

# LUXCHEM CORPORATION BERHAD

(Company No: 224414-D)

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

The Board of Directors of Luxchem Corporation Berhad (“LCB” or “the Company”) is pleased to announce the following unaudited consolidated results of LCB and its subsidiaries (collectively known as “the Group”) for the quarter ended 31 March 2016.

The Company is principally involved in investment holding while the subsidiaries of the Company are principally involved in the marketing and distribution of industrial chemicals and materials and the manufacture of Unsaturated Polyester Resins.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Individual Quarter (3 months)		Cumulative Quarters (3 months)	
	Current Quarter Ended 31-Mar-16 RM	Preceding Year Corresponding Quarter Ended 31-Mar-15 RM	Current Year Ended 31-Mar-16 RM	Preceding Year Ended 31-Mar-15 RM
Revenue	159,969,596	172,539,829	159,969,596	172,539,829
Cost of sales	(141,269,024)	(156,463,242)	(141,269,024)	(156,463,242)
<b>Gross profit</b>	<b>18,700,573</b>	<b>16,076,587</b>	<b>18,700,573</b>	<b>16,076,587</b>
Other operating income	1,827,462	3,178,391	1,827,462	3,178,391
Selling and distribution costs	(1,399,060)	(1,283,844)	(1,399,060)	(1,283,844)
Administrative expenses	(7,894,400)	(3,933,290)	(7,894,400)	(3,933,290)
Administrative expenses - Share Option Expense	(814,749)	(8,476,290)	(814,749)	(8,476,290)
Other operating expenses	(203,305)	(29,655)	(203,305)	(29,655)
<b>Operating profit</b>	<b>10,216,520</b>	<b>5,531,899</b>	<b>10,216,520</b>	<b>5,531,899</b>
Finance costs	(645,813)	(655,952)	(645,813)	(655,952)
<b>Profit before Tax</b>	<b>9,570,707</b>	<b>4,875,947</b>	<b>9,570,707</b>	<b>4,875,947</b>
Taxation	(2,499,635)	(3,370,193)	(2,499,635)	(3,370,193)
<b>Profit for the period</b>	<b>7,071,072</b>	<b>1,505,754</b>	<b>7,071,072</b>	<b>1,505,754</b>
Re-measurement of defined benefit obligations	-	-	-	-
Exchange gain/ (loss) on translation of foreign operations	(8,225)	(363,966)	(8,225)	(363,966)
Gain/(loss) on revaluation of available-for-sale investments	(169,821)	132,447	(169,821)	132,447
<b>Total other comprehensive income</b>	<b>(178,045)</b>	<b>(231,520)</b>	<b>(178,045)</b>	<b>(231,520)</b>
<b>Total comprehensive income for the period</b>	<b>6,893,026</b>	<b>1,274,234</b>	<b>6,893,026</b>	<b>1,274,234</b>
Profit attributable to:				
-Owners of the parent	7,002,285	1,552,316	7,002,285	1,552,316
-Non controlling interest	68,786	(46,563)	68,786	(46,563)
Total comprehensive income attributable to:				
-Owners of the parent	6,873,909	1,430,858	6,873,909	1,430,858
-Non controlling interest	19,117	(156,623)	19,117	(156,623)
Earnings per share - Basic (Sen)	2.64	0.60	2.64	0.60
Earnings per share - Fully Diluted (Sen)	2.51	0.58	2.51	0.58

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this quarterly financial report.*

# LUXCHEM CORPORATION BERHAD

(Company No: 224414-D)

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

### NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Current Quarter Ended 31-Mar-16 RM</b>	<b>Current Year to date Ended 31-Mar-16 RM</b>
Interest Income	282,056	282,056
Other income including investment income	1,545,406	1,545,406
Interest Expense	645,813	645,813
Depreciation & amortisation	409,274	409,274
Foreign exchange (Gain)/Loss - realised	3,024,389	3,024,389
Foreign exchange (Gain)/Loss - unrealised	248,306	248,306
(Gain)/loss on derivatives	103,250	103,250

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited As at 31-Mar-16 RM'000	Audited As at 31-Dec-15 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	30,495,205	27,699,521
Investment properties	116,328	116,979
Intangible assets	399,672	376,351
Other investments	990,201	1,160,021
Deferred tax assets	223,195	236,101
	<u>32,224,601</u>	<u>29,588,973</u>
<b>Current Assets</b>		
Inventories	40,468,750	51,207,773
Trade and other receivables	116,844,367	127,650,410
Amount owing by related company	-	-
Derivative financial assets	-	-
Tax recoverable	1,247,234	1,206,810
Deposits, cash and bank balances	115,685,480	113,253,287
	<u>274,245,831</u>	<u>293,318,280</u>
<b>Total Assets</b>	<b><u>306,470,432</u></b>	<b><u>322,907,253</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Parent</b>		
Share capital	132,917,100	132,537,200
Share premium	3,057,299	2,689,578
Other reserves	4,202,898	4,081,393
Retained profits	58,986,649	51,977,659
<b>Total equity attributable to owners of the Company</b>	<u>199,163,946</u>	<u>191,285,830</u>
Non-controlling interests	176,887	(294,780)
<b>Total Equity</b>	<u>199,340,833</u>	<u>190,991,050</u>
<b>Non-current Liabilities</b>		
Hire purchase	176,313	177,229
Retirement benefits	209,906	222,043
Deferred tax liabilities	675,667	689,850
	<u>1,061,886</u>	<u>1,089,122</u>
<b>Current Liabilities</b>		
Trade and other payables	38,705,414	61,402,920
Hire purchase payables	85,440	62,306
Bankers' acceptances	59,343,685	61,733,393
Derivative financial liabilities	125,002	21,752
Taxation	7,808,172	7,606,710
	<u>106,067,713</u>	<u>130,827,081</u>
<b>Total Liabilities</b>	<u>107,129,599</u>	<u>131,916,203</u>
<b>Total Equity and Liabilities</b>	<b><u>306,470,432</u></b>	<b><u>322,907,253</u></b>
Net Assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.75	0.73

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this quarterly financial report.*

# LUXCHEM CORPORATION BERHAD

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Current Year to date Ended 31-Mar-16 RM	Preceding Year Corresponding Period Ended 31-Dec-15 RM
<b>Cash flows from operating activities</b>		
<b>Profit before taxation</b>	9,570,707	54,396,582
Adjustments for :-		
Amortisation of intangible assets	35,373	104,978
Depreciation of property, plant and equipment	373,249	1,566,704
Amortisation of investment property	652	2,607
Defined benefit obligations	-	70,049
Dividend income	(118,017)	(12,286)
Loss of disposal of an investment	-	16,325
Net gain on changes in fair value of forward exchange contra	103,250	50,432
Net gain on disposal of property, plant and equipment	(4,466)	-
Impairment losses on trade receivables	-	551,501
Interest income	(282,056)	(1,812,442)
Interest expense	645,813	2,391,878
Inventories written off	-	691,806
Write down in value of inventories	-	527,369
Property, plant and equipment written off	548	3,362
Unrealised loss on foreign exchange	248,306	(334,807)
Reversal of impairment losses on trade receivables	-	(938,743)
Share options expense	814,749	4,432,101
<b>Operating profit before working capital changes</b>	<b>11,388,108</b>	<b>61,707,416</b>
Increase in inventories	10,384,137	(16,683,991)
Increase in trade and other receivables	8,936,026	(10,919,331)
Increase in trade and other payables	(21,161,413)	21,462,596
<b>Cash generated from operations</b>	<b>9,546,858</b>	<b>55,566,690</b>
Tax paid	(2,422,571)	(9,380,237)
Interest received	282,056	1,812,442
Interest paid	(645,813)	(2,391,878)
Retirement benefit paid	-	(681)
<b>Net cash (used in)/from operating activities</b>	<b>6,760,530</b>	<b>45,606,336</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,194,820)	(3,051,361)
Purchase of intangible assets	(58,695)	(212,873)
Purchase of an investment	-	(24,840)
Additional injection of capital from Non-controlling interest	452,550	-
Proceeds from disposal of an investment	-	8,675
Proceeds from disposal of property, plant and equipment	6,387	-
Dividend received	118,017	12,286
Net cash used in investing activities	(2,676,561)	(3,268,113)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares under ESOS	549,378	3,644,674
Bankers' acceptances obtained, net of repayment	(1,568,766)	6,194,633
Hire purchase instalments paid	27,651	(102,881)
Dividend paid	-	(13,196,700)
<b>Net cash from/(used in)/ financing activities</b>	<b>(991,737)</b>	<b>(3,460,274)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>3,092,233</b>	<b>38,877,949</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>113,253,287</b>	<b>74,157,347</b>
<b>Foreign exchange difference</b>	<b>(660,041)</b>	<b>217,991</b>
<b>Cash and cash equivalent at end of the period</b>	<b>115,685,479</b>	<b>113,253,287</b>
<b>Cash and cash equivalents at end of year comprised:-</b>		
<b>Deposits with financial institutions</b>	<b>69,545,152</b>	<b>52,994,934</b>
<b>Cash and bank balances</b>	<b>46,140,327</b>	<b>60,258,353</b>
	<b>115,685,479</b>	<b>113,253,287</b>

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year 31 December 2015 and the accompanying explanatory notes attached to this quarterly financial report.*

# LUXCHEM CORPORATION BERHAD

(Company No: 224414-D)

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

#### For the three months ended 31 March 2016

	Attributable to Owners of the Company						Total RM	Non- controlling interests RM	Total RM
	Non-distributable			Distributable					
	Share capital RM	Share premium RM	Exchange translation reserve RM	Fair value adjustment reserve RM	Share Option reserve RM	Retained profits RM			
<b>2016</b>									
<b>Balance at 1 January 2016</b>	132,537,200	2,689,578	121,430	864,679	3,095,284	51,977,659	191,285,830	(294,779)	190,991,050
Profit/(Loss) for the year	-	-	-	-	-	7,008,990	7,008,990	68,786	7,077,776
Exchange gain/(loss) on translation of foreign operations	-	-	(325,181)	-	-	-	(325,181)	(49,669)	(374,850)
Loss on changes in fair value of available-for-sale financial assets	-	-	-	(169,820)	-	-	(169,820)	-	(169,820)
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-	-
Additional injection of capital	-	-	-	-	-	-	-	452,550	452,550
<b>Total comprehensive income/(loss) for the year</b>	-	-	(325,181)	(169,820)	-	7,008,990	6,513,989	471,667	6,985,656
<i>Transactions with owners of the Company</i>									
Share options granted under ESOS	-	-	-	-	814,749	-	814,749	-	814,749
Issuance of shares pursuant to ESOS	379,900	367,721	-	-	(198,243)	-	549,378	-	549,378
<b>Balance at 31 Mar 2016</b>	<b>132,917,100</b>	<b>3,057,299</b>	<b>(203,751)</b>	<b>694,860</b>	<b>3,711,790</b>	<b>58,986,649</b>	<b>199,163,946</b>	<b>176,888</b>	<b>199,340,833</b>

#### For the three months ended 31 March 2015

	Attributable to Owners of the Company						Total RM	Non- controlling interests RM	Total RM
	Non-distributable			Distributable					
	Share capital RM	Share premium RM	Exchange translation reserve RM	Fair value adjustment reserve RM	Share Option reserve RM	Retained profits RM			
<b>2015</b>									
<b>Balance at 1 January 2015</b>	130,000,000	250,483	232,554	431,536	-	25,429,399	156,343,972	(98,775)	156,245,197
Profit/(Loss) for the year	-	-	-	-	-	1,552,314	1,552,314	(46,562)	1,505,752
Exchange gain/(loss) on translation of foreign operations	-	-	(253,905)	-	-	-	(253,905)	(110,061)	(363,966)
Loss on changes in fair value of available-for-sale financial assets	-	-	-	131,822	-	-	131,822	-	131,822
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the year</b>	-	-	(253,905)	131,822	-	1,552,314	1,430,231	(156,623)	1,273,608
<i>Transactions with owners of the Company</i>									
Share options granted under ESOS	-	-	-	-	8,476,290	-	8,476,290	-	8,476,290
Issuance of shares pursuant to ESOS	201,500.00	191,425	-	-	(106,795)	-	286,130	-	286,130
<b>Balance at 31 Mar 2015</b>	<b>130,201,500</b>	<b>441,908</b>	<b>(21,351)</b>	<b>563,358</b>	<b>8,369,495</b>	<b>26,981,713</b>	<b>166,536,623</b>	<b>(255,398)</b>	<b>166,281,225</b>

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year 31 December 2015 and the accompanying explanatory notes attached to this quarterly financial report.

# LUXCHEM CORPORATION BERHAD

(Company No: 224414-D)

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART A</b>	<b>NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 ("FRS 134"), INTERIM FINANCIAL REPORTING</b>
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### **A1. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting* and Chapter 9 Part K of the Bursa Securities Listing Requirements. Unless otherwise described below, the accounting policies and method of computation adopted for the interim financial statements were consistent with those adopted for the audited financial statements for the year ended 31 December 2015.

The accounting policies applied by the Group are consistent with those applied in the annual financial statements for the year ended 31 December 2015 other than the application of a new MFRS and amendments to MFRSs which became effective for annual period beginning on 1 January 2016. The initial application of these new MFRS and amendments to MFRSs has no material impact on this interim financial reporting.

### **A2. Auditors' Report**

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2015.

### **A3. Seasonal or cyclical factors**

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

### **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.

# LUXCHEM CORPORATION BERHAD

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(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

### PART A NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 ("FRS 134"), INTERIM FINANCIAL REPORTING

#### A5. Issuance, Cancellations, Repurchase, Resale and Repayments of Debt and Equity Securities

On 1 December 2014, the Company established an Employees' Share Option Scheme that entitles eligible directors and employees of the Group ("Eligible Persons") to participate in the ordinary share capital of the Company. The share option scheme has a tenure of five (5) years which expires on 30 November 2019.

The following shows the status of the options granted:

Date of grant	No. of options granted	No. of options vested			Exercise price/option	Fair Value /option	No. of options exercised			Vested Options cancelled	Balance of vested & exercisable options as at
		As at 31-Dec-15	During Q1 2016	As at 31-Mar-16			YTD Dec 15	Q1 2016	YTD Mar 16		
		No	No	No			No	No	No		
22-Jan-15	31,986,000	6,397,200	6,054,200	12,451,400	0.71	0.265	4,939,400	727,800	727,800	12,000	6,772,200
22-Jun-15	1,446,000	289,200	277,200	566,400	1.02	0.168	135,000	32,000	32,000	12,000	387,400
	<b>33,432,000</b>	<b>6,686,400</b>	<b>6,331,400</b>	<b>13,017,800</b>			<b>5,074,400</b>	<b>759,800</b>	<b>759,800</b>	<b>24,000</b>	<b>7,159,600</b>

Note 1 : The respective exercise price of the share options as above, was determined based on the volume weighted average market price of the Company's shares for the five (5) market days immediately preceding the date of offer with a 10% discount.

Note 2 : The fair value of the share options granted was measured using the Trinomial Option Pricing model.

#### A6. Segmental Information

Segmental results by business activities:-

Business Activities:	Current Quarter Ended 31 Mar 16 (3 months)		Current Year To Date Ended 31 Mar 16 (3 months)	
	Revenue	Profit/(loss)	Revenue	Profit/(loss)
	Before Tax		Before Tax	
	RM	RM	RM	RM
Investment Holding	-	(935,819)	-	(935,819)
Trading	134,501,150	6,436,093	134,501,150	6,436,093
Manufacturing	39,301,062	4,160,421	39,301,062	4,160,421
Total	173,802,213	9,660,695	173,802,213	9,660,695
Consolidation Adjustments	(13,832,616)	(89,988)	(13,832,616)	(89,988)
	<b>159,969,596</b>	<b>9,570,707</b>	<b>159,969,596</b>	<b>9,570,707</b>
			-	-

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART A</b>	<b>NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (“FRS 134”), INTERIM FINANCIAL REPORTING</b>
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### A7. Valuation of property, plant and equipment

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

### A8. Capital commitments

Capital commitments as at 31 Mar 16	Amount RM
Capital expenditure in respect of purchase of property, plant and equipment - authorised and contracted for	10,209,363

### A9. Changes in the Composition of the Group

There were no changes in the composition of the group during the current period and year to date other than as disclosed below:

On 30 October 2015, the Company had announced that the Company had on 10 October 2015 obtained an Investment Certificate dated 8 October 2015 for the establishment of a limited liability enterprise known as Luxchem Vietnam Company Limited (“LVCL”). The principal activity of LVCL is distribution of industrial chemical. The charter capital of LVCL is VND10,692,500,000 equivalent to USD500,000. The Company is required to inject the fund of USD500,000 into LVCL within 90 days from the date of business registration.

On 30 November 2015, the Company had announced that LVCL had on 25 November 2015 obtained the Certificate of Company Registration from Department of Planning & Investment of Ho Chi Minh City. Following the issuance of the Certificate of Company Registration, LVCL is able to commence its business in Vietnam.

For further detail, please refer to the announcements made on 30 October 2015 and 30 November 2015. The Company has consolidated LVCL into its group accounts with effect from 1<sup>st</sup> quarter 2016.

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART A</b>	<b>NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARD 134 (“FRS 134”), INTERIM FINANCIAL REPORTING</b>
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### **A10. Subsequent Event**

The Company, had on 29 April 2016, announced that the Acquisition of Transform Master Sdn Bhd (TMSB) has been completed in accordance with the terms of the Share Sale Agreement. Accordingly, TMSB is now a wholly-owned subsidiary of the Company.

The 5,184,851 Consideration Shares have been allotted and issued by the Company to the respective Vendors on even date as part payment of the Purchase Consideration in accordance with the General Mandate which was obtained from the shareholders of the Company at the 23<sup>rd</sup> Annual General Meeting convened on 29 May 2015. The Consideration Shares was listed and quoted on the Main Market of Bursa Malaysia Securities Berhad on 3 May 2016.

Please refer to the related announcements made on 27 January 2016, 28 January 2016, 25 March 2016, 8 April 2016, 15 April 2016 and 29 April 2016 for full details of the announcements.

# LUXCHEM CORPORATION BERHAD

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART B</b>	<b>NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS</b>
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### B1. Review of performance of the Company and its principal subsidiaries

	<b>Current Quarter Ended 31-Mar-16 RM</b>	<b>Preceding Year Corresponding Quarter Ended 31-Mar-15 RM</b>	<b>Variance  RM</b>
Revenue	159,969,596	172,539,829	(12,570,232)
Profit Before Tax	9,570,707	4,875,947	4,694,760

Revenue for the current quarter is lower than the preceding year corresponding quarter. This is due to lower revenue from the trading sector.

Profit before tax is higher this current quarter compared to the preceding year corresponding quarter. This was due to Share Option expenses amounting to RM8.48 million charged during the preceding year corresponding quarter.

	<b>Current Quarter Ended 31-Mar-16 RM</b>	<b>Previous Quarter Ended 31-Dec-15 RM</b>	<b>Variance  RM</b>
Revenue	159,969,596	184,010,774	(24,041,177)
Profit Before Tax	9,570,707	19,009,400	(9,438,693)

Revenue for the current quarter is lower than the previous quarter. This is due to lower revenue from both the trading and manufacturing sector.

Profit before tax is lower this quarter compared to previous quarter. This is due to the lower revenue for this quarter and also the reversal of Share Option expenses amounting to RM4.29 million during the previous quarter.

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

**PART B            NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

**B2.      Prospects for the current financial year**

Fluctuations in exchange rates and raw material prices will continue to be a challenge to the Group. However, the Directors remain positive with the Group's prospects.

**B3.      Variance between Actual Profit and Forecast Profit**

The Group did not issue any profit forecast in a public document during the current financial period.

**B4.      Taxation**

	Current Quarter Ended 31-Mar-16 RM	Current Year Ended 31-Mar-16 RM
Current tax expenses	(2,499,635)	(2,499,635)
Deferred Taxation	-	-
	<u>(2,499,635)</u>	<u>(2,499,635)</u>

The effective tax rate of the Group is higher than the statutory tax rate.

This is because the Share Option Expenses charged to Profit and Loss is not allowable for tax purpose.

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART B</b>	<b>NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS</b>
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### B5. Group borrowings and debt securities

The Group's borrowings as at 31 Mar 2016 as follows:-

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowing:-</u>			
Bankers' Acceptance	-	59,343,685	59,343,685
Hire Purchase Payable	85,440	-	85,440
	<u>85,440</u>	<u>59,343,685</u>	<u>59,429,125</u>
<u>Long Term borrowings:-</u>			
Hire Purchase Payable	176,313	-	176,313
	<u>176,313</u>	<u>-</u>	<u>176,313</u>
Total	<u>261,753</u>	<u>59,343,685</u>	<u>59,605,438</u>

### B6. Realised and Unrealised Profit

	Current financial year ended 31 Mar 16 RM	31-Dec-15 RM
Total retained profits of LCB and its subsidiaries		
- Realised Profit	114,962,656	120,719,267
- Unrealised Profit/ (loss)	<u>(823,908)</u>	<u>(140,694)</u>
	114,138,746	120,578,573
- Consolidation adjustments	<u>(55,152,099)</u>	<u>(68,600,914)</u>
Retained profits as per financial statements	<u>58,986,648</u>	<u>51,977,659</u>

# LUXCHEM CORPORATION BERHAD

(Company No: 224414-D)

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART B</b>	<b>NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS</b>
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### **B7. Financial Guarantee**

The Company has provided various financial guarantees to banks for the guarantee of credit facilities granted to its various subsidiaries. As at 31 March 2016, the amount of bank borrowings of its subsidiaries amounted to RM 59.34 million.

In addition, the Company has also provided Corporate Guarantee to Suppliers in respect of credit facilities granted to subsidiaries. As at 31 March 2016, the amount of Corporate Guarantee to suppliers amounted to RM12.29 million. The Company monitors the performance of its subsidiaries closely to ensure they meet all their financial obligations. In view that there is minimal risk of default, the Company has not recognised the value of the obligation under the Financial Guarantee in its books.

### **B8. Material Litigation**

As at 31 March 2016, neither our Company nor any of our subsidiaries is engaged in any material litigation and arbitration either as plaintiff or defendant, which has a material effect on the financial position of our Company or our subsidiaries and our Directors are not aware of any proceedings pending or threatened or any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of our Company our subsidiaries.

### **B9. Proposed Dividend**

The Board of Directors proposed a single tier final dividend of 4.5 sen per ordinary share for the financial year ended 31 December 2015.

The proposed dividend is subject to the Shareholders' approval at the forthcoming Annual General Meeting. The dates of entitlement and payment are fixed on 2 June 2016 and 30 June 2016 respectively.

# LUXCHEM CORPORATION BERHAD

(Company No: 224414-D)

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2016

<b>PART B</b>	<b>NOTES PURSUANT TO APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS</b>
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### **B10. Earnings per share**

(a) Basic earnings per share

The basic earnings per share is calculated based on the Group's profit attributable to equity holders of the Company of RM7 million for the current quarter and the current financial year-to-date as at 31 March 2016 and on the weighted average number of shares in issue of 265,263,938 as at 31 March 2016.

(b) Diluted earnings per share

Diluted earnings per share is calculated based on the Group's profit attributable to equity holders of the Company of RM7 million for the current quarter and the current financial year-to-date as at 31 March 2016 and the adjusted weighted average number of ordinary shares in issue of 278,626,174 as at 31 March 2016.

By order of the Board,

Chen Moi Kew  
Director / Chief Financial Officer  
Date: 6 May 2016