

**LUXCHEM**

**LUXCHEM CORPORATION BERHAD**

Registration No: 199101014102 (224414 - D)  
(Incorporated in Malaysia)

**QUARTERLY REPORT  
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

# LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Individual Period (1st Quarter)		Changes	
	Current Year Quarter 31-Mar-24	Preceding Year Corresponding Quarter 31-Mar-23	RM	%
	RM	RM		
Revenue	183,146,956	152,831,915	30,315,041	20%
Cost of sales	(154,058,534)	(129,717,105)	(24,341,430)	19%
Gross profit	29,088,421	23,114,810	5,973,612	26%
Other operating income	2,517,881	2,050,018	467,863	23%
Selling and distribution costs	(2,254,016)	(2,062,707)	(191,309)	9%
Administrative expenses	(8,740,036)	(8,672,123)	(67,913)	1%
Other operating expenses	(1,561,774)	(1,561,155)	(620)	0%
Net impairment of financial assets	-	-	-	-
Operating profit	19,050,476	12,868,843	6,181,633	48%
Finance costs	(569,645)	(668,144)	98,499	-15%
Profit before Tax	18,480,831	12,200,699	6,280,132	51%
Taxation	(4,514,178)	(2,981,050)	(1,533,128)	51%
<b>Profit after Tax</b>	<b>13,966,653</b>	<b>9,219,649</b>	<b>4,747,003</b>	<b>51%</b>
Exchange gain on translation of foreign operations	14,847	489,687	(474,840)	-97%
Fair value gain/(loss) on equity investments	(4,602)	9,279	(13,881)	-150%
Total other comprehensive income	10,245	498,966	(488,721)	-98%
<b>Total comprehensive income for the period</b>	<b>13,976,898</b>	<b>9,718,616</b>	<b>4,258,282</b>	<b>44%</b>
Profit attributable to:				
-Owners of the Company	11,560,857	7,499,467	4,061,390	54%
-Non controlling interests	2,405,796	1,720,182	685,613	40%
	<b>13,966,653</b>	<b>9,219,649</b>	<b>4,747,003</b>	<b>51%</b>
Total comprehensive income attributable to:				
-Owners of the Company	11,570,996	7,964,300	3,606,697	45%
-Non controlling interests	2,405,901	1,754,316	651,586	37%
	<b>13,976,898</b>	<b>9,718,616</b>	<b>4,258,282</b>	<b>44%</b>
Earnings per share attributable to owners of the Company				
Earnings per share - Basic (Sen)	1.08	0.70	0.38	
Earnings per share - Fully Diluted (Sen)	1.08	0.70	0.38	
No. of shares		1,069,766,119		
Weighted Average No. of Dilutive Share		1,069,766,119		

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

## NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Current Quarter Ended 31-Mar-24 RM	Current Year-to-date Ended 31-Mar-24 RM
Interest income	(1,444,402)	(1,444,402)
Other income*	(1,073,479)	(1,073,479)
Interest expense	569,645	569,645
Depreciation & amortisation	3,424,694	3,424,694
Net foreign exchange loss/(gain) - realised	(815,364)	(815,364)
Net foreign exchange loss - unrealised	219,867	219,867
Fair value loss/(gain) on derivative instruments	(61,728)	(61,728)

\*Includes foreign exchange gain and gain on derivative instruments

**LUXCHEM CORPORATION BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024**

	<b>Unaudited As at 31-Mar-24 RM</b>	<b>Audited As at 31-Dec-23 RM</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	119,659,206	121,060,111
Investment property	2,651,403	2,658,479
Goodwill	64,706,662	64,706,662
Intangible assets	113,145,245	114,244,010
Other investments	1,057,890	1,062,492
Deferred tax assets	314,273	314,273
	<u>301,534,679</u>	<u>304,046,027</u>
<b>Current Assets</b>		
Inventories	59,848,509	66,523,124
Trade and other receivables	118,459,967	110,399,815
Derivative financial assets	4,604	-
Current tax assets	5,522,887	6,760,197
Cash and bank balances	263,882,199	252,670,473
	<u>447,718,166</u>	<u>436,353,609</u>
<b>Total Assets</b>	<b><u>749,252,845</u></b>	<b><u>740,399,636</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Parent</b>		
Share capital	298,077,797	298,077,797
Treasury Shares	(70,536)	(70,536)
Other reserves	1,324,994	1,314,856
Retained profits	237,229,547	234,226,820
	<u>536,561,802</u>	<u>533,548,937</u>
Non-controlling interests	80,084,801	79,798,399
<b>Total Equity</b>	<b><u>616,646,603</u></b>	<b><u>613,347,336</u></b>
<b>Non-current Liabilities</b>		
Retirement benefits	759,346	759,346
Lease liabilities	457,406	508,852
Term loan	11,250,267	12,016,542
Deferred tax liabilities	28,044,087	28,439,156
	<u>40,511,106</u>	<u>41,723,896</u>
<b>Current Liabilities</b>		
Trade and other payables	42,067,209	45,284,773
Derivative financial liabilities	-	57,124
Lease liabilities	333,302	399,427
Term loan	3,015,309	2,994,895
Bank borrowings	45,214,567	35,736,543
Current tax liabilities	1,464,750	855,642
	<u>92,095,137</u>	<u>85,328,404</u>
<b>Total Liabilities</b>	<b><u>132,606,243</u></b>	<b><u>127,052,300</u></b>
<b>Total Equity and Liabilities</b>	<b><u>749,252,846</u></b>	<b><u>740,399,636</u></b>
Net Assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.58	0.57

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

# LUXCHEM CORPORATION BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Year-to-date Ended	
	31-Mar-24	31-Mar-23
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	18,480,831	12,200,699
<b>Adjustments for :</b>		
Amortisation of intangible assets	1,700,509	1,631,188
Depreciation of investment property	7,076	7,076
Depreciation of property, plant and equipment	1,717,109	1,528,843
Dividend income	(1,941)	(3,757)
Gain on changes in fair value of forward foreign exchange contracts	(61,728)	(69,618)
Gain on disposal of property, plant and equipment	-	(251,968)
Gain on termination of lease	-	(222)
Interest income	(1,444,402)	(1,116,538)
Interest expense	569,645	668,144
Property, plant and equipment written off	8,831	14,230
Net unrealised loss on foreign exchange	219,867	335,474
<b>Operating profit before working capital changes</b>	21,195,798	14,943,551
Decrease in inventories	6,674,614	9,046,531
(Increase)/decrease in trade and other receivables	(8,027,410)	10,367,073
Decrease in trade and other payables	(3,460,219)	(15,883,641)
<b>Cash generated from operations</b>	16,382,783	18,473,514
Tax paid	(3,069,135)	(5,583,927)
Interest received	1,444,402	1,116,538
Interest paid	(558,537)	(661,346)
<b>Net cash generated from operating activities</b>	14,199,513	13,344,779
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(845,224)	(2,138,067)
Purchase of intangible assets	(80,586)	-
Proceeds from disposal of property, plant and equipment	-	319,715
Dividends received	1,941	3,757
Net (placement)/withdrawal of deposits with licensed banks with original maturity of more than three (3) months	(8,633,129)	4,280,882
<b>Net cash (used in)/generated from investing activities</b>	(9,556,999)	2,466,287
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment on lease liabilities	(118,185)	(297,420)
Interest paid on lease liabilities	(11,108)	(6,798)
Repayment of term loan	(745,861)	(822,601)
Drawdown of trade finance	9,478,024	326,301
Dividends paid to:		
- Shareholders of the Company	(8,558,129)	-
- Subsidiaries' non-controlling interests	(2,119,500)	-
<b>Net cash used in financing activities</b>	(2,074,758)	(800,518)
<b>Net increase in cash and cash equivalents</b>	2,567,756	15,010,548
<b>Cash and cash equivalents at beginning of financial year</b>	117,653,823	196,830,779
<b>Effect of changes in exchange rates</b>	10,843	596,422
<b>Cash and cash equivalents at end of financial year</b>	120,232,422	212,437,749
<b>For the purpose of the statements of cashflows, cash and cash equivalents comprise the following as at the end of each reporting period:</b>		
Cash and bank balances	68,897,955	77,900,050
Deposits with financial institutions	194,984,245	157,702,624
	263,882,199	235,602,674
Deposits placed with licensed banks with original maturity of more than three (3) months	(143,649,777)	(23,164,925)
	120,232,422	212,437,749

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

# LUXCHEM CORPORATION BERHAD

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## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2024

For the 3 months ended 31 March 2024

	Attributable to Owners of the Company						Non-controlling interests RM	Total equity RM
	<----- Non - distributable ----->			<----- Distributable ----->				
	Share capital RM	Exchange translation reserve RM	Fair value reserve RM	Treasury Shares RM	Retained earnings RM	Total RM		
<b>2023</b>								
Balance as at 1 January 2024	298,077,797	547,705	767,151	(70,536)	234,226,820	533,548,936	79,798,399	613,347,335
Profit for the period	-	-	-	-	11,560,856	11,560,856	2,405,796	13,966,652
Foreign currency translations	-	14,741	-	-	-	14,741	106	14,847
Fair value gain on equity investments	-	-	(4,602)	-	-	(4,602)	-	(4,602)
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	14,741	(4,602)	-	11,560,856	11,570,995	2,405,901	13,976,897
<b>Transactions with owners</b>								
Dividends paid to:								
- shareholders of the Company	-	-	-	-	(8,558,129)	(8,558,129)	-	(8,558,129)
- subsidiaries' non-controlling interest	-	-	-	-	-	-	(2,119,500)	(2,119,500)
<b>Total transactions with owners</b>	-	-	-	-	(8,558,129)	(8,558,129)	(2,119,500)	(10,677,629)
<b>Balance as at 31 Mar 2024</b>	<b>298,077,797</b>	<b>562,446</b>	<b>762,549</b>	<b>(70,536)</b>	<b>237,229,547</b>	<b>536,561,802</b>	<b>80,084,800</b>	<b>616,646,603</b>

For the 3 months ended 31 March 2023

	Attributable to Owners of the Company						Non-controlling interests RM	Total equity RM
	<----- Non - distributable ----->			<----- Distributable ----->				
	Share capital RM	Exchange translation reserve RM	Fair value reserve RM	Treasury Shares RM	Retained earnings RM	Total RM		
<b>2023</b>								
Balance as at 1 January 2023	298,077,797	(54,044)	515,515	(70,536)	214,248,714	512,717,446	76,271,207	588,988,653
Profit for the period	-	-	-	-	7,499,469	7,499,469	1,720,182	9,219,651
Foreign currency translations	-	455,554	-	-	-	455,554	34,134	489,687
Fair value gain on equity investments	-	-	9,279	-	-	9,279	-	9,279
<b>Total comprehensive income for the year</b>	-	455,554	9,279	-	7,499,469	7,964,302	1,754,316	9,718,617
<b>Transactions with owners</b>								
Dividends paid to:								
- shareholders of the Company	-	-	-	-	-	-	-	-
- subsidiaries' non-controlling interest	-	-	-	-	-	-	-	-
<b>Total transactions with owners</b>	-	-	-	-	-	-	-	-
<b>Balance as at 31 Mar 2023</b>	<b>298,077,797</b>	<b>401,510</b>	<b>524,794</b>	<b>(70,536)</b>	<b>221,748,183</b>	<b>520,681,748</b>	<b>78,025,523</b>	<b>598,707,270</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

**PART A : NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

The accounting standards adopted by the Group are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the following which were adopted at the beginning of the current financial year. The adoption of these new standards and other pronouncements did not have any significant effects on the interim financial statements upon their initial applications.

**New MFRSs adopted during the financial year**

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Other than as disclosed above, the accounting policies and method of computation adopted by the Group in preparing these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023.

**A2. Seasonal or Cyclical Factors**

The business operations of the Group were not significantly affected by seasonal or cyclical factors during the period under review.

**A3. Auditor’s Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

**A4. Items of Unusual Nature and Amount**

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence in the quarterly financial reports.

**A5. Significant Estimates and Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period under review.

## LUXCHEM CORPORATION BERHAD

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### A6. Debt and Equity Securities

Of the total 1,069,866,119 issued ordinary shares as at 31 March 2024, 100,000 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 31 March 2024 was therefore 1,069,766,119.

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period under review.

### A7. Dividends Paid

On 21 March 2024, the Company had made the payment of single tier second interim dividend of 0.8 sen per ordinary share in respect of the financial year ending 31 December 2023 amounting to RM8,558,129.

### A8. Segmental Information

The Group has two reportable operating segments as follows:

- i. **Trading** – Import, export and distribution of petrochemical and other related products.
- ii. **Manufacturing** – Manufacturing and trading of unsaturated polyester resin (“UPR”), latex chemical dispersions, latex processing chemicals, former cleaning agents, powder free coagulant and related products.

<b>Operating Segments</b>				
<b>YTD 31 MAR 2024</b>				
	Trading RM	Manufacturing RM	Others RM	Conso RM
Total revenue	124,378,553	100,328,000	-	224,706,553
Inter-segment revenue	(6,894,160)	(34,665,438)	-	(41,559,597)
External sales	117,484,393	65,662,562	-	183,146,956
<b>Results</b>				
Segment results	5,581,739	12,126,991	(134,072)	17,574,658
Dividend, interest & rental	687,262	722,552	66,004	1,475,818
Operating profit	6,269,001	12,849,544	(68,068)	19,050,476
Finance costs	(428,632)	(141,014)	-	(569,645)
Profit before tax	5,840,369	12,708,530	(68,068)	18,480,831
Taxation	(1,464,743)	(3,049,436)	-	(4,514,178)
Profit for the period	4,375,627	9,659,094	(68,068)	13,966,653
Segment assets	302,778,041	418,492,512	27,982,294	749,252,847
Segment liabilities	63,948,988	68,555,004	102,256	132,606,247

<b>Operating Segments</b>				
<b>YTD 31 MAR 23</b>				
	Trading RM	Manufacturing RM	Others RM	Conso RM
Total revenue	105,325,517	81,247,336	-	186,572,853
Inter-segment revenue	(2,708,904)	(31,032,034)	-	(33,740,939)
External sales	102,616,613	50,215,301	-	152,831,915
<b>Results</b>				
Segment results	4,348,308	7,525,464	(156,724)	11,717,048
Dividend, interest & rental	447,332	549,157	155,307	1,151,795
Operating profit	4,795,639	8,074,622	(1,418)	12,868,843
Finance costs	(536,339)	(131,805)	-	(668,144)
Profit before tax	4,259,300	7,942,817	(1,418)	12,200,699
Taxation	(1,075,087)	(1,905,963)	-	(2,981,050)
Profit for the period	3,184,213	6,036,854	(1,418)	9,219,649
Segment assets	283,856,862	400,671,049	27,038,576	711,566,488
Segment liabilities	48,704,077	64,049,085	106,056	112,859,218

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### A8. Segmental Information (cont'd)

Segmental results by Geographical Segment:

Country	YTD 31 Mar 24	YTD 31 Mar 23	Change	
	Revenue	Revenue		
	RM	RM	RM	%
<b>Malaysia</b>	<b>113,488,289</b>	<b>102,588,992</b>	<b>10,899,297</b>	<b>11%</b>
Vietnam	31,351,613	14,245,631	17,105,982	>100%
Indonesia	13,366,293	14,574,543	(1,208,250)	-8%
Thailand	5,970,924	4,498,697	1,472,227	33%
China	5,813,127	7,643,522	(1,830,394)	-24%
South Africa	1,946,087	83,433	1,862,654	>100%
Algeria	1,853,915	-	1,853,915	100%
Bangladesh	1,425,418	2,384,241	(958,823)	-40%
Australia	1,360,920	1,923,878	(562,958)	-29%
Sri Lanka	1,069,926	942,054	127,872	14%
Hong Kong	800,340	384,183	416,157	>100%
Philippines	667,207	759,826	(92,620)	-12%
Singapore	645,741	544,553	101,188	19%
United Arab Emirates	623,959	-	623,959	100%
Cambodia	550,296	562,817	(12,521)	-2%
United States	469,472	74,982	394,491	>100%
New Zealand	421,605	460,660	(39,055)	-8%
Others	1,321,822	1,159,903	161,920	14%
<b>Total exports</b>	<b>69,658,667</b>	<b>50,242,923</b>	<b>19,415,744</b>	<b>39%</b>
<b>Total</b>	<b>183,146,956</b>	<b>152,831,915</b>	<b>30,315,041</b>	<b>20%</b>

For the current financial year-to-date ended 31 March 2024, the Group achieved revenue of RM183.15 million. There is an increase of RM30.32 million or 20% compared with preceding financial year-to-date ended 31 March 2023. Higher revenue was attributable to local and export sales from both trading and manufacturing segments.

### A9. Valuation of Property, Plant and Equipment

There was no revaluation of the property, plant and equipment in the current period under review.



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### A10. Capital Commitments

Capital commitments as at 31 March 2024	Amount RM
Capital commitments for the purchase of property, plant and equipment as follow:	
Approved and contracted for	
- property, plant and equipment	1,605,805
- intangible assets	6,889
Approved but not contracted for	
- property, plant and equipment	2,877,872
- intangible assets	527,949
	<u>5,018,515</u>

### A11. Changes in the Composition of the Group

There was no change in the composition of the Group during the current reporting period.

### A12. Financial Guarantee Contracts

Financial guarantee contracts of the Group as at the date of this report, are in respect of guarantees given to financial institutions for credit facilities granted to subsidiaries amounting to RM59,480,143.

### A13. Significant Event Subsequent to the End of the Reporting Period

On 22 February 2024, the Company and Hurco Marketing Sdn Bhd ("HMSB") had entered into a Share Sale Agreement ("SSA") in respect of the acquisition of 100% equity interest in HMSB.

On 17 April 2024, the Company has completed the acquisition of 450,000 ordinary shares in HMSB, representing 100% equity interest in HMSB for a total purchase consideration of RM1,516,585 which was satisfied via cash. Accordingly, HMSB is now a wholly-owned subsidiary of the Company.

HMSB is principally involved in the import, export and distribution of chemical and other related products.

**A14. Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

**Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.**

- Quoted shares of the Group are measured at Level 1. The fair value of quoted ordinary shares of the Group is determined by reference to exchange quoted market prices.

**Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.**

- Forward foreign exchange contracts are measured at Level 2. The fair value of forward foreign exchange contracts is based on the difference between contracted forward rates and forward exchange rate as at the end of each reporting period.

**Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).**

- Unquoted shares of the Group are measured at Level 3. The fair value of unquoted ordinary shares of the Group is estimated based on price to earnings valuation method.

As at 31 Mar 2024				
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Financial assets at fair value through other comprehensive income</b>				
<i>Other investments - quoted shares</i>	947,889	-	-	947,889
<i>Other investments - Unquoted shares</i>	-	-	110,001	110,001
<b>Financial liabilities at fair value through profit or loss</b>				
<i>- forward foreign exchange contracts</i>	-	4,604	-	4,604

As at 31 Dec 2023				
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Financial assets at fair value through other comprehensive income</b>				
<i>Other investments - quoted shares</i>	952,491	-	-	952,491
<i>Other investments - Unquoted shares</i>	-	-	110,001	110,001
<b>Financial liabilities at fair value through profit or loss</b>				
<i>- forward foreign exchange contracts</i>	-	(57,124)	-	(57,124)

## LUXCHEM CORPORATION BERHAD

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### PART B : NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Group Performance

##### B1.1 Financial Review for current quarter/year-to-date compared with preceding year corresponding quarter/year-to-date

	Individual Period (1st Quarter)		Changes	
	Current Year 31-Mar-24 RM	Preceding Year Corresponding 31-Mar-23 RM	RM	%
Revenue	183,146,956	152,831,915	30,315,041	20%
Profit before Tax	18,480,831	12,200,699	6,280,132	51%
Profit after Tax	13,966,653	9,219,649	4,747,003	51%
<b>Revenue</b>				
Trading	117,484,393	102,616,613	14,867,780	14%
Manufacturing	65,662,562	50,215,301	15,447,261	31%
Investment holding & others	-	-	-	-
	183,146,956	152,831,915	30,315,041	20%
<b>Profit before tax</b>				
Trading	5,840,369	4,259,300	1,581,070	37%
Manufacturing	12,708,530	7,942,817	4,765,713	60%
Investment holding & others	(68,068)	(1,418)	(66,651)	>100%
	18,480,831	12,200,699	6,280,132	51%
<b>Profit after tax</b>				
Trading	4,375,627	3,184,213	1,191,414	37%
Manufacturing	9,659,094	6,036,854	3,622,241	60%
Investment holding & others	(68,068)	(1,418)	(66,651)	>100%
	13,966,653	9,219,649	4,747,003	51%

The Group reported higher revenue of RM183.15 million for the current quarter ended 31 March 2024, as compared to preceding year corresponding quarter ended 31 March 2023 of RM152.83 million. Revenue increased by RM30.32 million or 20%. Higher revenue was attributable to both trading and manufacturing segments.

The Group reported higher profit after tax of RM13.97 million for the current quarter ended 31 March 2024, as compared to preceding year corresponding quarter ended 31 March 2023 of RM9.22 million. Profit after tax increased by RM4.75 million or 51% due to both trading and manufacturing segments.

**B1. Review of Group Performance (cont'd)**

**B1.2 Financial review for current quarter compared with the immediate preceding quarter**

	Current Year Quarter 31-Mar-24 RM	Immediate Preceding Quarter 31-Dec-23 RM	Changes	
			RM	%
Revenue	183,146,956	177,355,900	5,791,056	3%
Profit before Tax	18,480,831	18,512,819	(31,988)	0%
Profit after Tax	13,966,653	13,692,050	274,603	2%
<b><u>Revenue</u></b>				
Trading	117,484,393	110,050,471	7,433,922	7%
Manufacturing	65,662,562	67,305,428	(1,642,866)	-2%
Investment holding & others	-	-	-	-
	183,146,956	177,355,900	5,791,056	3%
<b><u>Profit before tax</u></b>				
Trading	5,840,369	7,376,554	(1,536,185)	-21%
Manufacturing	12,708,530	11,076,301	1,632,229	15%
Investment holding & others	(68,068)	59,963	(128,032)	-214%
	18,480,831	18,512,819	(31,988)	0%
<b><u>Profit after tax</u></b>				
Trading	4,375,627	5,003,063	(627,436)	-13%
Manufacturing	9,659,094	8,829,636	829,459	9%
Investment holding & others	(68,068)	(140,649)	72,580	-52%
	13,966,653	13,692,050	274,603	2%

For the current quarter ended 31 March 2024, the Group achieved revenue of RM183.15 million, representing an increase of RM5.79 million or 3% compared to previous quarter ended 31 December 2023. This was mainly due to higher sales in trading segments.

The Group achieved profit after tax of RM13.97 million during the current quarter ended 31 March 2024. There is an increase of RM0.27 million or 2% compared to previous quarter ended 31 December 2023 due to manufacturing segment.

**B2. Prospects**

The Group's performance can be affected by several key challenges such as USD/RM exchange rates in a rising interest rate environment, raw material price fluctuations, raw material demand and supply situations, stiff competition and on-going global geopolitical conflict.

The Group will continue to improve its own productivity and efficiency to face these external uncontrollable factors and challenges.

**B3. Variance between Actual Profit from Profit Forecast or Profit Guarantee**

Not applicable as there was no profit forecast or profit guarantee issued.

**B4. Status of Corporate Proposals**

There were no corporate proposals announced but not completed as at the reporting date.

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### B5. Taxation

	Current Quarter Ended 31-Mar-24 RM	Current Year-to-date Ended 31-Mar-24 RM
Tax expenses	(4,514,178)	(4,514,178)

The effective tax rate of the Group in current year is approximate to the statutory tax rate.

### B6. Group Borrowings and Debt Securities

The Group's borrowings as at 31 March as follows:

	Currency	As at 31 March 2024					
		Long Term		Short Term		Total borrowings	
		Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
<b>Secured</b>							
Hire-purchase (Lease Liabilities)	IDR	317,787,172	94,701	282,076,701	84,059	599,863,873	178,759
Trade financing	IDR	-	-	6,493,939,605	1,935,195	6,493,939,605	1,935,195
	USD	-	-	299,744	1,416,049	299,744	1,416,049
	RM	-	-	-	41,863,324	-	41,863,324
Term loans	RM	-	11,250,267	-	3,015,309	-	14,265,575
<b>Total</b>			11,344,967		48,313,935		59,658,902

	Currency	As at 31 March 2023					
		Long Term		Short Term		Total borrowings	
		Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
<b>Secured</b>							
Hire-purchase (Lease Liabilities)	IDR	119,511,402	35,256	73,992,534	21,828	193,503,936	57,084
Trade financing	IDR	-	-	21,665,255,385	6,391,251	21,665,255,385	6,391,251
	USD	-	-	731,746	3,251,361	731,746	3,251,361
	RM	-	-	-	28,307,185	-	28,307,185
Term loans	RM	-	14,395,044	-	3,000,474	-	17,395,518
<b>Total</b>			14,430,300		40,972,099		55,402,399

Exchange rates on borrowings as at 31 March:

	2024	2023
USD to RM	4.7205	4.4170
USD to IDR	15,853	15,062
IDR100 to RM	0.0298	0.0295

The Group's total borrowing as at 31 March 2024 was RM59.66 million, an increase of RM4.26 million compared to preceeding year corresponding quarter.

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### B7. Derivative Financial Instruments

As at 31 March 2024, the values and maturity analysis of the outstanding derivatives are as follows:

<u>Derivatives</u>	Base Currency	Contract/Notional Value	Fair value
		<u>Net long/(short)</u>	<u>Net gains/(losses)</u>
		RM	RM
Forward foreign exchange contracts			
- Less than 1 year	USD	<u>(772,085)</u>	<u>4,604</u>

### B8. Fair Value Changes of Financial Liabilities

The Group does not have any financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments for the period under review.

### B9. Material Litigation

On 3 March 2021, the subsidiary of Luxchem, namely Luxchem Trading Sdn Bhd ("the Plaintiff") filed a writ of summons and a statement of claim on Central Spectrum (M) Sdn Bhd ("the Defendant") for breach of a sale and purchase agreement dated 29 January 2014 ("SPA") entered into between the Plaintiff (as purchaser) and the Defendant (as vendor) for the purchase by the Plaintiff from the Defendant, of a plot of industrial land in Pulau Indah Industrial Park, measuring approximately 8.42 acres ("Lot") at a purchase price of RM14,671,008.00 ("Purchase Price"). The Plaintiff alleged that the Defendant has failed to, amongst others, complete the basic infrastructure (in particular the water reticulation system) and the sewerage system, including to effect the handover of the water reticulation system to Air Selangor and the sewerage system to Indah Water Konsortium, in accordance with the terms of the SPA.

The plaintiff is claiming against the Defendant for, amongst others:-

1. declaration that the Defendant has breached the SPA;
2. declaration that the purported delivery of vacant possession by the Defendant on 10 September 2017 is null, void and of no effect;
3. declaration that the Defendant has not delivered vacant possession of the land to the Plaintiff in full compliance with the SPA and the Plaintiff is entitled to claim for liquidated ascertained damages ("LAD") pursuant to the terms of the SPA;
4. LAD from the official date for the purported delivery of vacant possession by the Defendant amounting to RM4,980,104.00 (calculated as at 31 January 2021) and such further LAD at the rate of 10% per annum of the Purchase Price until the date of delivery of actual vacant possession;
5. in the alternative to paragraph (4) above,
  - i. special damages of RM1,077,958.06 calculated up to 31 July 2021 and further special compensation to be assessed and determined by the Court
  - ii. general damages to be assess and determined by the Court after trial
6. further losses and damages for breach of the SPA to be assessed and determined by the court;
7. 5% interest on the sum of award ordered by the court from the date of judgement to the date of full and final settlement;
8. costs; and
9. such other reliefs as the court deems fit and just.

The Defendant filed its statement of defence on 2 April 2021 and the Plaintiff has filed its reply to defence on 15 April 2021. The court has directed the parties to comply with pre-trial directions by 15 June 2021 and fixed the matter for case management on 15 June 2021.

Based on the documents and evidence received as at the LPD, the Plaintiff's solicitor is of the view that Luxchem Trading Sdn Bhd has a good chance of succeeding in its claim for the declarations sought and is likely to be awarded either the LAD claimed or alternatively, the special and general damages claimed depending on the court's decision in respect of the Plaintiff's claim for declarations.

Due to Full Movement Control Order, the judge has fixed a further case management on 13 October 2021 for the parties to comply with the pre-trial directions.

The Court had on 13 October 2021, informed to adjourn the case management, which supposed to be held on 13 October 2021, to 5 January 2022.

**B9. Material Litigation (cont'd.)**

The Court has conducted the first Case Management (via Zoom) on 5 January 2022. The Court has fixed the matter for further Case Management (via Zoom) on 12 September 2022 for parties to file witness statements.

The Court has also fixed the matter for Full-Trial on 11 October 2022, 12 October 2022, 13 October 2022 and 14 October 2022.

The Court had on 12 September 2022, informed to adjourn the case management, which supposed to be held on 12 September 2022, to 21 September 2022. The Court has conducted further Case Management (via Zoom) on 21 September 2022 and directed parties to file and serve Witness Statement on or before 29 September 2022.

Subsequently, the Court has vacated the Full-Trial fixed on 11 October 2022, 12 October 2022, 13 October 2022 and 14 October 2022. The matter is now fixed for further Case Management (via Zoom) on 11 October 2022 for parties to update on the Witness Statement and to fix new dates for Full-Trial.

The Court had fixed the new Full Trial on 17 February 2023 and 20 February 2023 via Zoom, after the Case Management (via Zoom) on 11 October 2022.

The Court had directed parties to file and serve any further Bundle of Documents and Witness Statement on or before 3 February 2023.

The Full-Trial fixed on 17 February 2023 and 20 February 2023 has been vacated due to change of Judge. The Court has fixed the matter for Case Management on 5 April 2023 for parties to get directions from the new Judge.

On 6 April, the Company announced that the legal team of the Defendant would like to resolve the case through mediation and the Plaintiff concurred with the proposal.

The legal team of the Company has received a letter dated 4 April 2023 from the State Court of Selangor, informed that the Court had fixed the mediation on 19 April 2023, at 11:00AM, at Shah Alam Court Mediation Centre.

The Court has conducted Case Management on 5 April 2023, the trial had been fixed on 3 July 2023, 4 July 2023 and 5 July 2023 and the trial will be conducted physically in the Court. Parties are required to file and exchange witness statements two weeks prior to the trial.

The Judge further directed the parties to update the Court if the matter can be resolved through mediation.

On 17 April 2023, the Company announced that the mediation session supposed to be held on 19 April 2023, at 11:00AM, at Shah Alam Court Mediation Centre was brought forward to the even date, i.e. 17 April 2023, at 11:00AM. However, the aforesaid mediation session was then postponed to 1 June 2023, at 9:30AM.

On 29 May 2023, the Company announced that the Plaintiff disagreed with the terms proposed by the Defendant. As such, the Plaintiff has rejected the proposal offered by the Defendant. Hence, the representative of the Plaintiff will not attend the mediation session, to be held on 1 June 2023, at 9:30AM, at Shah Alam Court Mediation Centre.

As a result, the Plaintiff will proceed with the full trial, which had been fixed on 3 July 2023, 4 July 2023 and 5 July 2023. The trial will be conducted physically in the Court.

On 4 July 2023, the Company announced that the Plaintiff had attended the full trial on 3 July 2023 and had called its first two witnesses, however, the earlier full trial dates fixed on 4 July 2023 and 5 July 2023 were vacated by the High Court. The full trial will resume on 4 December 2023 and 5 December 2023.

On 29 November 2023, the Company announced that the full trial fixed on 4 December 2023 and 5 December 2023 had been vacated and rescheduled to be continued on 14 April 2025 and 15 April 2025.

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### B10. Dividends

There were no dividends proposed or declared for the current quarter under review.

### B11. Earnings per share

#### (a) Basic earnings per share

	Individual Period (1st Quarter)		Cumulative Period	
	Current Year 31-Mar-24 RM	Preceding Year Corresponding 31-Mar-23 RM	Current Year-to-date 31-Mar-24 RM	Preceding Year-to-date 31-Mar-23 RM
Profit attributable to Owners of the Company	11,560,857	7,499,467	11,560,857	7,499,467
Weighted average number of ordinary shares: Issued ordinary shares outstanding at beginning/end of the period	1,069,866,119	1,069,866,119	1,069,866,119	1,069,866,119
Effect of treasury shares held	(100,000)	(100,000)	(100,000)	(100,000)
	1,069,766,119	1,069,766,119	1,069,766,119	1,069,766,119
Earnings per share - Basic (Sen)	1.08	0.70	1.08	0.70

The basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and current financial year-to-date ended 31 March 2024, excluding treasury shares held by the Company.

#### (b) Diluted earnings per share

There is no effect of dilution for the current quarter and financial year-to-date.

By order of the Board,

Chen Moi Kew  
Director / Chief Financial Officer  
Date: 25 April 2024