



**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 2024

**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 2024**

	Individual Quarter				Cumulative Quarter			
	Preceding Year Current Quarter 30-Jun-24 RM'000	Corresponding Quarter 30-Jun-23 RM'000	Changes		Current Year To Date 30-Jun-24 RM'000	Preceding Year Corresponding Period 30-Jun-23 RM'000	Changes	
			RM'000	%			RM'000	%
REVENUE	298,434	276,235	22,199	8%	596,676	531,624	65,052	12%
COST OF SALES	(268,901)	(248,141)	(20,760)	8%	(533,292)	(477,825)	(55,467)	12%
GROSS PROFIT	29,533	28,094	1,439	5%	63,384	53,799	9,585	18%
OTHER INCOME	1,342	2,133	(791)	-37%	2,944	7,703	(4,759)	-62%
ADMINISTRATIVE EXPENSES	(16,055)	(14,402)	(1,653)	11%	(33,920)	(28,488)	(5,432)	19%
SELLING & DISTRIBUTION EXPENSES	(4,574)	(5,853)	1,279	-22%	(9,921)	(10,996)	1,075	-10%
OTHER OPERATING EXPENSES	(50)	(69)	19	-28%	(1,196)	(1,785)	589	-33%
FINANCE COST	(2,082)	(2,010)	(72)	4%	(4,046)	(3,842)	(204)	5%
TOTAL EXPENSES	(22,761)	(22,334)	(427)	2%	(49,083)	(45,111)	(3,972)	9%
PROFIT BEFORE TAX	8,114	7,893	221	3%	17,245	16,391	854	5%
TAX EXPENSES	(1,951)	(1,888)	(63)	3%	(4,025)	(3,844)	(181)	5%
<b>PROFIT FOR THE PERIOD</b>	<b>6,163</b>	<b>6,005</b>	<b>158</b>	<b>3%</b>	<b>13,220</b>	<b>12,547</b>	<b>673</b>	<b>5%</b>
Other comprehensive income:								
Currency translation differences	(3,329)	7,362	(10,691)		(3,045)	9,618	(12,663)	
<b>Other comprehensive income for the period, net of tax</b>	<b>(3,329)</b>	<b>7,362</b>	<b>(10,691)</b>		<b>(3,045)</b>	<b>9,618</b>	<b>(12,663)</b>	
<b>Total comprehensive income for the period</b>	<b>2,834</b>	<b>13,367</b>	<b>(10,533)</b>	<b>-79%</b>	<b>10,175</b>	<b>22,165</b>	<b>(11,990)</b>	<b>-54%</b>
<b>Profit attributable to:</b>								
-Owners of the parent	5,056	5,395	(339)	-6%	11,151	11,930	(779)	-7%
-Non controlling interest	1,107	610	497	81%	2,069	617	1,452	235%
	<b>6,163</b>	<b>6,005</b>	<b>158</b>	<b>3%</b>	<b>13,220</b>	<b>12,547</b>	<b>673</b>	<b>5%</b>
<b>Total comprehensive income attributable to:</b>								
-Owners of the parent	2,489	10,964	(8,475)	-77%	8,789	19,359	(10,570)	-55%
-Non controlling interest	345	2,403	(2,058)	-86%	1,386	2,806	(1,420)	-51%
	<b>2,834</b>	<b>13,367</b>	<b>(10,533)</b>	<b>-79%</b>	<b>10,175</b>	<b>22,165</b>	<b>(11,990)</b>	<b>-54%</b>
Earnings per share (sen)								
- Basic	0.93	0.99	(0.06)		2.05	2.19	(0.14)	
- Diluted	0.93	0.99	(0.06)		2.05	2.19	(0.14)	

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 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-2024 RM'000</b>	<b>Audited As At 31-Dec-2023 RM'000</b>
<b>ASSETS</b>		
<b>Non Current Assets</b>		
Property, plant and equipment	78,788	71,873
Right of use assets	30,867	32,071
Goodwill in acquisition	5,867	-
Deferred tax assets	344	577
	<u>115,866</u>	<u>104,521</u>
<b>Current Assets</b>		
Inventories	147,866	115,077
Trade and other receivables	242,016	235,860
Tax recoverables	4,603	8,249
Cash and bank balances	95,047	76,569
	<u>489,532</u>	<u>435,755</u>
Non-current asset held for sale	-	1,176
<b>Total Assets</b>	<u>605,398</u>	<u>541,452</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	136,954	136,954
Retained profits	176,131	172,596
Other reserves	(24,721)	(22,359)
Total shareholders' equity	<u>288,364</u>	<u>287,191</u>
Non controlling interest	32,166	30,780
<b>Total Equity</b>	<u>320,530</u>	<u>317,971</u>
<b>Non Current Liabilities</b>		
Borrowings	32,897	32,358
Retirement benefits obligations	1,341	1,395
Lease liabilities	1,798	1,839
Deferred tax liabilities	1,592	1,543
	<u>37,628</u>	<u>37,135</u>
<b>Current Liabilities</b>		
Trade and other payables	72,398	57,826
Lease liabilities	1,493	2,084
Borrowings	170,954	122,508
Taxation	2,395	3,928
	<u>247,240</u>	<u>186,346</u>
<b>Total Liabilities</b>	<u>284,868</u>	<u>223,481</u>
<b>Total Equity and Liabilities</b>	<u>605,398</u>	<u>541,452</u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.53</u>	<u>0.53</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for financial year ended 31 December 2023 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 2024**

	<b>Current Year to Date 30-Jun-24 RM'000</b>	<b>Preceding year Corresponding Period 30-Jun-23 RM'000</b>
<b>Cash Flows from operating activities</b>		
Profit before taxation	17,245	16,391
Adjustment for:		
Amortisation of right of use assets	1,488	1,405
Depreciation and amortisation	2,239	1,568
Gain on disposal of PPE	(92)	(2,226)
Interest expenses	4,046	3,842
Interest income	(760)	(479)
Net unrealised gain on foreign exchange	(358)	(1,394)
Property, plant and equipment written off	(41)	(22)
Reversal of inventories written down	(51)	(459)
Retirement benefit obligations	153	(86)
Operating profit before working capital changes	23,869	18,540
Changes in working capital:		
Receivables	(4,026)	1,226
Inventories	(32,738)	14,789
Payables	12,750	(14,661)
Cash generated from operations	(145)	19,894
Income tax paid	(2,170)	(9,009)
<b>Net cash (used in)/ generated from operating activities</b>	<b>(2,315)</b>	<b>10,885</b>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash	(9,835)	-
Purchase of PPE and right of use assets	(2,744)	(1,870)
Proceeds from disposal of PPE	1,230	3,815
Interest received	760	479
<b>Net cash (used in)/ generated from investing activities</b>	<b>(10,589)</b>	<b>2,424</b>
<b>Cash flows from financing activities</b>		
Net drawdown of borrowings and leasing	44,477	5,674
Dividend paid	(7,616)	(6,528)
Interest paid	(4,046)	(3,842)
<b>Net cash generated/ (used in) financing activities</b>	<b>32,815</b>	<b>(4,696)</b>
<b>Net increase in cash and cash equivalents</b>	<b>19,911</b>	<b>8,613</b>
<b>Cash and cash equivalents at the beginning of period</b>	<b>76,415</b>	<b>78,546</b>
Net effect of exchange rate changes	(1,433)	6,264
<b>Cash and cash equivalents at the end of period</b>	<b>94,893</b>	<b>93,423</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	95,047	93,822
Fixed deposit pledged	(154)	(399)
	<b>94,893</b>	<b>93,423</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for financial year ended 31 December 2023 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 2024**

	← Attributable to owners of the parent →						Non Controlling Interest	Total Equity
	Share Capital	Capital Reserve	Reverse Acquisition Reserve	Translation Reserve	Retained Profits	Total Shareholders' Equity		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Balance at 1 January 2024</b>	136,954	13,355	(40,726)	5,012	172,596	287,191	30,780	317,971
Profit for the period	-	-	-	-	11,151	11,151	2,069	13,220
Other comprehensive income for the period	-	-	-	(2,362)	-	(2,362)	(683)	(3,045)
<b>Total comprehensive income for the period</b>	-	-	-	(2,362)	11,151	8,789	1,386	10,175
Dividend paid	-	-	-	-	(7,616)	(7,616)	-	(7,616)
<b>Total changes in equity for the period</b>	-	-	-	-	(7,616)	(7,616)	-	(7,616)
<b>Balance at 30 June 2024</b>	136,954	13,355	(40,726)	2,650	176,131	288,364	32,166	320,530

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2023**

	← Attributable to owners of the parent →						Non Controlling Interest	Total Equity
	Share Capital	Capital Reserve	Reverse Acquisition Reserve	Translation Reserve	Retained Profits	Total Shareholders' Equity		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
<b>Balance at 1 January 2023</b>	136,954	13,355	(40,726)	659	155,571	265,813	24,307	290,120
Profit for the period	-	-	-	-	11,930	11,930	617	12,547
Other comprehensive income for the period	-	-	-	7,429	-	7,429	2,189	9,618
<b>Total comprehensive income for the period</b>	-	-	-	7,429	11,930	19,359	2,806	22,165
Dividend paid	-	-	-	-	(6,528)	(6,528)	-	(6,528)
<b>Total changes in equity for the period</b>	-	-	-	-	(6,528)	(6,528)	-	(6,528)
<b>Balance at 30 June 2023</b>	136,954	13,355	(40,726)	8,088	160,973	278,644	27,113	305,757

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 2023 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 2024****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 2023 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 2023.

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 2023, except for the adoption of the following:

<b>MFRSs/Interpretations/Amendments</b>	<b>Effective date</b>
<b><u>Amendments/Improvements to MFRSs</u></b>	
MFRS 7, <i>Financial Instruments: Disclosures</i>	01-Jan-24
MFRS 10, Consolidated Financial Statements	DEFERRED
MFRS 16, Lease Liability	01-Jan-24
MFRS 101, Presentation of Financial Statements	01-Jan-24
MFRS 107, Statements of Cash Flows	01-Jan-24
MFRS 121, The Effects of Changes in Foreign Exchange Rate	01-Jan-25
MFRS 128, Investments in Associates and Joint Ventures	DEFERRED

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.

**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 2023.

**A3. Seasonal or cyclical factors**

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

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024**

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

**A4. 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.

**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 and financial year-to-date.

**A7. Dividends paid**

On 15 January 2024, the Company paid a third interim single tier dividend of 0.6 sen per share in respect of financial year ended 31 December 2023 amounting to RM3.26 million.

On 24 April 2024, the Company paid a fourth interim single tier dividend of 0.8 sen per share in respect of financial year ended 31 December 2023 amounting to RM4.35 million.

On 31 July 2024, the Company paid a first interim single tier dividend of 0.5 sen per share in respect of financial year ended 31 December 2024 amounting to RM2.72 million.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****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

	Preceding Year		Changes	
	Current Quarter	Corresponding Quarter	RM'000	%
<b><u>(i) Segment Revenue</u></b>				
<b>Analysed by geographical segments:</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>		
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>%</b>
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	149,646	129,138	20,508	16%
Indonesia	13,660	16,657	(2,997)	-18%
Vietnam	127,478	123,570	3,908	3%
Singapore	7,650	6,870	780	11%
Revenue from chemical distribution and blending operations	298,434	276,235	22,199	8%
<b><u>Audio Video Operations:</u></b>				
Revenue from Audio Video Operations	-	-	-	-
<b>Total segment revenue</b>	<b>298,434</b>	<b>276,235</b>	<b>22,199</b>	<b>8%</b>

## (ii) Segment Profit before tax

## Analysed by geographical segments:

<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	4,818	5,255	(437)	-8%
Indonesia	(655)	265	(920)	N/A
Vietnam	3,497	1,989	1,508	76%
Singapore	454	384	70	18%
Profit before tax from chemical distribution and blending operations	8,114	7,893	221	3%
<b><u>Audio Video Operations:</u></b>				
Loss before tax from Audio Video Operations	-	-	-	-
<b>Total Segment Profit before tax</b>	<b>8,114</b>	<b>7,893</b>	<b>221</b>	<b>3%</b>



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

## A8. Segmental information

## (ii) Year-To-date

<b>(i) Segment Revenue</b>	<b>Current</b>	<b>Preceding Year</b>	<b>Changes</b>	
	<b>Year To Date</b>	<b>Corresponding Period</b>		
<b>Analysed by geographical segments:</b>	<b>30-Jun-24</b>	<b>30-Jun-23</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	305,870	267,971	37,899	14%
Indonesia	27,237	36,173	(8,936)	-25%
Vietnam	248,667	214,857	33,810	16%
Singapore	14,902	12,623	2,279	18%
Revenue from chemical distribution and blending operations	596,676	531,624	65,052	12%
<b><u>Audio Video Operations:</u></b>				
Revenue from Audio Video Operations	-	-	-	-
<b>Total segment revenue</b>	<b>596,676</b>	<b>531,624</b>	<b>65,052</b>	<b>12%</b>
<b>(ii) Segment Profit before tax</b>				
<b>Analysed by geographical segments:</b>				
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	9,925	13,756	(3,831)	-28%
Indonesia	(1,318)	88	(1,406)	N/A
Vietnam	7,712	1,918	5,794	302%
Singapore	929	630	299	47%
Profit before tax from chemical distribution and blending operations	17,248	16,392	856	5%
<b><u>Audio Video Operations:</u></b>				
Profit/ (Loss) before tax from Audio Video Operations	(3)	(1)	(2)	200%
<b>Total Segment Profit before tax</b>	<b>17,245</b>	<b>16,391</b>	<b>854</b>	<b>5%</b>

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024**

**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 2024, there were no capital commitments.

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 11 December 2023, SC Udes Sdn Bhd, a subsidiary of the Company, had entered into an agreement to acquire 100% of the issued share capital in CKJ Logistics Sdn Bhd, for a consideration of RM8,530,000. CKJ Logistics Sdn Bhd is into the logistics services business, focusing on the transport of liquid and gaseous products. The acquisition will enhance the Company's value chain capabilities in adding further competencies and capacities to our logistics' competitive advantages. The purchase was completed on 1 February 2024.

In Q4 2023, the Board of Directors had decided to dissolve Sampro Distribution Sdn Bhd ("Sampro"), a 95% owned subsidiary of the Company that has ceased operations and was dormant. Sampro has now been struck off pursuant to Section 550 of the Companies Act 2016 and publication of the name of Sampro in the Gazette under Section 551(3) was gazetted on 23 July 2024.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****A. NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (FRS 134): INTERIM FINANCIAL REPORTING**

## A13. Changes in contingent liabilities and contingent assets

The changes in the contingent liabilities and contingent assets of the Group since the Statement of Financial Position as at 31 December 2023 are as follows:

	RM'000
As at 31 December 2023	137,216
Changes during the period:	
Corporate guarantee provided by the Company to financial institutions in respect of financing facilities granted to local subsidiaries	20,165
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	49,038
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	10,777
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	(1,008)
As at 30 June 2024	216,188

## A14. Related party transactions

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

	Current Quarter 30-Jun-24 RM'000	Current Year to date 30-Jun-24 RM'000
Sales & Purchase of products*	1,229	1,714

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 2024****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-24 RM'000	Preceding Year Corresponding Quarter 30-Jun-23 RM'000	RM'000	%
REVENUE	298,434	276,235	22,199	8%
COST OF SALES	(268,901)	(248,141)	(20,760)	8%
GROSS PROFIT	29,533	28,094	1,439	5%
OTHER INCOME	1,342	2,133	(791)	-37%
ADMINISTRATIVE EXPENSES	(16,055)	(14,402)	(1,653)	11%
SELLING & DISTRIBUTION EXPENSES	(4,574)	(5,853)	1,279	-22%
OTHER OPERATING EXPENSES	(50)	(69)	19	-28%
FINANCE COST	(2,082)	(2,010)	(72)	4%
TOTAL EXPENSES	(22,761)	(22,334)	(427)	2%
PROFIT BEFORE TAX	8,114	7,893	221	3%
TAX EXPENSES	(1,951)	(1,888)	(63)	3%
<b>Profit for the period</b>	<b>6,163</b>	<b>6,005</b>	<b>158</b>	<b>3%</b>

The Group recorded a higher revenue of RM298.43 million for the current quarter under review, compared to RM276.24 million for the corresponding quarter in the preceding year, which represents an increase of 8.03%. The revenue increase is due to an increase in sales volume in the current quarter under review compared to the corresponding quarter.

The Group recorded a profit before tax of RM8.11 million for the current quarter, compared to the profit before tax for the corresponding quarter in the preceding year of RM7.89 million. This is mainly due to higher sales volume.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****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-24 RM'000	Preceding Year Corresponding Period 30-Jun-23 RM'000		
REVENUE	596,676	531,624	65,052	12%
COST OF SALES	(533,292)	(477,825)	(55,467)	12%
GROSS PROFIT	63,384	53,799	9,585	18%
OTHER INCOME	2,944	7,703	(4,759)	-62%
ADMINISTRATIVE EXPENSES	(33,920)	(28,488)	(5,432)	19%
SELLING & DISTRIBUTION EXPENSES	(9,921)	(10,996)	1,075	-10%
OTHER OPERATING EXPENSES	(1,196)	(1,785)	589	-33%
FINANCE COST	(4,046)	(3,842)	(204)	5%
TOTAL EXPENSES	(49,083)	(45,111)	(3,972)	9%
PROFIT BEFORE TAX	17,245	16,391	854	5%
TAX EXPENSES	(4,025)	(3,844)	(181)	5%
<b>Profit for the period</b>	<b>13,220</b>	<b>12,547</b>	<b>673</b>	<b>5%</b>

The Group recorded a higher revenue of 596.68 million for the financial year to date under review, compared to RM531.62 million for the corresponding period in the preceding year, which represents an increase of 12.24%. The increase is due to higher sales volume for the year to date under review.

The Group recorded a higher profit before tax for the financial year to date of RM17.25 million, representing an increase of RM0.86 million compared to the profit before tax of RM16.39 million in the preceding corresponding period. This is mainly due to higher gross profit margins for the year to date under review.

**SAMCHEM HOLDINGS BERHAD**

Registration No: 200701039535 (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 2024****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

	<b>Current Quarter 30-Jun-24 RM'000</b>	<b>Immediate Preceding Quarter 31-Mar-24 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
REVENUE	298,434	298,242	192	0%
COST OF SALES	(268,901)	(264,392)	(4,509)	2%
GROSS PROFIT	29,533	33,850	(4,317)	-13%
OTHER INCOME	1,342	1,602	(260)	-16%
ADMINISTRATIVE EXPENSES	(16,055)	(17,865)	1,810	-10%
SELLING & DISTRIBUTION EXPENSES	(4,574)	(5,347)	773	-14%
OTHER OPERATING EXPENSES	(50)	(1,146)	1,096	-96%
FINANCE COST	(2,082)	(1,964)	(118)	6%
TOTAL EXPENSES	(22,761)	(26,322)	3,561	-14%
PROFIT BEFORE TAX	8,114	9,130	(1,016)	-11%
TAX EXPENSES	(1,951)	(2,073)	122	-6%
<b>Profit for the period</b>	<b>6,163</b>	<b>7,057</b>	<b>(894)</b>	<b>-13%</b>

The Group recorded a lower profit before tax of RM8.11 million for the current quarter under review as compared to the profit before tax in the immediate preceding quarter of RM9.13 million. The lower profit before tax compared to the preceding quarter is mainly due to lower gross profit margins.

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Registration No: 200701039535 (797567 U)

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024**

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

**B3. Prospects for the remaining financial year**

Cautious sentiment persisted in the market amid China's slower than expected economic recovery. However, the pick-up in demand and stabilising prices across key markets in recent months offer optimism for further improvements in the market.

Over the past year, we have expanded our warehousing capacity in both Malaysia and Vietnam, a strategic initiative poised to unlock new opportunities for growth. This expansion is pivotal to facilitate our penetration into new markets segment and to broaden our product portfolio offering. In addition, we aim to capitalise on the potential opportunities arising from both the shifting trends of Chinese manufacturers' supply chain, as well as the relocation of global chemical plants to this region.

While we acknowledge the potential challenge of rising geopolitical tensions and recessionary risks, we remain cautiously optimistic on a more favourable overall operating environment in the second half of the year. Barring unforeseen circumstances, the Board of Directors are cautiously optimistic 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.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B5. Profit for the period

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

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	RM'000	RM'000	RM'000	RM'000
Interest income	(398)	(210)	(760)	(479)
Gain on disposal of PPE	(3)	(83)	(92)	(2,226)
Property, plant and equipment written off	(3)	-	(41)	(22)
Interest expense	2,082	2,010	4,046	3,842
Depreciation and amortization	1,917	1,437	3,727	2,973
Foreign exchange (gain)/ loss-realised	367	(242)	765	(519)
Foreign exchange (gain)/ loss-unrealised	79	(1,049)	(358)	(1,394)



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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B6. Taxation

	Current Year Quarter	Current Year To Date
	30-Jun-24	30-Jun-24
	RM'000	RM'000
Current tax expense	2,057	4,412
Deferred tax expense	(106)	(387)
	<u>1,951</u>	<u>4,025</u>

## B7. Status of corporate proposal

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

**SAMCHEM HOLDINGS BERHAD**

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

	30-Jun-24		30-Jun-23	
	Borrowing	Equivalent	Borrowing	Equivalent
	'000	RM'000	'000	RM'000
<b>Long term borrowings</b>				
Secured:-				
Hire purchase creditors				
- MYR	4,137	4,137	4,131	4,131
- IDR	1,376	40	-	-
Term loans				
- MYR	17,057	17,057	14,002	14,002
- VND	624,015	11,662	378,015	7,465
<b>Total Long term borrowings</b>		32,896		25,598
<b>Short term borrowings</b>				
Secured:-				
Term loans				
- MYR	817	817	520	520
- VND	266,044	4,972	53,980	1,066
Trade Loan				
- MYR	8,806	8,806	6,460	6,460
- IDR	47,864	1,391	-	-
- USD	554	2,639	-	-
- VND	3,589,291	67,079	2,325,868	45,931
Bankers acceptances				
- MYR	75,465	75,465	70,357	70,357
Hire purchase creditors				
- IDR	1,635	48	3,872	122
- MYR	1,434	1,434	705	705
Revolving Credit				
- MYR	8,197	8,304	-	-
Unsecured:-				
Foreign currency trade loans				
- USD	-	-	903	4,245
<b>Total Short term borrowings</b>		170,955		129,406
<b>Total Borrowings:</b>		203,851		155,004

1 USD to MYR  
100 IDR to MYR  
100 VND to MYR

	4.76	4.70
	0.029062	0.031506
	0.018689	0.019748

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024**

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

**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.

**B11. Proposed Dividend**

For the first quarter of 2024, the Board of Directors has declared a first interim dividend of 0.5 sen per share. The dividend was paid on 31<sup>st</sup> July 2024.

For the second quarter of 2024, the Board of Directors has proposed a second interim dividend of 0.5 sen per share. The date of book closure for the dividend payment will be announced in due course.

Moving forward, the Board will be considering dividend declaration on a bi-annual basis to streamline the Company's financial processes and reduce administrative costs.

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 JUNE 2024****B. ADDITIONAL INFORMATION PURSUANT TO THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

## B12. Earnings per share

	Current Quarter 30-Jun-24 RM'000	Preceding Year Corresponding Quarter 30-Jun-23 RM'000	Current Year To Date 30-Jun-24 RM'000	Preceding Year Corresponding Period 30-Jun-23 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	5,056	5,395	11,151	11,930
Weighted average number of ordinary shares in issue ('000)	544,000	544,000	544,000	544,000
Earnings per share-basic (sen)				
- Basic	0.93	0.99	2.05	2.19
- Diluted	0.93	0.99	2.05	2.19

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  
Date: 15<sup>th</sup> Aug 2024