



**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 SEPTEMBER 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 SEPTEMBER 2024**

	Individual Quarter				Cumulative Quarter			
	Preceding Year		Changes		Current Preceding Year		Changes	
	Current Quarter	Corresponding Quarter			To Date	Year Corresponding		
	30-Sep-24	30-Sep-23	RM'000	%	30-Sep-24	30-Sep-23	RM'000	%
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
REVENUE	319,303	322,534	(3,231)	-1%	915,980	854,159	61,821	7%
COST OF SALES	(290,270)	(287,897)	(2,373)	1%	(823,563)	(765,722)	(57,841)	8%
GROSS PROFIT	29,033	34,637	(5,604)	-16%	92,417	88,437	3,980	5%
OTHER INCOME	3,683	3,356	327	10%	6,628	11,059	(4,431)	-40%
ADMINISTRATIVE EXPENSES	(17,256)	(16,674)	(582)	3%	(51,176)	(45,162)	(6,014)	13%
SELLING & DISTRIBUTION EXPENSES	(4,307)	(6,782)	2,475	-36%	(14,229)	(17,778)	3,549	-20%
OTHER OPERATING EXPENSES	(1,088)	(512)	(576)	113%	(2,284)	(2,297)	13	-1%
FINANCE COST	(2,237)	(1,663)	(574)	35%	(6,283)	(5,506)	(777)	14%
TOTAL EXPENSES	(24,888)	(25,631)	743	-3%	(73,972)	(70,743)	(3,229)	5%
PROFIT BEFORE TAX	7,828	12,362	(4,534)	-37%	25,073	28,753	(3,680)	-13%
TAX EXPENSES	(1,534)	(2,624)	1,090	-42%	(5,559)	(6,468)	909	-14%
<b>PROFIT FOR THE PERIOD</b>	<b>6,294</b>	<b>9,738</b>	<b>(3,444)</b>	<b>-35%</b>	<b>19,514</b>	<b>22,285</b>	<b>(2,771)</b>	<b>-12%</b>
Other comprehensive income:								
Currency translation differences	(9,577)	(2,374)	(7,203)	303%	(12,622)	7,244	(19,866)	N/A
<b>Other comprehensive income for the period, net of tax</b>	<b>(9,577)</b>	<b>(2,374)</b>	<b>(7,203)</b>	<b>303%</b>	<b>(12,622)</b>	<b>7,244</b>	<b>(19,866)</b>	<b>N/A</b>
<b>Total comprehensive income for the period</b>	<b>(3,283)</b>	<b>7,364</b>	<b>(10,647)</b>	<b>N/A</b>	<b>6,892</b>	<b>29,529</b>	<b>(22,637)</b>	<b>-77%</b>
<b>Profit attributable to:</b>								
-Owners of the parent	5,673	8,493	(2,820)	-33%	16,824	20,423	(3,599)	-18%
-Non controlling interest	621	1,245	(624)	-50%	2,690	1,862	828	44%
	<b>6,294</b>	<b>9,738</b>	<b>(3,444)</b>	<b>-35%</b>	<b>19,514</b>	<b>22,285</b>	<b>(2,771)</b>	<b>-12%</b>
<b>Total comprehensive income attributable to:</b>								
-Owners of the parent	(1,096)	6,736	(7,832)	N/A	7,691	26,095	(18,404)	-71%
-Non controlling interest	(2,187)	628	(2,815)	N/A	(799)	3,434	(4,233)	N/A
	<b>(3,283)</b>	<b>7,364</b>	<b>(10,647)</b>	<b>N/A</b>	<b>6,892</b>	<b>29,529</b>	<b>(22,637)</b>	<b>-77%</b>
Earnings per share (sen)								
- Basic	1.04	1.56	(0.52)		3.09	3.75	(0.66)	
- Diluted	1.04	1.56	(0.52)		3.09	3.75	(0.66)	

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.

**SAMCHEM HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>Unaudited As At 30-Sep-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	76,359	71,873
Right of use assets	28,623	32,071
Goodwill in acquisition	5,867	-
Deferred tax assets	582	577
	<u>111,431</u>	<u>104,521</u>
<b>Current Assets</b>		
Inventories	154,555	115,077
Trade and other receivables	249,058	235,860
Tax recoverables	5,932	8,249
Cash and bank balances	70,509	76,569
	<u>480,054</u>	<u>435,755</u>
Non-current asset held for sale	-	1,176
<b>Total Assets</b>	<u><u>591,485</u></u>	<u><u>541,452</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	136,954	136,954
Retained profits	179,084	172,596
Other reserves	(31,492)	(22,359)
Total shareholders' equity	<u>284,546</u>	<u>287,191</u>
Non controlling interest	<u>29,879</u>	<u>30,780</u>
<b>Total Equity</b>	<u><u>314,425</u></u>	<u><u>317,971</u></u>
<b>Non Current Liabilities</b>		
Borrowings	30,055	32,358
Retirement benefits obligations	1,284	1,395
Lease liabilities	1,505	1,839
Deferred tax liabilities	1,800	1,543
	<u>34,644</u>	<u>37,135</u>
<b>Current Liabilities</b>		
Trade and other payables	70,497	57,826
Lease liabilities	1,090	2,084
Borrowings	169,137	122,508
Taxation	1,692	3,928
	<u>242,416</u>	<u>186,346</u>
<b>Total Liabilities</b>	<u><u>277,060</u></u>	<u><u>223,481</u></u>
<b>Total Equity and Liabilities</b>	<u><u>591,485</u></u>	<u><u>541,452</u></u>
Net assets per ordinary share attributable to ordinary equity holders of the parent (RM)	<u>0.52</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.

**SAMCHEM HOLDINGS BERHAD**

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	<b>Current Year to Date 30-Sep-24 RM'000</b>	<b>Preceding year Corresponding Period 30-Sep-23 RM'000</b>
<b>Cash Flows from operating activities</b>		
Profit before taxation	25,073	28,753
Adjustment for:		
Amortisation of right of use assets	2,235	2,246
Bad debts recovered	-	(30)
Depreciation and amortisation	3,820	2,316
Gain on disposal of PPE	(110)	(2,196)
Interest expenses	6,283	5,506
Interest income	(914)	(831)
Net unrealised gain on foreign exchange	1,925	(1,377)
Property, plant and equipment written off	(41)	(22)
Reversal of inventories written down	(28)	(1,236)
Retirement benefit obligations	226	(86)
Operating profit before working capital changes	<u>38,469</u>	<u>33,043</u>
Changes in working capital:		
Receivables	(13,350)	(35,119)
Inventories	(39,450)	12,697
Payables	<u>10,719</u>	<u>20,038</u>
Cash generated from operations	(3,612)	30,659
Income tax paid	<u>(6,871)</u>	<u>(12,256)</u>
<b>Net cash (used in)/ generated from operating activities</b>	<u>(10,483)</u>	<u>18,403</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiary, net of cash	(9,835)	-
Purchase of PPE and right of use assets	(4,024)	(7,465)
Proceeds from disposal of PPE	1,248	4,048
Proceeds from disposal of shares in subsidiary	-	560
Interest received	914	831
<b>Net cash (used in)/ generated from investing activities</b>	<u>(11,697)</u>	<u>(2,026)</u>
<b>Cash flows from financing activities</b>		
Net drawdown of borrowings and leasing	39,121	(3,128)
Dividend paid	(10,336)	(9,248)
Dividend paid to non-controlling interest	(102)	(144)
Interest paid	<u>(6,283)</u>	<u>(5,506)</u>
<b>Net cash generated/ (used in) financing activities</b>	<u>22,400</u>	<u>(18,026)</u>
<b>Net increase in cash and cash equivalents</b>	220	(1,649)
<b>Cash and cash equivalents at the beginning of period</b>	76,415	78,546
Net effect of exchange rate changes	(6,280)	5,006
<b>Cash and cash equivalents at the end of period</b>	<u>70,355</u>	<u>81,903</u>
<b>Cash and cash equivalents comprise:</b>		
Cash and bank balances	70,509	82,302
Fixed deposit pledged	<u>(154)</u>	<u>(399)</u>
	<u>70,355</u>	<u>81,903</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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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 2024**

	← 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 2024</b>	136,954	13,355	(40,726)	5,012	172,596	287,191	30,780	317,971
Profit for the period	-	-	-	-	16,824	16,824	2,690	19,514
Other comprehensive income for the period	-	-	-	(9,133)	-	(9,133)	(3,489)	(12,622)
<b>Total comprehensive income for the period</b>	-	-	-	(9,133)	16,824	7,691	(799)	6,892
Dividend paid to non controlling interest	-	-	-	-	-	-	(102)	(102)
Dividend paid	-	-	-	-	(10,336)	(10,336)	-	(10,336)
<b>Total changes in equity for the period</b>	-	-	-	-	(10,336)	(10,336)	(102)	(10,438)
<b>Balance at 30 September 2024</b>	136,954	13,355	(40,726)	(4,121)	179,084	284,546	29,879	314,425

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

	← 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 2023</b>	136,954	13,355	(40,726)	659	155,571	265,813	24,307	290,120
Profit for the period	-	-	-	-	20,423	20,423	1,862	22,285
Other comprehensive income for the period	-	-	-	5,672	-	5,672	1,572	7,244
<b>Total comprehensive income for the period</b>	-	-	-	5,672	20,423	26,095	3,434	29,529
Dilution of shares in subsidiary	-	-	-	-	(393)	(393)	-	(393)
Disposal of shares in subsidiary	-	-	-	-	-	-	953	953
Dividend paid to non controlling interest	-	-	-	-	-	-	(144)	(144)
Dividend paid	-	-	-	-	(9,248)	(9,248)	-	(6,528)
<b>Total changes in equity for the period</b>	-	-	-	-	(9,641)	(9,641)	809	(6,112)
<b>Balance at 30 September 2023</b>	136,954	13,355	(40,726)	6,331	166,353	282,267	28,550	310,817

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 SEPTEMBER 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>Effective date</b>
Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	01-Jan-26
Amendments to MFRS 7, Financial Instruments: Disclosures	01-Jan-26
Amendments to MFRS 9, Financial Instruments	01-Jan-26
Amendments to MFRS 10, Consolidated Financial Statements	DEFERRED
MFRS 18, Presentation and Disclosure in Financial Statements	01-Jan-27
MFRS 19, Subsidiaries without Public Accountability: Disclosures	01-Jan-27
Amendments to MFRS 107, Statements of Cash Flows	01-Jan-26
Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rate	01-Jan-25
Amendments to MFRS 128, Investments in Associates and Joint Ventures	DEFERRED
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments Disclosures)	01-Jan-26

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 SEPTEMBER 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.

On 30 October 2024, the Company paid a second 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 SEPTEMBER 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

<u>(i) Segment Revenue</u>	Preceding Year		Changes	
	Current Quarter	Corresponding Quarter	RM'000	%
<b>Analysed by geographical segments:</b>	<b>30-Sep-24</b>	<b>30-Sep-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	159,848	146,406	13,442	9%
Indonesia	20,125	21,079	(954)	-5%
Vietnam	131,530	146,306	(14,776)	-10%
Singapore	7,800	8,743	(943)	-11%
Revenue from chemical distribution and blending operations	319,303	322,534	(3,231)	-1%
<b><u>Audio Video Operations:</u></b>				
Revenue from Audio Video Operations	-	-	-	-
<b>Total segment revenue</b>	<b>319,303</b>	<b>322,534</b>	<b>(3,231)</b>	<b>-1%</b>

## (ii) Segment Profit before tax

## Analysed by geographical segments:

**Chemical Distribution And Blending Operations:**

Malaysia	4,995	7,552	(2,557)	-34%
Indonesia	253	252	1	0%
Vietnam	1,884	3,690	(1,806)	-49%
Singapore	696	874	(178)	-20%
Profit before tax from chemical distribution and blending operations	7,828	12,368	(4,540)	-37%

**Audio Video Operations:**

Loss before tax from Audio Video Operations	-	(6)	6	-
<b>Total Segment Profit before tax</b>	<b>7,828</b>	<b>12,362</b>	<b>(4,534)</b>	<b>-37%</b>



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

## A8. Segmental information

## (ii) Year-To-date

<u>(i) Segment Revenue</u>	Current	Preceding Year	Changes	
	To Date	Corresponding		
Analysed by geographical segments:	30-Sep-24	30-Sep-23	RM'000	%
	RM'000	RM'000		
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	465,719	414,378	51,341	12%
Indonesia	47,362	57,252	(9,890)	-17%
Vietnam	380,197	361,163	19,034	5%
Singapore	22,702	21,366	1,336	6%
Revenue from chemical distribution and blending operations	915,980	854,159	61,821	7%
<b><u>Audio Video Operations:</u></b>				
Revenue from Audio Video Operations	-	-	-	-
<b>Total segment revenue</b>	<b>915,980</b>	<b>854,159</b>	<b>61,821</b>	<b>7%</b>
<b>(ii) Segment Profit before tax</b>				
<b>Analysed by geographical segments:</b>				
<b><u>Chemical Distribution And Blending Operations:</u></b>				
Malaysia	14,917	21,307	(6,390)	-30%
Indonesia	(1,065)	340	(1,405)	N/A
Vietnam	9,596	5,608	3,988	71%
Singapore	1,625	1,504	121	8%
Profit before tax from chemical distribution and blending operations	25,073	28,759	(3,686)	-13%
<b><u>Audio Video Operations:</u></b>				
Profit/ (Loss) before tax from Audio Video Operations	-	(6)	6	-100%
<b>Total Segment Profit before tax</b>	<b>25,073</b>	<b>28,753</b>	<b>(3,680)</b>	<b>-13%</b>

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

	RM'000
Sales & Purchase Agreement Signed for:	
- Leasehold Industrial Land	<u>2,156</u>

On 26 February 2024, Samchem Sdn Bhd ("SCSB"), a wholly-owned subsidiary of the Company, had entered into a conditional Sale and Purchase Agreement ("SPA") to acquire a piece of land for a purchase consideration of RM2,395,800. A deposit of 10% has been paid.

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 SEPTEMBER 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:

	<b>RM'000</b>
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	21,146
Corporate guarantee provided by the Company to overseas financial institutions in respect of financing facilities granted to foreign subsidiaries	45,046
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to local subsidiaries	9,226
Corporate guarantee provided by the Company to suppliers in respect of credit facilities granted to a foreign subsidiary	4,562
As at 30 September 2024	<u>217,196</u>

**A14. Related party transactions**

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

	<b>Current Quarter 30-Sep-24 RM'000</b>	<b>Current Year to date 30-Sep-24 RM'000</b>
Sales & Purchase of products*	<u>1,125</u>	<u>2,838</u>

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 SEPTEMBER 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-Sep-24 RM'000	Preceding Year Corresponding Quarter 30-Sep-23 RM'000	RM'000	%
REVENUE	319,303	322,534	(3,231)	-1%
COST OF SALES	(290,270)	(287,897)	(2,373)	1%
GROSS PROFIT	29,033	34,637	(5,604)	-16%
OTHER INCOME	3,683	3,356	327	10%
ADMINISTRATIVE EXPENSES	(17,256)	(16,674)	(582)	3%
SELLING & DISTRIBUTION EXPENSES	(4,307)	(6,782)	2,475	-36%
OTHER OPERATING EXPENSES	(1,088)	(512)	(576)	113%
FINANCE COST	(2,237)	(1,663)	(574)	35%
TOTAL EXPENSES	(24,888)	(25,631)	743	-3%
PROFIT BEFORE TAX	7,828	12,362	(4,534)	-37%
TAX EXPENSES	(1,534)	(2,624)	1,090	-42%
<b>Profit for the period</b>	6,294	9,738	(3,444)	-35%

The Group recorded a lower revenue of RM319.30 million for the current quarter under review, compared to RM322.53 million for the corresponding quarter in the preceding year, which represents a decrease of 1%. 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 profit before tax of RM7.83 million for the current quarter, compared to the profit before tax for the corresponding quarter in the preceding year of RM12.36 million. This is mainly due to lower sales margins.

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## B1. Performance review

(ii) Year-To-Date

	Cumulative Quarter		Changes	
	Current Year To Date 30-Sep-24 RM'000	Preceding Year Corresponding Period 30-Sep-23 RM'000		
REVENUE	915,980	854,159	61,821	7%
COST OF SALES	(823,563)	(765,722)	(57,841)	8%
GROSS PROFIT	92,417	88,437	3,980	5%
OTHER INCOME	6,628	11,059	(4,431)	-40%
ADMINISTRATIVE EXPENSES	(51,176)	(45,162)	(6,014)	13%
SELLING & DISTRIBUTION EXPENSES	(14,229)	(17,778)	3,549	-20%
OTHER OPERATING EXPENSES	(2,284)	(2,297)	13	-1%
FINANCE COST	(6,283)	(5,506)	(777)	14%
TOTAL EXPENSES	(73,972)	(70,743)	(3,229)	5%
PROFIT BEFORE TAX	25,073	28,753	(3,680)	-13%
TAX EXPENSES	(5,559)	(6,468)	909	-14%
<b>Profit for the period</b>	19,514	22,285	(2,771)	-12%

The Group recorded a higher revenue of RM915.98 million for the financial year to date under review, compared to RM854.16 million for the corresponding period in the preceding year, which represents an increase of 7.24%. The increase is due to higher sales volume for the year to date under review.

The Group recorded a lower profit before tax for the financial year to date of RM25.07 million, representing a decrease of RM3.68 million compared to the profit before tax of RM28.75 million in the preceding corresponding period. This is mainly due to higher gains on other income such as gains on disposal of property, plant and equipment in the financial year 2023.

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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-Sep-24 RM'000</b>	<b>Immediate Preceding Quarter 30-Jun-24 RM'000</b>	<b>Changes</b>	
			<b>RM'000</b>	<b>%</b>
REVENUE	319,303	298,434	20,869	7%
COST OF SALES	(290,270)	(268,901)	(21,369)	8%
GROSS PROFIT	29,033	29,533	(500)	-2%
OTHER INCOME	3,683	1,342	2,341	174%
ADMINISTRATIVE EXPENSES	(17,256)	(16,055)	(1,201)	7%
SELLING & DISTRIBUTION EXPENSES	(4,307)	(4,574)	267	-6%
OTHER OPERATING EXPENSES	(1,088)	(50)	(1,038)	2076%
FINANCE COST	(2,237)	(2,082)	(155)	7%
TOTAL EXPENSES	(24,888)	(22,761)	(2,127)	9%
PROFIT BEFORE TAX	7,828	8,114	(286)	-4%
TAX EXPENSES	(1,534)	(1,951)	417	-21%
<b>Profit for the period</b>	<b>6,294</b>	<b>6,163</b>	<b>131</b>	<b>2%</b>

The Group recorded a lower profit before tax of RM7.83 million for the current quarter under review as compared to the profit before tax in the immediate preceding quarter of RM8.11 million. The lower profit before tax compared to the preceding quarter is mainly due to lower gross profit margins.

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**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.

We acknowledge the potential challenge of rising geopolitical tensions and recessionary risks, and foresee that the remaining period of the year will be challenging.

**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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## B5. Profit for the period

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

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Quarter	Corresponding	Year	Corresponding
	30-Sep-24	Quarter	To Date	Period
	30-Sep-23	30-Sep-23	30-Sep-24	30-Sep-23
	RM'000	RM'000	RM'000	RM'000
Interest income	(258)	(352)	(914)	(831)
Gain on disposal of PPE	(18)	30	(110)	(2,196)
Property, plant and equipment written off	-	-	(41)	(22)
Interest expense	2,237	1,664	6,283	5,506
Depreciation and amortization	2,328	1,589	6,055	4,562
Foreign exchange (gain)/ loss-realised	(4,591)	(183)	(3,826)	(702)
Foreign exchange (gain)/ loss-unrealised	2,283	17	1,925	(1,377)
(Reversal of)/inventory written down	23	(777)	(28)	(1,236)
Insurance claim received	-	(1,738)	-	(1,738)



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## B6. Taxation

	<b>Current Year Quarter 30-Sep-24 RM'000</b>	<b>Current Year To Date 30-Sep-24 RM'000</b>
Current tax expense	1,580	5,992
Deferred tax expense	(46)	(433)
	<u>1,534</u>	<u>5,559</u>

## 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-Sep-24		30-Sep-23	
	Borrowing	Equivalent	Borrowing	Equivalent
	'000	RM'000	'000	RM'000
<b>Long term borrowings</b>				
Secured:-				
Hire purchase creditors				
- MYR	3,702	3,702	3,801	3,801
- IDR	791	22	-	-
Term loans				
- MYR	15,720	15,720	13,624	13,624
- VND	624,176	10,611	562,691	10,865
<b>Total Long term borrowings</b>		30,055		28,290
<b>Short term borrowings</b>				
Secured:-				
Term loans				
- MYR	715	715	520	520
- VND	266,059	4,523	80,998	1,564
Trade Loan				
- MYR	8,613	8,613	-	-
- VND	4,036,235	68,616	2,482,935	47,943
Bankers acceptances				
- MYR	77,234	77,234	61,333	61,333
Hire purchase creditors				
- IDR	1,797	50	2,910	89
- MYR	1,279	1,279	705	705
Revolving Credit				
- MYR	8,107	8,107	-	-
Unsecured:-				
Foreign currency trade loans				
- USD	-	-	1,387	6,590
<b>Total Short term borrowings</b>		169,137		118,744
<b>Total Borrowings:</b>		199,192		147,034

1 USD to MYR

4.20

4.75

100 IDR to MYR

0.027829

0.030585

100 VND to MYR

0.017000

0.019309

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**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 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 dividend was paid on 30<sup>th</sup> October 2024.

No dividend has been proposed for the third quarter of 2024.

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## B12. Earnings per share

	Current Quarter 30-Sep-24 RM'000	Preceding Year Corresponding Quarter 30-Sep-23 RM'000	Current Year To Date 30-Sep-24 RM'000	Preceding Year Corresponding Period 30-Sep-23 RM'000
Profit attributable to ordinary equity holders of the parent (RM'000)	5,673	8,493	16,824	20,423
Weighted average number of ordinary shares in issue ('000)	544,000	544,000	544,000	544,000
Earnings per share-basic (sen)				
- Basic	1.04	1.56	3.09	3.75
- Diluted	1.04	1.56	3.09	3.75

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: 20<sup>th</sup> Nov 2024