



**SAMCHEM HOLDINGS BERHAD**

Registration No: 200701039535 (797567 U)

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

INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED

30 JUNE 2022

**SAMCHEM HOLDINGS BERHAD**

Registration No: 200701039535 (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 2022

	Individual Quarter				Cumulative Quarter			
	Preceding Year		Changes		Current	Preceding Year	Changes	
	Current	Corresponding			Year	Corresponding		
	Quarter	Quarter			To Date	Period		
	30-Jun-22	30-Jun-21	RM'000	%	30-Jun-22	30-Jun-21	RM'000	%
REVENUE	366,671	371,558	(4,887)	-1%	731,184	702,255	28,929	4%
COST OF SALES	(320,868)	(317,569)	(3,299)	1%	(636,106)	(596,529)	(39,577)	7%
GROSS PROFIT	45,803	53,989	(8,186)	-15%	95,078	105,726	(10,648)	-10%
OTHER INCOME	5,658	2,328	3,330	143%	8,231	3,309	4,922	149%
ADMINISTRATIVE EXPENSES	(15,728)	(17,293)	1,565	-9%	(31,726)	(32,587)	861	-3%
SELLING & DISTRIBUTION EXPENSES	(5,155)	(5,129)	(26)	1%	(10,447)	(10,164)	(283)	3%
OTHER OPERATING EXPENSES	(1,914)	(340)	(1,574)	463%	(1,725)	(868)	(857)	99%
FINANCE COST	(2,019)	(1,463)	(556)	38%	(3,657)	(2,753)	(904)	33%
TOTAL EXPENSES	(24,816)	(24,225)	(591)	2%	(47,555)	(46,372)	(1,183)	3%
PROFIT BEFORE TAX	26,645	32,092	(5,447)	-17%	55,754	62,663	(6,909)	-11%
TAX EXPENSES	(5,379)	(7,731)	2,352	-30%	(11,831)	(14,762)	2,931	-20%
<b>PROFIT FOR THE PERIOD</b>	21,266	24,361	(3,095)	-13%	43,923	47,901	(3,978)	-8%
Other comprehensive income:								
Currency translation differences	3,038	(292)	3,330	-1140%	3,842	1,079	2,763	256%
<b>Other comprehensive income for the period, net of tax</b>	3,038	(292)	3,330	-1140%	3,842	1,079	2,763	256%
<b>Total comprehensive income for the period</b>	24,304	24,069	235	1%	47,765	48,980	(1,215)	-2%
<b>Profit attributable to:</b>								
-Owners of the parent	18,205	19,240	(1,035)	-5%	37,795	38,191	(396)	-1%
-Non controlling interest	3,061	5,121	(2,060)	-40%	6,128	9,710	(3,582)	-37%
	21,266	24,361	(3,095)	-13%	43,923	47,901	(3,978)	-8%
<b>Total comprehensive income attributable to:</b>								
-Owners of the parent	20,234	19,018	1,216	6%	40,355	38,816	1,539	4%
-Non controlling interest	4,070	5,051	(981)	-19%	7,410	10,164	(2,754)	-27%
	24,304	24,069	235	1%	47,765	48,980	(1,215)	-2%
Earnings per share (sen)								
- Basic	3.35	3.54	(0.19)		6.95	7.02	(0.07)	
- Diluted	3.35	3.54	(0.19)		6.95	7.02	(0.07)	

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 30-Jun-2022 RM'000</b>	<b>Audited As At 31-Dec-2021 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	32,212	31,261
Right of use assets	40,965	36,802
Deferred tax assets	930	1,048
	<u>74,107</u>	<u>69,111</u>
<b>Current Assets</b>		
Inventories	233,892	193,412
Trade and other receivables	279,073	307,246
Tax recoverables	1,596	519
Cash and bank balances	98,962	86,014
	<u>613,523</u>	<u>587,191</u>
Non-current asset held for sale	706	910
<b>Total Assets</b>	<u><u>688,336</u></u>	<u><u>657,212</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	136,954	136,954
Retained profits	163,735	134,100
Others reserves	(23,477)	(26,037)
Total shareholders' equity	<u>277,212</u>	<u>245,017</u>
Non controlling interest	37,800	30,450
<b>Total Equity</b>	<u><u>315,012</u></u>	<u><u>275,467</u></u>
<b>Non Current Liabilities</b>		
Borrowings	6,550	6,703
Retirement benefits obligations	1,400	1,384
Lease liabilities	5,334	2,463
Deferred tax liabilities	599	486
	<u>13,883</u>	<u>11,036</u>
<b>Current Liabilities</b>		
Trade and other payables	91,493	144,127
Lease liabilities	4,095	2,570
Borrowings	257,929	218,118
Taxation	5,924	5,894
	<u>359,441</u>	<u>370,709</u>
	<u>359,441</u>	<u>370,709</u>
<b>Total Liabilities</b>	<u><u>373,324</u></u>	<u><u>381,745</u></u>
<b>Total Equity and Liabilities</b>	<u><u>688,336</u></u>	<u><u>657,212</u></u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.51</u>	<u>0.45</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for financial year ended 31 December 2021 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 2022**

	<b>Current Year to Date 30-Jun-22 RM'000</b>	<b>Preceding year Corresponding Period 30-Jun-21 RM'000</b>
<b>Cash Flows from operating activities</b>		
Profit before taxation	55,754	62,663
Adjustment for:		
Amortisation of right of use assets	2,491	2,852
Depreciation and amortisation	902	863
Gain on disposal of PPE and Investment property	(3,180)	1
Interest expenses	3,657	2,753
Interest income	(470)	(289)
Property, plant and equipment written off	(124)	-
(Reversal of) Provision for doubtful debts	(600)	(96)
Retirement benefit obligations	-	469
Unrealised (gain)/loss on foreign exchange	(40)	366
Operating profit before working capital changes	58,390	69,582
Changes in working capital:		
Receivable	29,723	(57,238)
Inventories	(40,481)	(39,068)
Payables	(52,804)	20,261
Cash used in operations	(5,172)	(6,463)
Income taxes	(12,814)	(5,367)
<b>Net cash used in operating activities</b>	<b>(17,986)</b>	<b>(11,830)</b>
<b>Cash flows from investing activities</b>		
Purchase of PPE and right of use assets	(10,343)	(2,086)
Proceeds from disposal of PPE and investment property	4,032	37
Proceeds from disposal of shares in subsidiary	-	400
Interest received	470	289
<b>Net cash used in investing activities</b>	<b>(5,841)</b>	<b>(1,360)</b>
<b>Cash flows from financing activities</b>		
Net drawdown of borrowings and leasing	44,105	86,829
Dividend paid	(8,160)	(8,160)
Dividend paid to non-controlling interest	(60)	(180)
Interest paid	(3,657)	(2,753)
<b>Net cash generated from financing activities</b>	<b>32,228</b>	<b>75,736</b>
<b>Net increase in cash and cash equivalents</b>	<b>8,401</b>	<b>62,546</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>85,615</b>	<b>78,920</b>
<b>Net effect of exchange rate changes</b>	<b>4,547</b>	<b>1,227</b>
<b>Cash and cash equivalents at the end of period</b>	<b>98,563</b>	<b>142,693</b>
<b>Cash and cash equivalents comprise:</b>		
<b>Cash and bank balances</b>	<b>98,962</b>	<b>143,092</b>
<b>Fixed deposit pledged</b>	<b>(399)</b>	<b>(399)</b>
	<b>98,563</b>	<b>142,693</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for financial year ended 31 December 2021 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 2022**

	← Attributable to owners of the parent →					Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Capital Reserve	Reverse Acquisition Reserve	Translation Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>Balance at 1 January 2022</b>	136,954	13,355	(40,726)	1,334	134,100	245,017	30,450	275,467
Profit for the period	-	-	-	-	37,795	37,795	6,128	43,923
Other comprehensive income for the period	-	-	-	2,560	-	2,560	1,282	3,842
<b>Total comprehensive income for the period</b>	-	-	-	2,560	37,795	40,355	7,410	47,765
Dividend paid to non controlling interest	-	-	-	-	-	-	(60)	(60)
Dividend paid	-	-	-	-	(8,160)	(8,160)	-	(8,160)
<b>Total changes in equity for the period</b>	-	-	-	-	(8,160)	(8,160)	(60)	(8,220)
<b>Balance at 30 June 2022</b>	136,954	13,355	(40,726)	3,894	163,735	277,212	37,800	315,012

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2021**

	← Attributable to owners of the parent →					Total Shareholders' Equity	Non Controlling Interest	Total Equity
	Share Capital	Capital Reserve	Reverse Acquisition Reserve	Translation Reserve	Retained Profits			
	RM'000	RM'000	RM'000	RM'000	RM'000			
<b>Balance at 1 January 2021</b>	136,954	13,355	(40,726)	305	78,146	188,034	15,841	203,875
Profit for the period	-	-	-	-	38,191	38,191	9,710	47,901
Other comprehensive income for the period	-	-	-	625	-	625	454	1,079
<b>Total comprehensive income for the period</b>	-	-	-	625	38,191	38,816	10,164	48,980
Acquisition of non-controlling interest	-	-	-	-	-	-	400	400
Dividend paid to non controlling interest	-	-	-	-	-	-	(180)	(180)
Dividend declared	-	-	-	-	(8,160)	(8,160)	-	(8,160)
<b>Total changes in equity for the period</b>	-	-	-	-	(8,160)	(8,160)	220	(7,940)
<b>Balance at 30 June 2021</b>	136,954	13,355	(40,726)	930	108,177	218,690	26,225	244,915

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 2021 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 2022****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING****A1. Accounting Policies and Basis of Preparation**

The condensed financial statements are unaudited and have been prepared in accordance with the Malaysia Financial Reporting Standards (“MFRSs”) 134, Interim Financial Reporting and Chapter 9 Part K of the Bursa Securities Listing Requirements and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to the unaudited condensed consolidated financial statements.

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 2021.

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 2021, except for the adoption of the following:

<b>MFRSs/Interpretations/Amendments</b>	<b>Effective date</b>
Amendments to MFRS 1, <i>First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to MFRS 3, <i>Business Combinations – Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 9, <i>Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to Illustrative Examples accompanying MFRS 16, <i>Leases (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022
Amendments to MFRS 116, <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137, <i>Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 141, <i>Agriculture (Annual Improvements to MFRS Standards 2018–2020)</i>	1 January 2022

The adoption of the above standards/amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group’s and the Company’s existing accounting policies.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022**

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

A2. Auditors' report

There was no qualification on the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2021.

A3. Seasonal or cyclical factors

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

A4. Items of unusual nature and amount

The company has disposed of a factory lot to Sky & Sanders Holdings Sdn Bhd for a consideration of RM 3.8 million in the current quarter. The gain on disposal was RM 2.7 million.

In the current quarter, the Company was granted an insurance claim amounting to RM 1.5 million with respect to damage of inventory and equipment caused by heavy flooding in December 2021.

A5. Material changes in estimates

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

A6. 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.

A7. Dividends paid

On 17 May 2022, the Company paid a fourth interim single dividend of 1.5 sen per share in respect of financial year ended 31 December 2021 amounting to RM8.16 million.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING****A8. Segmental information****Business Segments**

The Group operates mainly in the business involving the distribution of industrial chemicals with operations in the blending of customized solvents. The Company's businesses in the distribution, service and solution of Audio Video industry is mostly residual.

**(i) Current Quarter**

<b>(i) Segment Revenue</b>	<b>Preceding Year</b>		<b>Changes</b>	
	<b>Current Quarter</b>	<b>Corresponding Quarter</b>		
<b>Analysed by geographical segments:</b>	<b>30-Jun-22</b>	<b>30-Jun-21</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	176,100	131,435	44,665	34%
Indonesia	24,919	40,237	(15,318)	-38%
Vietnam	156,553	192,900	(36,347)	-19%
Singapore	9,094	6,986	2,108	30%
Revenue from chemical distribution and blending operations	366,666	371,558	(4,892)	-1%
<b><u>Audio Video Operations:</u></b>				
Revenue from Audio Video Operations	5	-	5	
<b>Total segment revenue</b>	<b>366,671</b>	<b>371,558</b>	<b>(4,887)</b>	<b>-1%</b>
<b>(ii) Segment Profit before tax</b>				
<b>Analysed by geographical segments:</b>				
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	16,565	10,171	6,394	63%
Indonesia	1,320	4,811	(3,491)	-73%
Vietnam	8,309	16,622	(8,313)	-50%
Singapore	490	493	(3)	-1%
Profit before tax from chemical distribution and blending operations	26,684	32,097	(5,413)	-17%
<b><u>Audio Video Operations:</u></b>				
Loss before tax from Audio Video Operations	(39)	(5)	(34)	680%
<b>Total Segment Profit before tax</b>	<b>26,645</b>	<b>32,092</b>	<b>(5,447)</b>	<b>-17%</b>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

## A8. Segmental information

## (ii) Year-To-Date

	Current Year To Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000	Changes	
			RM'000	%
<b>(i) Segment Revenue</b>				
<b>Analysed by geographical segments:</b>				
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	344,922	271,696	73,226	27%
Indonesia	57,566	79,289	(21,723)	-27%
Vietnam	312,004	339,305	(27,301)	-8%
Singapore	16,684	11,963	4,721	39%
Revenue from chemical distribution and blending operations	731,176	702,253	28,923	4%
<b><u>Audio Video Operations:</u></b>				
Revenue from Audio Video Operations	8	2	6	300%
<b>Total segment revenue</b>	<b>731,184</b>	<b>702,255</b>	<b>28,929</b>	<b>4%</b>
<b>(ii) Segment Profit before tax</b>				
<b>Analysed by geographical segments:</b>				
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	32,240	22,692	9,548	42%
Indonesia	4,211	7,933	(3,722)	-47%
Vietnam	18,378	31,559	(13,181)	-42%
Singapore	965	492	473	96%
Profit before tax from chemical distribution and blending operations	55,794	62,676	(6,882)	-11%
<b><u>Audio Video Operations:</u></b>				
Loss before tax from Audio Video Operations	(40)	(13)	(27)	208%
<b>Total Segment Profit before tax</b>	<b>55,754</b>	<b>62,663</b>	<b>(6,909)</b>	<b>-11%</b>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022**

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

A9. Valuation of property, plant and equipment

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

A10. Capital commitments

As at 30 June 2022, there were no capital commitments other than those stated below:

	RM'000
Approved and contracted for	
- Building in progress	<u>10,147</u>

A11. 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.

A12. Changes in the composition of the Group

On 7 June 2022, the Company had entered into a Sale and Purchase Agreement with a non-controlling shareholder to purchase 40% of the issued share capital in Samsentosa Chemicals Sdn Bhd ("SCS"), a subsidiary of the Company, for a consideration of RM 2.2 million. The transfer of shares was effected on 6 July 2022, and upon completion SCS shall become a 100% owned subsidiary of the Company.

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There were no changes in the contingent liabilities and contingent assets since the Statement of Financial Position as at 30 June 2022 except for the following:

	RM'000	RM'000 31.12.2021
As At 31 December 2021	300,237	
Changes during the period:		
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	7,169	135,272
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	(27,274)	70,312
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	7,613	22,860
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	(60,198)	71,793
As At 30 June 2022	227,547	300,237

**A14. Related party transactions**

The Group has the following transactions with the related parties during the current quarter under review.

	Current Quarter 30-Jun-22 RM'000	Current Year to date 30-Jun-22 RM'000
Sales & Purchase of products*	243	869

\* 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.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B1. Performance review

(i) Current Quarter

	Individual Quarter		Changes	
	Current Quarter 30-Jun-22 RM'000	Preceding Year Corresponding Quarter 30-Jun-21 RM'000	RM'000	%
REVENUE	366,671	371,558	(4,887)	-1%
COST OF SALES	(320,868)	(317,569)	(3,299)	1%
GROSS PROFIT	45,803	53,989	(8,186)	-15%
OTHER INCOME	5,658	2,328	3,330	143%
ADMINISTRATIVE EXPENSES	(15,728)	(17,293)	1,565	-9%
SELLING & DISTRIBUTION EXPENSES	(5,155)	(5,129)	(26)	1%
OTHER OPERATING EXPENSES	(1,914)	(340)	(1,574)	463%
FINANCE COST	(2,019)	(1,463)	(556)	38%
TOTAL EXPENSES	(24,816)	(24,225)	(591)	2%
PROFIT BEFORE TAX	26,645	32,092	(5,447)	-17%
TAX EXPENSES	(5,379)	(7,731)	2,352	-30%
<b>Profit for the period</b>	21,266	24,361	(3,095)	-13%

The Group recorded a lower revenue of RM366.67 million for the current quarter under review, compared to RM371.56 million for the corresponding quarter in the preceding year, which represents a decrease of 1.32%. The revenue decrease is due to a decrease in sales volume in the current quarter under review compared to the corresponding quarter.

The Group recorded a lower profit before tax for the current quarter of RM26.65 million, representing a decrease of 16.95% compared to the profit before tax for the corresponding quarter in the preceding year of RM32.09 million. The decrease is mainly due to narrower margins arising from the competitive business environment in the current quarter under review.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2022****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B1. Performance review

(ii) Year-To-Date

	Cumulative Quarter		Changes	
	Current Year To Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000	RM'000	%
REVENUE	731,184	702,255	28,929	4%
COST OF SALES	(636,106)	(596,529)	(39,577)	7%
GROSS PROFIT	95,078	105,726	(10,648)	-10%
OTHER INCOME	8,231	3,309	4,922	149%
ADMINISTRATIVE EXPENSES	(31,726)	(32,587)	861	-3%
SELLING & DISTRIBUTION EXPENSES	(10,447)	(10,164)	(283)	3%
OTHER OPERATING EXPENSES	(1,725)	(868)	(857)	99%
FINANCE COST	(3,657)	(2,753)	(904)	33%
TOTAL EXPENSES	(47,555)	(46,372)	(1,183)	3%
PROFIT BEFORE TAX	55,754	62,663	(6,909)	-11%
TAX EXPENSES	(11,831)	(14,762)	2,931	-20%
<b>Profit for the period</b>	43,923	47,901	(3,978)	-8%

The Group recorded a higher revenue of RM 731.18 million for the financial year to date under review, compared to RM 702.26 million for the corresponding quarter in the preceding year, which represents an increase of 4.12%. The increase is due to higher average selling price for the year to date under review.

The Group recorded a lower profit before tax for the financial year to date of RM55.75 million, representing a decrease of RM6.91 million compared to the profit before tax of RM 62.66 million in the preceding corresponding period. This is mainly due to lower profit margins for the year to date under review.

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

	<b>Current Quarter 30-Jun-22 RM'000</b>	<b>Immediate Preceding Quarter 31-Mar-22 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
REVENUE	366,671	364,513	2,158	1%
COST OF SALES	(320,868)	(315,238)	(5,630)	2%
GROSS PROFIT	45,803	49,275	(3,472)	-7%
OTHER INCOME	5,658	3,663	1,995	54%
ADMINISTRATIVE EXPENSES	(15,728)	(15,998)	270	-2%
SELLING & DISTRIBUTION EXPENSES	(5,155)	(5,293)	138	-3%
OTHER OPERATING EXPENSES	(1,914)	(900)	(1,014)	113%
FINANCE COST	(2,019)	(1,638)	(381)	23%
TOTAL EXPENSES	(24,816)	(23,829)	(987)	4%
PROFIT BEFORE TAX	26,645	29,109	(2,464)	-8%
TAX EXPENSES	(5,379)	(6,452)	1,073	-17%
<b>Profit for the period</b>	<b>21,266</b>	<b>22,657</b>	<b>(1,391)</b>	<b>-6%</b>

The Group recorded a lower profit before tax of RM26.65 million for the current quarter under review as compared to the profit before tax in the immediate preceding quarter of RM29.11 million. This is mainly due to lower profit margin.

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Our performance is driven by the demand and supply for chemicals in the market, regional consumption and economic conditions and can be affected by exchange rate fluctuations, competition, disruptions to demand and supply as well as Covid-19 pandemic challenges. The management will continue to focus on operational efficiencies and expansion of new products and service offerings to improve the Group's performance. Barring unforeseen circumstances, the Board of Directors are confident of the Group's performance for the remaining financial 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.

**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
	30-Jun-22	30-Jun-21	30-Jun-22	30-Jun-21
	RM'000	RM'000	RM'000	RM'000
Interest income	(256)	(168)	(470)	(289)
Gain on disposal of PPE	(2,909)	1	(3,180)	1
Interest expense	2,019	1,463	3,657	2,753
Depreciation and amortization	1,534	1,599	3,393	3,715
Foreign exchange (gain)/ loss-realised	1,805	(645)	714	(1,776)
Foreign exchange (gain)/ loss-unrealised	(404)	(952)	(40)	366
Provision for doubtful debts	(300)	-	(600)	(96)
Insurance claim received	(1,495)	-	(1,495)	-

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## B6. Taxation

	Current Year Quarter 30-Jun-22 RM'000	Current Year To Date 30-Jun-22 RM'000
Current tax expense	5,328	11,596
Deferred tax expense	51	235
	<u>5,379</u>	<u>11,831</u>

The effective tax rate for the current year to date under review is lower than the statutory tax mainly due to lower tax rates in Indonesia and Vietnam as well as a gain on disposal of property in the current quarter under review.

## B7. Status of corporate proposal

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



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B8. Group borrowings and debt securities are as follows:-

	30-Jun-22		30-Jun-21	
	Borrowing	Equivalent	Borrowing	Equivalent
	'000	RM'000	'000	RM'000
<b>Long term borrowings</b>				
Secured:-				
Term loans				
- MYR	6,550	6,550	6,790	6,790
<b>Total Long term borrowings</b>		6,550		6,790
<b>Short term borrowings</b>				
Secured:-				
Term loans				
- MYR	857	857	885	885
Trade Loan				
- USD	3,527	15,695	2,930	12,308
- VND	577,953,635	109,769	550,256,719	99,830
Bankers acceptances				
- MYR	119,214	119,214	103,233	103,233
Unsecured:-				
Foreign currency trade loans				
- USD	2,785	12,394	9,273	38,947
<b>Total Short term borrowings</b>		257,929		255,203
<b>Total Borrowings:</b>		264,479		261,993

1 USD to MYR

4.45

100 VND to MYR

0.018993

4.20

0.018143

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 are 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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For the first quarter of 2022, the Board of Directors has declared a first interim single-tier dividend of 1.0 sen per share. The dividend has been paid on 15<sup>th</sup> July 2022.

For the second quarter of 2022, the Board of Directors has declared a second interim single-tier dividend of 1.0 sen per share. The date of book closure for the dividend payment will be announced in due course.

**B12. Earnings per share**

	Current Quarter 30-Jun-22 RM'000	Preceding Year Corresponding Quarter 30-Jun-21 RM'000	Current Year To Date 30-Jun-22 RM'000	Preceding Year Corresponding Period 30-Jun-21 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	18,205	19,240	37,795	38,191
Weighted average number of ordinary shares in issue ('000)	544,000	544,000	544,000	544,000
Earnings per share-basic (sen)				
- Basic	3.35	3.54	6.95	7.02
- Diluted	3.35	3.54	6.95	7.02

There are no potential dilutive ordinary shares outstanding as at end of the current quarter under review.

By Order of the Board,

Mr. Ng Thin Poh  
Executive Chairman/ Chief Executive Officer  
Date: 28 July 2022