'd)

**Geographical Segments**

The Group's chemical distribution and blending activities are segmented based on the geographical location of its main operating segments. The operating segments are located in Malaysia, Indonesia, Vietnam and Singapore. Segment revenue is based on the management reports of the operating segments.

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

Segment Revenue	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30-Jun-17	30-Jun-16	To Date	Period
	RM'000	RM'000	30-Jun-17	30-Jun-16
			RM'000	RM'000
Malaysia	117,862	91,528	231,864	185,129
Indonesia	28,459	19,732	61,567	43,624
Vietnam	65,090	38,599	131,158	78,067
Singapore	2,563	626	4,641	1,230
Total segment revenue	213,974	150,485	429,230	308,050

**Segment Result**

Malaysia	3,690	3,701	7,306	7,451
Indonesia	377	814	1,728	1,655
Vietnam	1,746	3,179	5,766	4,665
Singapore	(230)	(149)	(71)	(331)
Profit before tax	5,583	7,545	14,729	13,440

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

Segment Revenue	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30-Jun-17	30-Jun-16	To Date	Period
	RM'000	RM'000	30-Jun-17	30-Jun-16
			RM'000	RM'000
Malaysia	2,021	2,324	4,332	4,403

**Profit before tax**

Malaysia	(109)	(188)	(178)	(172)
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<b>Total Revenue</b>	215,995	152,809	433,562	312,453
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<b>Total profit before tax</b>	5,474	7,357	14,551	13,268
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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017**

**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 had disposed of the equity interest of 40%, representing 200,000 ordinary shares in SAMPRO DISTRIBUTION SDN BHD (Company No. 1151665-U) ("SAMPRO DISTRIBUTION") to Mr. Lee Kong Hoi for a total consideration of RM1.00 and satisfied by cash, resulting the Company's holding 60% of the total issued and paid-up share capital in SAMPRO DISTRIBUTION.

The Company had disposed of the equity interest of 40%, representing 100,000 ordinary shares in MY ONLINE AV SDN BHD (Company No. 1152191-P) ("MY ONLINE AV") to Mr Lee Kong Hoi for a total consideration of RM1.00 and satisfied by cash, resulting the Company's holding 60% of the total issued and paid-up share capital in MY ONLINE AV.

The Company had disposed of the equity interest of 40%, representing 100,000 ordinary shares in SAMSERV SERVICES SDN BHD (Company No. 1151667-D) ("SAMSERV SERVICES") to Mr. Lee Kong Hoi for a total consideration of RM1.00 and satisfied by cash, resulting the Company's holding 60% of the total issued and paid-up share capital in SAMSERV SERVICES.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017****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 2016 except for the following:

	RM'000	31.12.2016
As At 31 December 2016:	164,857	
Changes during the period:		
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	36,536	105,395
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	-	17,409
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	(17,701)	31,631
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	8,319	10,422
As At 30 June 2017	192,011	164,857

**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 30-Jun-17 RM'000</b>	<b>Current Year To Date 30-Jun-17 RM'000</b>
Purchase of products*	-	1,139

\* 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 JUNE 2017**

**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 RM215.99 million for the current quarter under review, compared to RM152.81 million for the corresponding quarter in the preceding year, which represents an increase of 41.35%. The increase is mainly due to the market positioning of the Group in the region.

The Group recorded a lower profit before tax for the current quarter under review of RM5.48million, representing an decrease of RM1.88 million compared to the profit before tax for the corresponding quarter in the preceding year of RM7.36 million. The decrease is mainly due to lower gross profit margin and higher expenses.

(i) Year-To-Date

The group recorded revenue of RM433.56 million for the current financial year-to-date, compared to RM312.45 million for the corresponding quarter in the preceeding year, which represents an increase of 38.76%. The increase in revenue is mainly due 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 RM14.55 million, which represents a increase RM1.28 million compared to the profit before tax of RM13.27 million in the previous corresponding period. The increase was mainly due to higher revenue generated in the current 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 profit before tax of RM5.47million for the current quarter under review as compared to the profit before tax in the immediate preceding quarter of RM9.08million. This decrease in profit is mainly due to lower sales and lower gross profit margin in 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 2017.

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 JUNE 2017****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):

	Current Quarter 30-Jun-17 RM'000	Preceding Year Corresponding Quarter 30-Jun-16 RM'000	Cumulative Quarter Current Year To Date 30-Jun-17 RM'000	Preceding Year Corresponding Period 30-Jun-16 RM'000
Interest income	(264)	(289)	(603)	(473)
(Gain)/Loss on disposal of PPE	-	(36)	(63)	(36)
(Gain)/Loss on partial disposal of shares in subsidiary	400	-	400	-
Interest expense	1,745	1,215	3,330	2,502
Depreciation and amortization	838	600	1,630	1,213
Foreign exchange (gain)/ loss-realised	(1,734)	(1,854)	(2,638)	(3,904)
Foreign exchange (gain)/loss-unrealised	1,624	2,520	1,767	4,663
(Gain)/ Loss on derivatives-unrealised	-	(141)	8	(8)

## B6. Taxation

	Current Year Quarter 30-Jun-17 RM'000	Current Year To Date 30-Jun-17 RM'000
Current tax expense	1,858	3,800
Deferred tax expense	(375)	267
	<u>1,483</u>	<u>4,067</u>

The effective tax rate for the current quarter under review and current 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 JUNE 2017****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B7. Status of corporate proposal**

The Company announced that the proposed Bonus Issue of 136,000,000 new ordinary shares in respect of the financial year ended 31 December 2016 has been approved by the shareholders in the Extraordinary General Meeting held on 20 April 2017. Bonus Issue of 136,000,000 new ordinary shares has been credited as fully paid-up on the basis of 1 bonus share for each existing shareholders on 12 May 2017.

On 28 July 2017, the Company announced that it had disposed of the equity interest of 40%, representing 200,000 ordinary shares in SAMPRO DISTRIBUTION SDN BHD (Company No. 1151665-U) ("SAMPRO DISTRIBUTION") to Mr. Lee Kong Hoi for a total consideration of RM1.00 and satisfied by cash, resulting the Company's holding 60% of the total issued and paid-up share capital in SAMPRO DISTRIBUTION.

On 28 July 2017, the Company announced that it had disposed of the equity interest of 40%, representing 100,000 ordinary shares in MY ONLINE AV SDN BHD (Company No. 1152191-P) ("MY ONLINE AV") to Mr Lee Kong Hoi for a total consideration of RM1.00 and satisfied by cash, resulting the Company's holding 60% of the total issued and paid-up share capital in MY ONLINE AV.

On 28 July 2017, the Company announced that it had disposed of the equity interest of 40%, representing 100,000 ordinary shares in SAMSERV SERVICES SDN BHD (Company No. 1151667-D) ("SAMSERV SERVICES") to Mr. Lee Kong Hoi for a total consideration of RM1.00 and satisfied by cash, resulting the Company's holding 60% of the total issued and paid-up share capital in SAMSERV SERVICES.

The Company holds 70% shares in Samchemsphere Export Sdn Bhd ("SESB"). On 11 August 2017, the Company announced that it had acquired the remaining 30% non-controlling interest in SESB from Mr Dennis Ho Chin Chye, representing 30,000 ordinary shares in SESB, for a cash consideration of RM4,189,959, resulting in the Company holding 100% equity interest in SESB.

SESB holds 80% shares in Sam Chem Sphere Joint Stock Company ("SCSJV"). On 11 August 2017, the Company announced that SESB had disposed of 16.75% shares in SCSJV, representing 167,500 ordinary shares, for a cash consideration of RM2,924,242 to Mr Dennis Ho Chin Chye. After the above transactions, SESB holds 63.25% shares in SCSJV. The Groups' effective interest in SCSJV has increased from 56% to 63.25%.

**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 JUNE 2017****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B8. Group borrowings and debt securities**

The Group's borrowings as at 30 June 2017 are as follows:-

<b>Secured</b>	<b>RM'000</b>
Long term borrowings:-	
Term loans	758
Hire purchase creditors	2,694
	<u>3,452</u>
Short term borrowings:-	
Term loans	606
Short term loan	23,357
Bank overdrafts	7,390
Bankers acceptances	30,942
Hire purchase creditors	610
	<u>62,905</u>
<b>Unsecured</b>	
Short term borrowings:-	
Foreign currency trade loan	40,120
Bankers acceptances	87,832
	<u>127,952</u>
<b>Total Borrowings:</b>	<u>194,309</u>

Included in the above borrowings are term loans and trade loans of RM63.48million in USD.

**B9. Financial Instruments**

There were no financial instruments at the end of 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.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B11. Proposed Dividend

The proposed dividend of 1.0 sen per share in respect of the financial year ended 31 December 2016 has been approved at the Annual General Meeting of the Company on 19 May 2017 and paid on 16 June 2017.

For the financial year ended 31 December 2017, the Board of Director has declared a first interim single-tier dividend of 1.0 sen per share. The date of closure 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 30-Jun-17 RM'000</b>	<b>As At 30-Jun-16 RM'000</b>
Realised profits	28,620	93,379
Unrealised Gains/(losses)	(4,103)	(7,131)
	<u>24,517</u>	<u>86,248</u>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2017****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B13. Earnings per share

	Current Quarter 30-Jun-17 RM'000	Preceding Year Corresponding Quarter 30-Jun-16 RM'000	Current Year To Date 30-Jun-17 RM'000	Preceding Year Corresponding Period 30-Jun-16 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	3,374	4,575	8,384	8,218
Weighted average number of ordinary shares in issue ('000)	222,816	136,000	222,816	136,000
Earnings per share-basic (sen):				
- Basic	1.51	3.36	3.76	6.04
- Diluted	1.51	2.05	3.76	3.69

There are 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,

Mr. Ng Thin Poh  
Chairman/ CEO  
Date: 15 August 2017