

DIRECTORS' Report

for the year ended 31 December 2013

Amounts in RM'000 unless otherwise stated

The Directors of Chemical Company of Malaysia Berhad have pleasure in submitting their fifty second annual report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2013. This report and the financial statements will be presented to the shareholders at the Annual General Meeting to be held on 27 May 2014.

PRINCIPAL ACTIVITIES

Chemical Company of Malaysia Berhad is an investment holding and management company with subsidiaries engaged in the manufacturing and marketing of fertilizers, chemicals and pharmaceuticals products and services as stated in note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group	Company
Profit for the year attributable to:		
Owners of the Company	647	38,510
Non-controlling interests	10,890	-
	11,537	38,510

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:

- i) a final single tier dividend of 5.75 sen per ordinary share totalling RM26,141,334 in respect of the financial year ended 31 December 2012 on 23 July 2013.
- ii) an interim single tier dividend of 2.15 sen per ordinary share totalling RM9,774,587 in respect of the financial year ended 31 December 2013 on 15 November 2013.

The Directors do not recommend any final dividend to be paid for the financial year ended 31 December 2013.

DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Dato' Sri Azalina binti Othman, Chairman (appointed on 13 November 2013)
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman (resigned on 13 November 2013)
Amirul Feisal bin Wan Zahir, Group Managing Director
Dato' Azmi bin Mohd Ali
Khalid bin Sufat
Dr. Leong Chik Weng
Dato' Seri Ir. Dr. Zaini bin Ujang
Datuk Karownakaran @ Karunakaran A/L Ramasamy
Datin Paduka Kartini binti Haji Abdul Manaf

DIRECTORS' INTERESTS

None of the Directors holding office at 31 December 2013 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 a benefit included in the aggregate amount of emoluments 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 authorised, 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 OR WARRANTS

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

TREASURY SHARES

There were no changes in treasury shares during the year.

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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, except for those disclosed in the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2013 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.

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HOLDING COMPANY

The holding company is Permodalan Nasional Berhad (“PNB”), a company incorporated in Malaysia.

SUBSEQUENT EVENTS

Subsequent events are disclosed in Note 31 to the financial statements.

AUDITORS

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

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

Dato’ Sri Azalina binti Othman

Amirul Feisal bin Wan Zahir

Kuala Lumpur,
Date: 20 March 2014