

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014 (UNAUDITED)

<i>In thousands of RM</i>	As at 30 September 2014	As at 31 December 2013
ASSETS		
Property, plant and equipment	577,939	578,306
Intangible assets	290,280	288,090
Investment properties	30,940	30,940
Prepaid lease payments	5,454	5,744
Investment in associates	14,887	13,563
Other Investments	16,102	124
Deferred tax assets	13,040	9,945
Total non-current assets	948,642	926,712
Trade and other receivables	298,067	283,648
Inventories	262,754	290,107
Current tax assets	30,727	23,285
Assets classified as held for sale	-	74,814
Cash and cash equivalents	204,932	255,337
Total current assets	796,480	927,191
TOTAL ASSETS	1,745,122	1,853,903
EQUITY AND LIABILITIES		
Share capital	457,630	457,630
Reserves	50,495	36,442
Retained earnings	314,124	310,510
Total equity attributable to equity holders of the Company	822,249	804,582
Non-controlling interests	121,203	122,671
Total equity	943,452	927,253
Loans and borrowings	250,000	380,000
Deferred tax liabilities	22,674	19,897
Total non-current liabilities	272,674	399,897
Provisions	410	410
Trade and other payables	175,130	155,093
Current tax liabilities	3,835	1,616
Loans and borrowings	349,621	369,634
Total current liabilities	528,996	526,753
Total liabilities	801,670	926,650
TOTAL EQUITY AND LIABILITIES	1,745,122	1,853,903
Net assets per share attributable to ordinary equity holders of the parent (sen)	181	177

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 NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)

In thousands of RM

In thousands of RM	Attributable to shareholders of the Company										Non-controlling interest	Total equity
	Non-distributable								Distributable			
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Fair value reserve	Other capital reserve	Treasury shares	Retained earnings	Total		
At 1 January 2014	457,630	39,944	73	(2,746)	2,002	23	2,982	(5,836)	310,510	804,582	122,671	927,253
Foreign exchange translation differences	-	-	-	3,737	-	-	-	-	-	3,737	-	3,737
Total other comprehensive income for the period	-	-	-	3,737	-	-	-	-	-	3,737	-	3,737
Revaluation of property, plant and equipment	-	-	-	-	10,316	-	-	-	-	10,316	-	10,316
Profit for the year	-	-	-	-	-	-	-	-	3,614	3,614	6,430	10,044
Total comprehensive income for the period	-	-	-	3,737	10,316	-	-	-	3,614	17,667	6,430	24,097
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,898)	(7,898)
At 30 September 2014	457,630	39,944	73	991	12,318	23	2,982	(5,836)	314,124	822,249	121,203	943,452

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 TWELVE MONTHS ENDED 31 DECEMBER 2013

In thousands of RM

<i>In thousands of RM</i>	Attributable to shareholders of the Company										Non-controlling interest	Total equity
	Non-distributable								Distributable			
	Share capital	Share premium	Capital redemption reserve	Translation reserve	Revaluation reserve	Fair value reserve	Other capital reserve	Treasury shares	Retained earnings	Total		
At 1 January 2013	457,630	39,944	73	(7,915)	2,002	23	2,982	(5,836)	345,779	834,682	133,272	967,954
Foreign exchange translation differences	-	-	-	5,169	-	-	-	-	-	5,169	620	5,789
Total other comprehensive income for the year	-	-	-	5,169	-	-	-	-	-	5,169	620	5,789
Profit for the year	-	-	-	-	-	-	-	-	647	647	10,890	11,537
Total comprehensive income for the year	-	-	-	5,169	-	-	-	-	647	5,816	11,510	17,326
Dividends to owners of the Company	-	-	-	-	-	-	-	-	(35,916)	(35,916)	-	(35,916)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(22,111)	(22,111)
At 31 December 2013	457,630	39,944	73	(2,746)	2,002	23	2,982	(5,836)	310,510	804,582	122,671	927,253

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 (UNAUDITED)**

In thousands of RM	Nine Months Ended 30 September	
	2014	2013
Cash flows from operating activities		
Profit before taxation	13,224	36,247
Adjustments for:		
Amortisation of prepaid lease payments	290	70
Change in fair value of investment properties	-	(16,823)
Depreciation of property, plant and equipment	36,637	36,823
Share of profit of equity accounted associates	(1,324)	(2,155)
Interest income	(3,845)	(4,400)
Finance costs	20,687	23,597
<i>Operating profit before changes in working capital</i>	<u>65,669</u>	<u>73,359</u>
Change in inventories	27,353	18,226
Change in receivables, deposits and prepayments	(5,258)	28,881
Change in payables and accruals	20,038	(45,587)
<i>Cash generated from operations</i>	<u>107,802</u>	<u>74,879</u>
Finance costs paid	(20,687)	(23,597)
Interest income	3,845	4,400
Income tax paid	(8,722)	(14,077)
Net cash generated from operating activities	<u>82,238</u>	<u>41,605</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(31,419)	(35,986)
Acquisition of intangible asset	(2,190)	-
Acquisition of other investment	(15,978)	-
Dividend received from associates	-	1,432
Proceeds from disposal of property, plant and equipment	74,814	-
Net cash generated from / (used in) investing activities	<u>25,227</u>	<u>(34,554)</u>
Cash flows from financing activities		
Net drawdown/(repayment) of loans and borrowings	(150,013)	(70,396)
Dividends paid to non-controlling interests	(7,898)	(10,820)
Dividends paid to owners of the Company	-	(27,374)
Net cash used in financing activities	<u>(157,911)</u>	<u>(108,590)</u>
Exchange difference on translation of the financial statements of foreign operations	41	4,442
Net (decrease)/increase in cash and cash equivalents	<u>(50,405)</u>	<u>(97,097)</u>
Cash and cash equivalents at 1 January	255,337	293,958
Cash and cash equivalents as at end of period	<u>204,932</u>	<u>196,861</u>

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



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

(Incorporated in Malaysia)

For the Period Ended 30 September 2014

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 and with IAS 34, *Interim Financial Reporting*.

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 2013.

The following MFRSs, Interpretations and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2014.

- Amendments to MFRS 10, *Consolidated Financial Statements: Investments Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investments Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011) : Investments Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets – Recoverable Amount disclosure for Non-Financial Assets.*
- Amendments to MFRS 139, *Financial Instruments : Recognition and Measurement – Novation of Derivative and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

The adoption of the above standards and amendments did not have any material impact to the current and prior period's financial statements of the Group.

The following revised MFRSs and Amendments to MFRSs applicable to the Group 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 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysia Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combination (Annual Improvement 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Asset (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

(Incorporated in Malaysia)

For the Period Ended 30 September 2014

A2) Changes in Accounting Policies (continued)

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments – Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*
- Amendments to MFRS 7, *Financial Instruments : Disclosure – Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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 2013 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.

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 the prior 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 save for repayments of the unsecured term loans on 22 September 2014 and 27 May 2014 of RM50 million each.

The number of Treasury Shares held as at end of the current period under review was 2,998,000.

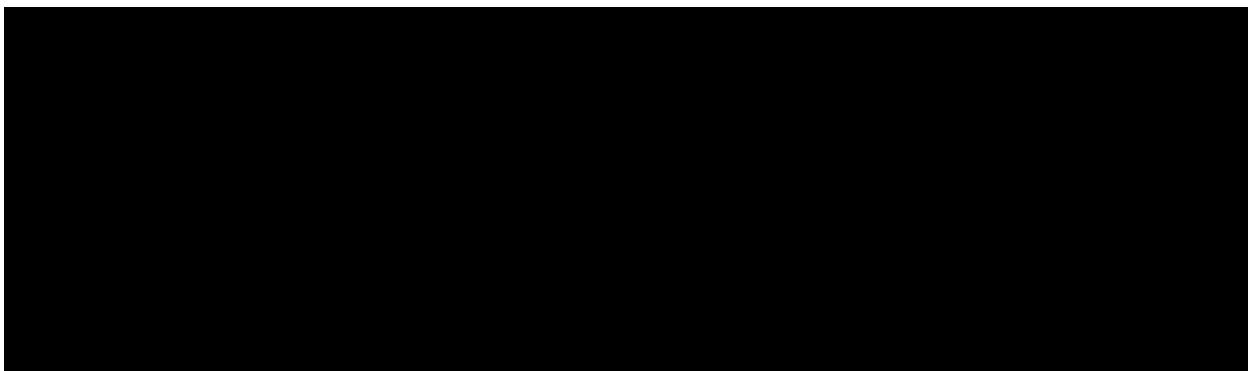
A8) Dividends paid

No dividend was paid in the current quarter under review.


CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
(Incorporated in Malaysia)
For the Period Ended 30 September 2014
A9) Segment reporting

<i>In thousands of RM</i>	Segment Revenue			
	Individual 3rd Quarter 2014	2013	Cumulative 3rd Quarter 2014	2013
Pharmaceuticals	79,083	72,895	230,986	214,288
Chemicals	71,610	72,882	215,211	226,962
Fertilizers	112,517	167,710	400,677	550,983
	<u>263,210</u>	<u>313,487</u>	<u>846,874</u>	<u>992,233</u>
Others* and inter-segment transactions	457	(2,015)	1,206	2,796
Group result	<u>263,667</u>	<u>311,472</u>	<u>848,537</u>	<u>995,029</u>

* Administrative and non-core activities


A10) Property, plant and equipment

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

A11) Post balance sheet event

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


CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
(Incorporated in Malaysia)
For the Period Ended 30 September 2014
A12) Effect of changes in the composition of the Group

There were no changes in the composition of the Group for the period under review, except for the dissolution of the following dormant subsidiary companies:-

- i) Chemtrade Sdn Bhd
- ii) CCMF Agronomic & Technical Services Sdn Bhd
- iii) CCM Chemtrans Sdn Bhd
- iv) Usaha Progresif Sdn Bhd
- v) Liberal Wira Sdn Bhd
- vi) Euphorex Corporation Sdn Bhd

The changes did not give rise to any material effect on the composition of Group for the period under review.

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

There were no changes in contingent liabilities or assets as at end of the current interim financial period save for the following:

On 23 September 2014, a subsidiary of Chemical Company of Malaysia Berhad, PT CCM Indonesia, had submitted several appeals to the Indonesian Tax Court against objection decisions of the Director General of Tax on several tax adjustments / corrections made by tax auditor totalling IDR36.1 billion (or equivalent to RM9.7 million) in aggregate.

The matter is now pending the Director General of Tax Indonesia's filing into the Indonesian Tax Court, of his reply to PT CCM Indonesia's letters of appeal

A14) Capital Commitments

Commitments for the purchase of property, plant and equipments as at 30 September 2014.

	At 30 September 2014 RM'000	At 31 December 2013 RM'000
Approved but not contracted for	11,122	36,075
Contracted but not provided for	37,710	38,281
	<u>48,832</u>	<u>74,356</u>



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

(Incorporated in Malaysia)

For the Period Ended 30 September 2014

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 2014

For the current quarter ended 30 September 2014, the Group recorded revenue of RM263.7 million, lower by 15.3% compared to the corresponding quarter last year. The Group's profit before tax for the current quarter under review decreased to RM0.5 million from RM11.1 million recorded in the same quarter last year. The Group's profit for 2013's corresponding quarter included recognition of change in fair value of investment properties of RM13.1 million.

Pharmaceuticals Division recorded profit before tax of RM7.8 million, an increase of 16.8% as compared to the corresponding quarter last year. The increase was mainly due to the higher revenue generated during the quarter under review, as well as improved margin on its ethical, Over-the-counter ("OTC") and private market.

Chemicals Division recorded a higher profit before tax of RM3.5 million, an increase of 23.5% as compared to the corresponding quarter last year. The increase was mainly due to consolidation of its business by focusing on higher margin product group and lower operating expenses incurred during the quarter.

Fertilizers Division recorded revenue of RM112.5 million during the quarter under review. This was 32.9% lower compared to the same quarter last year primarily contributed by lower sales to dealers segments and competitive pricing for the plantation sector. Fertilizers Division recorded a loss before tax of RM6.8 million during the quarter as compared to RM9.8 million (lower by RM3.0 million) in the same quarter last year. The lower loss incurred for the quarter, was primarily due to lower finance and operating expenses, coupled with a slight improvement in margins.

Commentary for Cumulative Quarters ended 30 September 2014

For the nine months period ended 30 September 2014, the Group recorded revenue of RM848.5 million. This was lower by RM146.5 million or 14.7% as compared to the corresponding period last year. Lower sales were recorded by Chemicals and Fertilizers Divisions. The Group recorded a profit before tax of RM13.2 million for the period under review. This represented a decline of 63.5% from RM36.2 million in the same period last year. (Note: The financial results of RM36.2 million for 9 months period 2013 comprised an amount of RM16.8 million of change in fair value adjustments of investment properties).

Pharmaceuticals Division recorded revenue of RM231.0 million for the period under review, an increase of 7.8% as compared to the same period last year. Profit before tax increased by RM5.0 million (or 28.4%) from RM17.7 million in the same period 2013 to RM22.7 million in the current period. The higher profit recorded in the current period was primarily attributable to higher revenue generated from both its ethical and OTC segments; as well as higher plant utilisation rate during the period under review.



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)

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For the Period Ended 30 September 2014

B1) Review of Performance (Continued)

Chemicals Division recorded revenue of RM215.2 million during the period under review, representing a decrease of 5.2% as compared to the corresponding period last year. The lower revenue recorded during the period was primarily due to lower sales volume of its trading and regional businesses. The Division's profit before tax of RM11.9 million for the period under review was lower by 5.8% compared to the same period last year. The decrease in profit was largely attributable to the lower sales recorded in its trading and regional businesses.

The Fertilizers Division recorded revenue of RM400.7 million during the period under review. This was 27.3% lower compared to the same period last year, contributed by the lower volume of compound fertilisers sold to dealers sectors due to extended dry season during the first six months of the period under review. The Division recorded a loss before tax of RM11.3 million in the period under review compared to a loss of RM3.6 million in the corresponding period last year. The lower revenue, lower gross margins and higher plant operation costs were the major contributors to the loss position recorded during the period under review.

B2) Material changes in the Quarterly Results compared to the results of the Preceding Quarter

The Group's revenue for the current quarter of RM263.7 million was lower by RM47.4 million (or 15.2%) as compared to the immediate preceding quarter revenue of RM311.1 million. This was primarily attributable to the decrease in revenue contribution from Fertilizers Division. The Group recorded profit before tax of RM0.5 million during the quarter compared to a profit of RM4.0 million in the preceding quarter primarily due to the decline in revenue by 15.2%.

B3) Prospects for the current financial year

The Group will continue to focus on enhancing business profitability by increasing sales growth domestically and regionally, improving production efficiency and cost effectiveness across all of its business divisions.

The demand for pharmaceuticals products is expected to remain relatively stable throughout the financial year. The prospects for the Division remain positive as it consolidates its position in the local and regional markets.

For Chemicals Division, the chlor alkali market is still experiencing a phase of consolidation but the regional market has shown signs of stability. The polymer coating businesses is expected to soften the cyclical effect of the chlor alkali market. The Division is continuously striving to increase its trading margin for the current financial year, which focuses on new trading segments and expansion of its customer base within the region.

The demand of fertilizers is expected to be challenging in view of high inventory level of crude palm oil (CPO) and low CPO prices. Notwithstanding the above, Fertilizers Division will continue to focus on aggressive sales and promotions activities, operational excellence and a review of the business in an effort to improve its profitability.

The Group's performance for the financial year ending 31 December 2014 is expected to continue to be challenging.



CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
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For the Period Ended 30 September 2014

B4) Variance of Actual Profit from Forecast Profit

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

B5) Taxation

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

	Current Quarter 30 September 2014 RM'000	Current Period 30 September 2014 RM'000
Taxation		
In respect of profit for the year	1,410	3,498
Transfer from deferred tax	(1,039)	(318)
	<u>371</u>	<u>3,180</u>

B6) Profit Before Tax

	Current Quarter 30 September 2014 RM'000	Current Period 30 September 2014 RM'000
Operating profit is arrived at after charging / (crediting):		
Allowance for doubtful debt	1,019	1,697
Depreciation of property, plant and equipment	12,369	36,927
Interest expense	6,506	20,687
Provision for and write-off of inventories	6,224	8,993
Net foreign exchange gain	694	(380)
Interest income	(988)	(3,845)
	<u></u>	<u></u>

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


CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
(Incorporated in Malaysia)
For the Period Ended 30 September 2014
B7) Status of corporate proposals

On 27 June 2014, the Company announced a Proposed Internal Restructuring Exercise involving disposals of all of its 50.1% equity interest in CCM Fertilizers Sdn Bhd and 100% equity interests in both CCM Agriculture Sdn Bhd and CCM Agriculture (Sabah) Sdn Bhd to its wholly-owned subsidiary, CCM Agri-Max Sdn Bhd.

The Internal Restructuring exercise has been completed on 19 November 2014 and will not have any material financial effects on the Group and the Company.

B8) Group Borrowings and Debt Securities

The Group borrowings as at 30 September 2014 were as follows:

	30-September-14	31-Dec-13
	RM'000	RM'000
Short term borrowings		
Unsecured		
Ringgit Malaysia denominated	337,895	318,724
United States Dollar denominated	11,469	50,260
Singapore Dollar denominated	257	650
	<u>349,621</u>	<u>369,634</u>
Long term borrowings		
Unsecured		
Ringgit Malaysia denominated	250,000	380,000
	<u>250,000</u>	<u>380,000</u>

B9) Off Balance Sheet Financial Instruments

The Group did not have any financial instruments with off balance sheet risks as at the date of this report.


CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
(Incorporated in Malaysia)
For the Period Ended 30 September 2014
B10) Earnings per share

	Current Quarter 30 September 2014	Current Period 30 September 2014
Basic and Diluted Earnings Per Share:-		
Profit after tax and minority shareholders' interests (RM'000)	(2,280)	3,614
Issued ordinary shares at beginning of the period ('000)	457,630	457,630
Weighted average number of ordinary shares ('000) at ending of the quarter/year	457,630	457,630
Basic and diluted earnings per share (sen)	(0.50)	0.79

B11) Dividend

The Board of Directors has approved an interim single tier dividend of 2.50 sen per share (2013:2.15 sen per share) based on paid up capital of 457.6 million shares at par value of RM1.00 each amounting to approximately RM11.4 million. The entitlement date in respect of the interim single tier dividend is on 31 December 2014 and the payment date is on 15 January 2015.

B12) Economic Profit ("EP") Statement

	Current Quarter 30 September		Current Period 30 September	
<i>In millions of RM</i>	2014	2013	2014	2013
<u>Net operating profit after tax ("NOPAT") computation:</u>				
Earnings before interest and tax	5.9	17.0	28.7	53.3
Adjusted tax	(1.5)	(4.3)	(7.2)	(13.3)
NOPAT	4.4	12.8	21.6	40.0
<u>Economic charge computation:</u>				
Average invested capital	1,447.8	1,564.6	1,447.8	1,564.6
Weighted average cost of capital (%)	6.04%	5.27%	6.04%	5.27%
Economic charge	21.9	20.6	65.6	61.8
Economic (loss)/ profit	(17.5)	(7.8)	(44.1)	(21.8)

The EP statement is as prescribed under the Government-Linked Corporations (GLC) Transformation program, and is disclosed on a voluntary basis. EP measures the value created by a business during a single period reflecting how much return a business makes over its cost of capital.


CHEMICAL COMPANY OF MALAYSIA BERHAD (5136-T)
(Incorporated in Malaysia)
For the Period Ended 30 September 2014
B13) Material litigation

There was no material litigation against the Group as at the end of period under review.

B14) Disclosure of Realised and Unrealised

	As at 30 September 2014	As at 31 December 2013
	RM'000	RM'000
Total retained profits of CCM Berhad and its subsidiaries:		
- Realised	269,538	261,129
- Unrealised	44,586	49,381
Total	314,124	310,510

B15) 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 27 November 2014.

By Order of the Board

NOOR AZWAH SAMSUDIN (LS0006071)

Company Secretary

27 November 2014