

# Directors' Report

FOR THE YEAR ENDED 31 DECEMBER 2018

Amounts in RM'000 unless otherwise stated

The Directors of Chemical Company of Malaysia Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018. This report and the financial statements will be presented to the shareholders at the Annual General Meeting to be held on 28 May 2019.

## PRINCIPAL ACTIVITIES

Chemical Company of Malaysia Berhad is an investment holding and management company with subsidiaries engaged in the manufacturing and marketing of chemicals and polymers products and services as stated in Note 6 to the financial statements.

## ULTIMATE HOLDING COMPANY

The Company is a subsidiary of Permodalan Nasional Berhad ("PNB"), of which is incorporated in Malaysia and regarded by the Directors as the Company's ultimate holding company, during the financial year and until the date of this report.

## RESULTS

	Group	Company
Profit attributable to:		
Owners of the Company	25,695	2,981
Non-controlling interests	5,049	-
	30,744	2,981

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

## DIVIDENDS

Since the end of the previous financial year, the Company paid a first interim ordinary dividend of 3.00 sen per ordinary share totalling RM5,030,879 in respect of the financial year ended 31 December 2018 on 29 June 2018.

The Company paid a second interim ordinary dividend of 4.00 sen per ordinary share totalling RM6,707,839 in respect of the financial year ended 31 December 2018 on 31 January 2019.

The Directors recommend to pay final ordinary dividend of 2.00 sen per ordinary share totalling RM3,353,920 in respect of the financial year ended 31 December 2018 on 14 June 2019.

## DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Datin Paduka Kartini binti Hj Abdul Manaf, Acting Chairman  
 Nik Fazila binti Nik Mohamed Shihabuddin, Group Managing Director  
 Dato' Azmi bin Mohd. Ali  
 Khalid bin Sufat  
 Dr. Leong Chik Weng  
 Dato' Seri Ir. Dr. Zaini bin Ujang  
 Dato' Wan Mohd Fadzmi bin Che Wan Othman Fadzilah (Appointed on 9 March 2018)  
 Amizar binti Mizuar (Appointed on 14 September 2018)  
 Dato' Hajah Normala binti Abdul Samad, Chairman (Resigned on 5 July 2018)

## DIRECTORS' INTERESTS IN SHARES

None of the Directors holding office at 31 December 2018 had any interest in the ordinary shares and options of the Company and of its related companies during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## INDEMNITY AND INSURANCE COSTS

During the financial year, Directors and Officers of Chemical Company of Malaysia Berhad, together with its subsidiaries, are covered under the Directors' and Officers' Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the policy. The total amount of Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Group was RM50.0 million. The total amount of premium paid for the Directors' and Officers' Liability Insurance by the Group and the Company was RM45,050.

There were no indemnity and insurance costs effected for auditors of the Company during the financial year.

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FOR THE YEAR ENDED 31 DECEMBER 2018

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2018 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**AUDITORS**

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 21 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

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**Datin Paduka Kartini binti Hj Abdul Manaf**  
Director

.....  
**Nik Fazila binti Nik Mohamed Shihabuddin**  
Director

Kuala Lumpur,

Date: 14 March 2019