

SAMCHEM HOLDINGS BERHAD
Registration No. 200701039535 (797567-U)
(Incorporated in Malaysia)

**SUMMARY OF QUESTIONS RAISED BY THE SHAREHOLDERS AND THE COMPANY'S
RESPONSES AT THE 17TH ANNUAL GENERAL MEETING HELD ON 30 MAY 2024**

1. Question from shareholder, Chee Sai Mun

Q1: With referring to the Annual Report of Samchem Holdings Berhad page 72, pertaining the Statement of Comprehensive Income. The Administrative Expenses for Group has increased from 59,329,000 for year 2022 to 64,365,000 for year 2023. What is the main reason occurred in the increasing of the Administrative Expense?

A1: The administrative expenses increased in year 2023 due to the expenditures related to construction logistics. Meanwhile, the 1st quarter 2024 results show an increase in administrative expenses due to the depreciation of warehouse in Pulau Indah. Additionally, Samchem Holdings Berhad has acquired a new subsidiary, CKJ Logistics Sdn Bhd.

Q2: What makes the other income increase in year 2023?

A2: Referring to Page 85 of the Annual Report of Samchem Holdings Berhad, the explanation for Profit Before Tax shows that other income increased due to significant changes in the reversal of inventories written down, which increased to 5,458,000.

Q3: Can you explain further on the increasing of the Borrowing?

A3: Note 19 on page 101 of the Company's Annual Report shows an increase in term loans for the warehouses in Pulau Indah and Vietnam Meridian.

Q4: Page 84 of Annual Report on the Disaggregation of Revenue show the decrease in Blending Services. Can you explain why no growing in this Blending Services?

A4: The Company needs to pay a 10% SST for blending services and is facing competition in the Malaysian Market. In addition, the decrease in the average selling price of products has also effected the revenue of the Company. However, overall the Company achieve 10% growth in volume compared to FY2022.

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Q5: In 1st Quarter Result FY2024, the Company explain more on the challenges, however, at the notes of the Quarter Result the company mentioned that will remain cautiously optimistic on a more favourable overall operating environment, particularly in the second half of the year. Can you explain why the Company are optimistic even facing the difficulties and challenges?

A5: First of all, we are optimistic due to our range of products serving most of the manufacturing sectors. Secondly, the infrastructure in Malaysia allows us to serve our customers efficiently.

Q6: We can see in the Report that the profit in Malaysia has decreased, what is the strategy to turn around the situation?

A6: The value in Malaysia has decreased due to the significant decrease in the Average Selling Price. However, if we review the volumes for Malaysia, the Company is still doing well.

Q7: Due to the decrease in Average Selling Price, is the Company will trade all the current stocks that the Company hold as at 31 March?

A7: At the moment, yes, as the price in the market are stable.

*Note:

Abbreviation Q means Question
Abbreviation A means Answer