



**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

<i>In thousands of RM</i>	Current Quarter		Current Period	
	30 September		30 September	
	2019	2018	2019	2018
Revenue	96,949	95,068	286,769	295,480
Cost of goods sold	(79,917)	(71,012)	(233,161)	(216,294)
Gross profit	17,032	24,056	53,608	79,186
Other income	836	2,928	3,308	15,591
Distribution expenses	(1,739)	(2,131)	(4,727)	(7,223)
Administrative expenses	(7,281)	(7,970)	(24,040)	(23,604)
Other expenses	(3,325)	(2,722)	(5,008)	(10,362)
Results from operating activities	5,523	14,161	23,141	53,588
Share of (loss)/profit of equity accounted investee, net of tax	459	(130)	376	914
Finance income	1,152	1,740	2,652	3,785
Finance costs	(1,797)	(4,889)	(7,138)	(16,512)
Profit before tax	5,337	10,882	19,031	41,775
Income tax expense	(1,612)	(5,528)	(5,988)	(20,767)
Profit for the period	3,725	5,354	13,043	21,008
Other comprehensive income				
Fair value of available-for-sale financial assets	-	(2,079)	-	11,739
Foreign currency translation differences for foreign operations	(5,257)	2,294	(7,034)	5,215
Total comprehensive income for the period	<u>(1,532)</u>	<u>5,569</u>	<u>6,009</u>	<u>37,962</u>
Profit attributable to :				
Owners of the Company	3,708	4,573	12,946	17,072
Non-controlling interests	17	781	97	3,936
	<u>3,725</u>	<u>5,354</u>	<u>13,043</u>	<u>21,008</u>
Total comprehensive income attributable to :				
Owners of the Company	(1,549)	4,788	5,912	34,026
Non-controlling interests	17	781	97	3,936
	<u>(1,532)</u>	<u>5,569</u>	<u>6,009</u>	<u>37,962</u>
Basic earnings per share (Sen)	2.21	2.73	7.72	10.18
Diluted earnings per share (Sen)	2.21	2.73	7.72	10.18

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Notes to the Interim Financial Report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019 (UNAUDITED)

<i>In thousands of RM</i>	As at 30 September 2019	As at 31 December 2018
ASSETS		
Property, plant and equipment	237,380	175,568
Investment properties	220	220
Intangible assets	94,107	94,107
Right-of-use assets	3,348	-
Investment in associates	14,029	13,653
Deferred tax assets	1,369	1,358
Total non-current assets	350,453	284,906
Inventories	21,409	28,646
Current tax assets	10,025	12,459
Trade and other receivables	85,285	92,961
Cash and cash equivalents	112,466	136,297
	229,185	270,363
Assets classified as held for sale	-	19,986
Total current assets	229,185	290,349
TOTAL ASSETS	579,638	575,255
EQUITY AND LIABILITIES		
Share capital	81,920	81,920
Reserves	15,666	22,769
Retained earnings	214,653	211,684
Total equity attributable to equity holders of the Company	312,239	316,373
Non-controlling interests	2,682	2,601
Total equity	314,921	318,974
Loans and borrowings	167,780	152,107
Lease liabilities	1,987	-
Deferred tax liabilities	15,681	15,216
Total non-current liabilities	185,448	167,323
Loans and borrowings	30,520	41,695
Lease liabilities	1,554	-
Trade and other payables	46,993	46,311
Current tax liabilities	202	952
Total current liabilities	79,269	88,958
Total liabilities	264,717	256,281
TOTAL EQUITY AND LIABILITIES	579,638	575,255
Net assets per share attributable to ordinary equity holders of the parent (sen)	186	189

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Interim Financial Report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

In thousands of RM

	Attributable to shareholders of the Company								Distributable Retained earnings	Total	Non-controlling interest	Total equity
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Fair value reserve	Revaluation reserve	Other capital reserve	Treasury shares				
At 1 January 2019	81,920	-	-	19,718	69	-	2,982	-	211,684	316,373	2,601	318,974
Foreign currency translation differences of foreign operations	-	-	-	(7,034)	-	-	-	-	-	(7,034)	-	(7,034)
Total other comprehensive income for the period	-	-	-	(7,034)	-	-	-	-	-	(7,034)	-	(7,034)
Profit for the period	-	-	-	-	-	-	-	-	12,946	12,946	97	13,043
Total comprehensive income for the period	-	-	-	(7,034)	-	-	-	-	12,946	5,912	97	6,009
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(10,062)	(10,062)	-	(10,062)
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	-	(69)	-	-	-	85	16	(16)	-
As at end of period	81,920	-	-	12,684	-	-	2,982	-	214,653	312,239	2,682	314,921

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Interim Financial Reports.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2018

In thousands of RM

In thousands of RM	Attributable to shareholders of the Company								Distribut- able Retained earnings	Total	Non- controlling interest	Total equity
	Non-distributable											
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Fair value reserve	Revalua- tion reserve	Other capital reserve	Treasury shares				
At 1 January 2018	81,920	-	-	18,351	29,727	112,361	2,982	-	34,964	280,305	(2,464)	277,841
Net change in fair value of equity investment designated at FVOCI	-	-	-	-	14,037	-	-	-	-	14,037	16	14,053
Foreign currency translation differences of foreign operations	-	-	-	1,367	-	-	-	-	-	1,367	-	1,367
Total other comprehensive income for the period	-	-	-	1,367	14,037	-	-	-	-	15,404	16	15,420
Profit for the period	-	-	-	-	-	-	-	-	25,695	25,695	5,049	30,744
Total comprehensive income for the period	-	-	-	1,367	14,037	-	-	-	25,695	41,099	5,065	46,164
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(5,031)	(5,031)	-	(5,031)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
Transfer upon the disposal of equity investment designated at FVOCI	-	-	-	-	(43,695)	-	-	-	43,695	-	-	-
Transfer upon the disposal of property	-	-	-	-	-	(112,361)	-	-	112,361	-	-	-
As at 31 December 2018	81,920	-	-	19,718	69	-	2,982	-	211,684	316,373	2,601	318,974

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

In thousands of RM	9 Months Ended 30 September	
	2019	2018
Cash flows from operating activities		
Profit before taxation	19,031	41,775
Adjustments for:		
Depreciation of property, plant and equipment	19,561	17,179
Net gain on disposal of asset held for sale	(1,094)	(4,100)
Finance costs	7,138	16,512
Interest income	(2,652)	(3,785)
Write back of receivables	784	-
Share of loss/(profit) of equity accounted associates	(376)	(914)
Inventories written down / written off	1,020	-
Unrealised foreign exchange loss	645	-
<i>Operating profit before changes in working capital</i>	<u>44,057</u>	<u>66,667</u>
Change in inventories	1,663	3,340
Change in payables and accruals	(6,228)	(18,915)
Change in receivables, deposits and prepayments	<u>1,851</u>	<u>11,957</u>
<i>Cash generated from operations</i>	<u>41,343</u>	<u>63,049</u>
Finance costs paid	(7,138)	(16,512)
Interest income	2,652	3,785
Income tax paid, net of refund	<u>1,665</u>	<u>(20,730)</u>
Net cash generated from operating activities	<u>38,522</u>	<u>29,592</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(78,644)	(41,058)
Dividends received from other investments	-	3,465
Proceeds from disposal of other investments	-	59,157
Proceeds from disposal of asset held for sale	<u>21,675</u>	<u>190,000</u>
Net cash (used in) / generated from investing activities	<u>(56,969)</u>	<u>211,564</u>
Cash flows from financing activities		
Dividends paid to owners of the Company	(10,062)	(5,031)
Net drawdown/(repayment) of loans and borrowings	<u>4,498</u>	<u>(138,612)</u>
Net cash used in financing activities	<u>(5,564)</u>	<u>(143,643)</u>
Exchange difference on translation of the financial statements of foreign operations	<u>180</u>	<u>(419)</u>
Net decrease in cash and cash equivalents	<u>(23,831)</u>	<u>97,094</u>
Cash and cash equivalents at 1 January	<u>136,297</u>	<u>160,345</u>
Cash and cash equivalents as at end of period	<u><u>112,466</u></u>	<u><u>257,439</u></u>

The Condensed Cash Flow Statement should be read in conjunction with the Notes to the Interim Financial Report.



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NOTES TO THE INTERIM FINANCIAL REPORT

A1) Basis of preparation

The interim financial report is unaudited and has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad and MFRS 134, *Interim Financial Reporting* in Malaysia. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2018.

A2) Changes in Accounting Policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2018 except for those standards, amendments and interpretations which are effective from the annual period beginning on or after 1 January 2019.

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2019;

- MFRS 16, *Leases*
- IC Interpretation 23, *Uncertainty over Income Tax Treatments*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 9, *Financial Instruments - Prepayment Features with Negative Compensation*
- Amendments to MFRS 11, *Joint Arrangements (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 112, *Income Taxes (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Plan Amendment, Curtailment or Settlement*
- Amendments to MFRS 123, *Borrowing Costs (Annual Improvements to MFRS Standards 2015–2017 Cycle)*
- Amendments to MFRS 128, *Investment in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures*

The Group adopted the above MFRSs and Amendments to MFRSs except for MFRS 11 which are not applicable to the Group. The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

MFRS 16, *Leases*

MFRS 16 replaces the guidance in MFRS 117, *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases – Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligations to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating lease.



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A2) Changes in Accounting Policies (continued)

MFRS 16, *Leases* (continued)

The Group applied MFRS 16 with effect from 1 January 2019 using the modified retrospective approach where comparatives are not restated. The cumulative effect of adopting MFRS 16 are recognised as adjustments to the opening balance on 1 January 2019 as follows:

Statement of Financial Position at 1 January 2019
Impact of change in accounting policies

	Opening Balance as previously reported	MFRS 16 adjustments	After adjustments
	RM'000	RM'000	RM'000
Right-of-use assets	Nil	2,933	2,933
Lease liabilities	Nil	(2,933)	(2,933)

The following revised MFRSs and Amendments to MFRSs have been issued by the MASB and are not yet effective for adoption by the Group:

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2020;

- Amendment to MFRS 3, *Business Combinations*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after 1 January 2021;

- MFRS 17, *Insurance Contracts*

MFRSs, Interpretations and Amendments effective for annual periods beginning on or after a date yet to be confirmed;

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*.

The Group does not plan to apply MFRS 17 as it is not applicable for the Group. The initial applications of the above standards are not expected to have any material financial impacts.

A3) Disclosure of audit report qualification

The auditor's report on the financial statements of the Group and the Company for the year ended 31 December 2018 was not subject to any qualification.

A4) Explanatory comments about the seasonality or cyclicity of operations

The Group's operations were not subjected to any material seasonal or cyclical factor other than market fluctuations in selling prices and costs of raw materials.



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A5) Unusual items due to their nature, size or incidence

There was no item affecting assets, liabilities, net income or cash flows that were unusual because of their nature, size or incidence for the current quarter and financial period under review.

A6) Changes in prior estimates of amounts which materially affect the current interim period

There were no material changes in prior year estimates which would materially affect the current interim period.

A7) Issuances, cancellations, repurchases, resale and repayments of debt and equity securities

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the period under review.

A8) Dividends paid

On 31 January 2019, the Company paid second interim single tier dividend of 4.00 sen per ordinary share totalling RM6.7 million for the financial year ended 31 December 2018.

On 14 June 2019, the Company paid final single tier dividend of 2.00 sen per ordinary share totalling RM3.4 million for the financial year ended 31 December 2018.

A9) Segment reporting

<i>In thousands of RM</i>	Segment Revenue			
	Individual 3rd Quarter		Cumulative 3rd Quarter	
	2019	2018	2019	2018
Chemicals	74,446	71,795	219,567	227,633
Polymers	24,000	24,129	70,743	70,298
Others*	(1,497)	(856)	(3,541)	(2,451)
Group result	96,949	95,068	286,769	295,480

<i>In thousands of RM</i>	Segment Profit/(Loss) Before Tax			
	Individual 3rd Quarter		Cumulative 3rd Quarter	
	2019	2018	2019	2018
Chemicals	5,828	11,947	18,677	38,128
Polymers	3,701	4,906	13,232	15,245
Others*	(4,192)	(5,971)	(12,878)	(11,598)
Group result	5,337	10,882	19,031	41,775

* Administrative, non-core activities and inter-segment transactions

A10) Revaluation of property, plant and equipment

The Group adopts the cost model for its property, land and building.



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A11) Post balance sheet events

There are no material events after the period end that had not been reflected in the Interim Financial Reports for the current financial period under review.

A12) Changes in the composition of the Group

There were no material changes in the composition of the Group for the period under review.

A13) Changes in contingent liabilities or contingent assets since the last annual balance sheet date

There are no changes in contingent liabilities or assets as at the end of the current interim financial period.

A14) Capital Commitments

	30	31
	September	December
	2019	2018
	RM'000	RM'000
Contracted but not provided for	8,655	31,726



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Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1) Review of Performance

Commentary for Individual Quarter ended 30 September 2019

<i>In thousands of RM</i>	Current Year Quarter	Preceding Year Corresponding Quarter	Changes (Amount)	Changes (%)
<u>Segment Revenue</u>				
Chemicals	74,446	71,795	2,651	3.7
Polymers	24,000	24,129	(129)	(0.5)
Others *	(1,497)	(856)	(641)	(74.9)
Group result	<u>96,949</u>	<u>95,068</u>	<u>1,881</u>	2.0
<u>Segment profit/(loss) before tax</u>				
Chemicals	5,828	11,947	(6,119)	(51.2)
Polymers	3,701	4,906	(1,205)	(24.6)
Others *	(4,192)	(5,971)	1,779	29.8
Group result	<u>5,337</u>	<u>10,882</u>	<u>(5,545)</u>	(51.0)

* Administrative, non-core activities and inter-segment transactions

The Group revenue of RM96.9 million was 2% higher than the corresponding quarter last year due to higher revenue from the Chemicals Division. The Group recorded a lower profit before tax in the current quarter of RM4.4 million, decreased from RM10.9 million recorded in the same quarter last year mainly due to the following factors:

- Margin squeeze resulting from the fall in the average chlor alkali product selling prices, which saw the average selling prices of key products decreased by up to 19% compared to same quarter last year,
- Non-recurring items totalling RM1.6 million in the third quarter 2018 consisting of write-back of over-provision of bad and doubtful debts from fertilizers business (Quarter 3 2019: Nil), and offset by;
- Lower finance cost by RM3.1 million as a result of the completion of the Group's de-gearing exercise in end 2018.

Segmental review of performances against the corresponding quarter are as below:

Chemicals

Chemicals Division recorded higher volume sold for its key Chlor-alkali products by approximately 25% during the quarter under review. The higher volume sold resulted in higher revenue by 3.7%, cushioning the impact of the softer prices of its chlor-alkali products. Profit before tax reduced to RM5.8 million in the current quarter compared to RM11.9 million in corresponding quarter last year due to the impact of lower average market prices and impairment on trade receivables of RM0.6 million made in the current quarter.



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B1) Review of Performance (continued)

Polymers

Revenue decreased slightly by 0.5% for the current quarter as compared to same quarter last year. The Division's profit before tax, declined from RM4.9 million to RM3.7m due to additional depreciation pursuant to the commencement of operations from the new plant in Bangi and impairment made on trade receivables of RM0.8 million made in the current quarter.

Commentary for Cumulative Quarter ended 30 September 2019

<i>In thousands of RM</i>	Current Year To Date	Preceding Year Corresponding Period	Changes (Amount)	Changes (%)
<u>Segment Revenue</u>				
Chemicals	219,567	227,633	(8,066)	(3.5)
Polymers	70,743	70,298	445	0.6
Others*	(3,541)	(2,451)	(1,090)	(44.5)
Group result	<u>286,769</u>	<u>295,480</u>	<u>(8,711)</u>	<u>(2.9)</u>
<u>Segment profit/(loss) before tax</u>				
Chemicals	18,677	38,128	(19,451)	(51.0)
Polymers	13,232	15,245	(2,013)	(13.2)
Others*	(12,878)	(11,598)	(1,280)	(11.0)
Group result	<u>19,031</u>	<u>41,775</u>	<u>(22,744)</u>	<u>(54.4)</u>

* Administrative, non-core activities and inter-segment transactions

The Group revenue of RM286.8 million was 2.9% lower than the corresponding period last year due to lower revenue from the Chemicals Division. The Group recorded a lower profit before tax in the current period of RM19.0 million, decreased from RM41.8 million recorded in the same period last year.

Included in the above results were non-recurring items which can be summarised as below:

<i>In thousands of RM</i>	Current Year To Date	Preceding Year Corresponding Period	Changes (Amount)
Gain from disposal of land	1,094	4,100	(3,006)
Write-back and recovery from fertilizers business	-	9,649	(9,649)
Total non-recurring items	1,094	13,749	(12,655)
Recurring profit before tax	17,937	28,026	(10,089)
Profit before tax	19,031	41,775	(22,744)

Recurring profit before tax in the current period for the Group was at RM17.9 million (as above) as compared to RM28.0 million in the corresponding period last year. The decrease of RM10.1 million (or 36%), contributed mainly from:

- Margin squeeze resulting from the fall in the average chlor alkali product selling prices, which saw the average selling prices of key products decreased by up to 30% compared to the corresponding period last year.



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B1) Review of Performance (continued)

The lower average selling prices are mainly due to overall trade flow dynamics that occurred in the region with the ongoing US-China trade dispute, as well as the softening of the global economy growth, and;

- b) Cushioned by lower finance cost by RM9.4 million as a result of the completion of the Group's de-gearing exercise in December 2018.

Segmental review of performances against the corresponding period are as below:

Chemicals

Chemicals Division recorded higher volume sold for its key Chlor-alkali products by between 19% to 36% during the period under review. Despite the higher volume sold, revenue decreased by 3.5% due to lower average selling prices of its chlor-alkali products (by up to 30%) on the back of softer prices of the chemical commodity during the period. Consequently, profit before tax reduced to RM18.7 million compared to RM38.1 million in corresponding period last year.

Polymers

Revenue increased slightly by 0.6% as compared to same period last year. The Division's profit before tax, declined from RM15.2 million to RM13.2m due to additional depreciation pursuant to the commencement of operations from its new building in Bangi together with impairment on certain receivables identified as doubtful.

B2) Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter

<i>In thousands of RM</i>	Current Quarter	Preceding Quarter	Changes (Amount)	Changes (%)
<u>Segment Revenue</u>				
Chemicals	74,446	70,768	3,678	5.2
Polymers	24,000	22,936	1,064	4.6
Others*	(1,497)	(859)	(638)	(74.3)
Group result	<u>96,949</u>	<u>92,845</u>	<u>4,104</u>	<u>4.4</u>
<u>Segment profit/(loss) before tax</u>				
Chemicals	5,828	5,065	763	15.1
Polymers	3,701	4,446	(745)	(16.8)
Others*	(4,192)	(5,345)	1,153	(21.6)
Group result	<u>5,337</u>	<u>4,166</u>	<u>1,171</u>	<u>28.1</u>

* Administrative, non-core activities and inter-segment transactions

The Group's revenue for the current quarter of RM96.9 million was higher by 4.4% as compared to the preceding quarter's revenue of RM92.8 million due to higher volume sold, cushioning the effect of lower average selling prices during the current quarter. Group's profit before tax for the current quarter increased to RM5.3million compared to the preceding quarter of RM4.2 million mainly attributable to:

- a) Chemicals Division's revenue increased by 5.2% due to higher volume sold for its chlor-alkali products during the quarter. Profit before tax increased by 15.1% to RM5.8 million compared to RM5.1 million in the preceding quarter, as a result of higher volume sold and changes in product/customer mix.



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B2) Material Changes in the Quarterly Results Compared to the Results of the Preceding Quarter (continued)

- b) Polymers Division revenue increased by 4.6% to RM24 million for the current quarter under review. Profit before tax however, decreased to RM3.7 million for the quarter due to changes in product mix.

B3) Prospects

The divestment of non-core assets was fully completed in March 2019, where all the proceeds were fully utilised to pare down Group's existing borrowings. With the stronger financial position, the Group is now pursuing its expansion and growth strategies by focusing its effort in expanding its two (2) core businesses, Chemicals and Polymers Divisions.

Chemicals

The reactivation of its Pasir Gudang Plant 1 (PGW1) is planned to be fully commissioned by the fourth quarter of this year. This effort will increase its total chlor-alkali production capacity by 50 per cent annually once it begins operations. This will allow the Division to seize the existing market opportunities for its chlor-alkali products. In addition, Chemicals Division will continue with various improvement programs to gain benefit from operational savings. The Division will also continue to grow its core capabilities both domestically and regionally in order to strengthen its market share.

Based on the Chlor Alkali industry reports, the short-term price of caustic soda will remain stable to soft, as the industry (particularly China and wider Asia) will face volatility in the demand/supply dynamics influenced by the on-going US-China trade dispute and softening of the global economic conditions.

Polymers

The Division expects the business environment to be challenging in the current year, in view of intense competition and cost increases. In order to stay ahead of the competition, the Division is strengthening its product development capabilities and undertaking capacity expansion. Ongoing efforts are also in place to improve the production process including leveraging on automation with the objective of enhancing cost efficiency and quality improvement.

Both businesses will now continue to pursue new opportunities within their respective markets to increase their market share in order to ensure sustainable growth.

Looking ahead, the Group continues to remain cautious of its financial performance that may invariably be impacted by the fluctuation of the chlor alkali product prices.

B4) Variance of Actual Profit from Forecast Profit

The Group did not make any profit forecast or issue any profit guarantee.



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B5) Taxation

Taxation charge of the Group for the current quarter and the financial period was as follows:

	Current Quarter	Current Period
	RM'000	RM'000
Taxation		
In respect of profit for the period	1,612	5,534
Transfer from deferred tax	-	454
	<u>1,612</u>	<u>5,988</u>

The Group's effective tax rate was higher than the statutory tax rate mainly due to non-deductibility of certain expenses for tax purposes.

B6) Profit before tax

	Current Quarter	Current Period
	RM'000	RM'000
Operating profit is arrived at after charging / (crediting):		
Depreciation and amortization	7,208	19,561
(Write-back)/Provision for receivables	1,426	784
(Write-back)/Provision for inventories	517	1,020
Net foreign exchange gain	214	163
Interest expense	1,797	7,138
Interest income	(1,152)	(2,652)

Other than the above, there were no impairment of assets and gain or loss on derivatives for the current quarter and the current period under review.

B7) Status of Corporate Proposals

There are no other corporate proposals that have been announced by the Company but not yet completed as at the date of this report.

B8) Group Borrowings and Debt Securities

	30 September 2019	31 December 2018
Ringgit Malaysia denominated	RM'000	RM'000
Short term borrowings		
Unsecured	30,520	41,695
Long term borrowings		
Unsecured	<u>167,780</u>	<u>152,107</u>
	<u>198,300</u>	<u>193,802</u>

B9) Material Litigation

There were no material litigations as at the end of the period under review.



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B10) Dividend

The Board of Directors proposed a first single-tier interim dividend of 3.00 sen per share based on issued share capital of 167.7 million shares amounting to approximately RM5.0 million. The entitlement date in respect of the dividend will be on 6 December 2019 and the payment will be made on 27 December 2019.

B11) Earnings per Share

	Individual Quarter		Cumulative Quarter	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	RM'000	RM'000	RM'000	RM'000
Basic Earnings Per Share:-				
Profit after tax and minority shareholders' interests (RM'000)	3,708	4,573	12,946	17,072
Weighted average number of ordinary shares ('000) at ending of the	167,696	167,696	167,696	167,696
Basic earnings per share (sen)	2.21	2.73	7.72	10.18

There is no dilution to the earnings per ordinary share as there are no dilutive potential ordinary shares.

There is no dilution to the earnings per ordinary share as there are no potentially dilutive ordinary shares.

B12) Derivative Financial Instruments

As at the end of the current period, there were no outstanding derivative financial instruments in the Group.

B13) Gains and Losses Arising from Fair Value Changes of Financial Liabilities

There were no material gains or losses from changes on the fair values of financial liabilities for the current period under review.

B14) Authorisation for Issue

The interim financial report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 20 November 2019.

By Order of the Board

NOOR AZWAH SAMSUDIN (LS0006071)
 Company Secretary
 20 November 2019