

LUXCHEM CORPORATION BERHAD

(Company No: 199101014102 (224414-D))

(Incorporated in Malaysia)

QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2020

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 2020.

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, the manufacture of unsaturated polyester resins and manufacture of latex chemical dispersion and related products for the latex industry.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Individual Period (1st Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 31-Mar-20 RM	Preceding Year Corresponding Quarter 31-Mar-19 RM	RM	%	Current Year Quarter 31-Mar-20 RM	Preceding Year Corresponding Quarter 31-Mar-19 RM	RM	%
Revenue	174,480,632	202,449,232	(27,968,600)	-14%	174,480,632	202,449,232	(27,968,600)	-14%
Cost of sales	(154,220,717)	(182,030,830)	27,810,114	-15%	(154,220,717)	(182,030,830)	27,810,114	-15%
Gross profit	20,259,915	20,418,401	(158,486)	-1%	20,259,915	20,418,401	(158,486)	-1%
Other operating income	4,134,552	769,071	3,365,482	438%	4,134,552	769,071	3,365,482	438%
Selling and distribution costs	(1,410,480)	(1,465,690)	55,210	-4%	(1,410,480)	(1,465,690)	55,210	-4%
Administrative expenses	(9,090,734)	(5,514,005)	(3,576,730)	65%	(9,090,734)	(5,514,005)	(3,576,730)	65%
Administrative expenses - share option expenses	-	(138,497)	138,497	-100%	-	(138,497)	138,497	-100%
Other operating expenses	(17,062)	(23,162)	6,100	-26%	(17,062)	(23,162)	6,100	-26%
Operating profit	13,876,191	14,046,119	(169,928)	-1%	13,876,191	14,046,119	(169,928)	-1%
Finance costs	(810,325)	(1,201,861)	391,536	-33%	(810,325)	(1,201,861)	391,536	-33%
Profit before Tax	13,065,865	12,844,257	221,608	2%	13,065,865	12,844,257	221,608	2%
Taxation	(4,023,659)	(3,152,936)	(870,723)	28%	(4,023,659)	(3,152,936)	(870,723)	28%
Profit after Tax	9,042,206	9,691,322	(649,115)	-7%	9,042,206	9,691,322	(649,115)	-7%
Exchange gain/ (loss) on translation of foreign operations	(12,221)	(20,089)	7,868	-39%	(12,221)	(20,089)	7,868	-39%
Fair value gain/(loss) on equity investments	-	(405,045)	405,045	-100%	-	(405,045)	405,045	-100%
Total other comprehensive (loss)/income	(12,221)	(425,134)	412,913	-97%	(12,221)	(425,134)	412,913	-97%
Total comprehensive income for the period	9,029,985	9,266,188	(236,202)	-3%	9,029,985	9,266,188	(236,202)	-3%
Profit attributable to:								
-Owners of the Company	9,985,584	9,599,336	386,248	4%	9,985,584	9,599,336	386,248	4%
-Non controlling interests	(943,378)	91,986	(1,035,364)	-1126%	(943,378)	91,986	(1,035,364)	-1126%
Total comprehensive income attributable to:	9,042,206	9,691,322	(649,115)	-7%	9,042,206	9,691,322	(649,115)	-7%
-Owners of the Company	9,973,364	9,175,086	798,277	9%	9,973,364	9,175,086	798,277	9%
-Non controlling interests	(943,378)	91,101	(1,034,480)	-1136%	(943,378)	91,101	(1,034,480)	-1136%
Total comprehensive income attributable to owners of the Company	9,029,985	9,266,188	(236,202)	-3%	9,029,985	9,266,188	(236,202)	-3%
Earnings per share attributable to owners of the Company								
Earnings per share - Basic (Sen)	1.11	1.11	0.01		1.11	1.11	0.01	
Earnings per share - Fully Diluted (Sen)	1.11	1.10	0.01		1.11	1.10	0.01	

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this quarterly financial report

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NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Current Quarter Ended 31-Mar-20 RM	Current Year to date Ended 31-Mar-20 RM
Interest income	528,172	528,172
Other income*	3,606,380	3,606,380
Interest expense	810,325	810,325
Depreciation & amortisation	1,068,558	1,068,558
Foreign exchange (gain)/loss - realised	(1,359,888)	(1,359,888)
Foreign exchange (gain)/loss - unrealised	2,389,420	2,389,420
Loss/(gain) on derivatives	160,399	160,399

*Includes foreign exchange gain and gain on derivatives

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Unaudited As at 31-Mar-20 RM	Audited As at 31-Dec-19 RM
ASSETS		
Non-current Assets		
Property, plant and equipment	56,944,780	53,019,475
Investment property	2,764,620	2,771,696
Goodwill	35,802,888	35,802,888
Intangible assets	4,821,444	4,309,748
Other investments	2,079,969	1,766,705
Deferred tax assets	562,138	596,317
	<u>102,975,839</u>	<u>98,266,829</u>
Current Assets		
Inventories	56,314,212	68,944,796
Trade and other receivables	137,486,066	135,610,389
Derivative financial assets	2,123	-
Current tax assets	2,931,987	3,366,965
Cash and bank balances	144,213,016	126,474,086
	<u>340,947,404</u>	<u>334,396,236</u>
Total Assets	<u>443,923,243</u>	<u>432,663,065</u>
EQUITY AND LIABILITIES		
Equity Attributable to Owners of the Parent		
Share capital	174,372,109	174,372,109
Other reserves	1,544,872	1,225,078
Retained profits	143,395,071	133,409,491
Total equity attributable to owners of the Company	<u>319,312,052</u>	<u>309,006,678</u>
Non-controlling interests	(1,590,438)	(628,315)
Total Equity	<u>317,721,614</u>	<u>308,378,363</u>
Non-current Liabilities		
Retirement benefits	512,982	573,219
Lease liabilities	443,281	494,690
Deferred tax liabilities	1,720,369	1,695,829
	<u>2,676,632</u>	<u>2,763,738</u>
Current Liabilities		
Trade and other payables	51,361,347	56,667,112
Derivative financial liabilities	-	158,276
Lease liabilities	486,062	590,772
Bank borrowings	69,641,393	63,001,209
Current tax liabilities	2,036,195	1,103,595
	<u>123,524,997</u>	<u>121,520,964</u>
Total Liabilities	<u>126,201,629</u>	<u>124,284,702</u>
Total Equity and Liabilities	<u>443,923,243</u>	<u>432,663,065</u>
Net Assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.35	0.33

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this quarterly financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2020

	Current Year to date Ended 31-Mar-20 RM	Preceding Year Corresponding Period Ended 31-Dec-19 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	13,065,865	50,121,307
Adjustments for :		
Amortisation of intangible assets	66,943	150,584
Bad debts written off	-	3,549
Depreciation of investment property	7,076	28,304
Depreciation of property, plant and equipment	994,539	3,921,491
Defined benefit obligations	-	119,652
Dividend income	(6,387)	(96,053)
(Gain)/loss on changes in fair value of forward exchange contracts	(160,399)	54,960
Gain on disposal of property, plant and equipment	-	(209,544)
Impairment losses on trade receivables	-	1,966,432
Interest income	(528,172)	(1,946,149)
Interest expense	810,325	4,594,577
Inventories written down	677,070	182,006
Inventories written off	-	1,066,807
Property, plant and equipment written off	344	112,975
Net unrealised (gain)/loss on foreign exchange	2,389,420	(216,072)
Reversal of impairment loss on trade receivables	-	(804,416)
Reversal of inventories written down	-	(218,538)
Share options vested under ESOS	-	138,497
Operating profit before working capital changes	17,316,625	58,970,369
Decrease/(Increase) in amount due from subsidiaries		
(Increase)/Decrease in inventories	11,438,612	14,637,505
(Increase)/Decrease in trade and other receivables	(2,426,720)	8,566,349
Increase/(decrease) in trade and other payables	(7,663,267)	(5,889,580)
Cash generated from/(used in) operations	18,665,250	76,284,643
Tax paid	(2,973,616)	(11,280,800)
Interest received	528,172	1,946,149
Interest paid	(791,035)	(4,488,037)
Net cash from/(used in) operating activities	15,428,772	62,461,955
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,156,355)	(7,210,542)
Purchase of intangible assets	(296,999)	(11,395)
Proceeds from disposal of property, plant and equipment	-	209,553
Dividend received	6,387	96,053
Deposits placed with licensed banks with original maturity of more than three (3) months	9,670,476	(8,704,354)
	4,223,509	(15,620,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued pursuant to share options exercised	-	8,143,056
Repayment on lease liabilities	(225,316)	(917,036)
Interest paid on lease liabilities	(19,291)	(106,540)
Net drawdown of trade finance	9,491,822	(24,322,539)
Dividend paid	-	(19,888,094)
Net cash (used in)/from financing activities	9,247,215	(37,091,153)
Net (decrease)/increase in cash and cash equivalents	28,899,496	9,750,117
Cash and cash equivalents at beginning of financial year	110,315,680	100,222,496
Effect of changes in exchange rates	(1,490,088)	343,067
Cash and cash equivalents at end of financial period	137,725,087	110,315,680
For the purpose of the statements of cashflows, cash and cash equivalents comprise the following as at the end of each reporting period:		
Cash and bank balances	76,949,086	62,070,680
Deposits with financial institutions	67,263,930	64,403,406
	144,213,016	126,474,086
Deposits placed with licensed banks with original maturity of more than three (3) months	(6,487,930)	(16,158,406)
	137,725,086	110,315,680

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this quarterly financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2020

For the 3 months ended 31 March 2020

	Attributable to Owners of the Company					Total RM	Non- controlling interests RM	Total equity RM
	Non - distributable			Distributable				
	Share capital RM	Exchange translation reserve RM	Fair value reserve RM	Share Options reserve RM	Retained earnings RM			
2010								
Balance as at 1 January 2020	174,372,109	(246,285)	1,471,363	-	133,409,491	309,006,678	(628,315)	308,378,363
Profit for the year	-	-	-	-	9,985,584	9,985,584	(943,378)	9,042,206
Foreign currency translations	-	6,526	-	-	-	6,526	(18,744)	(12,219)
Fair value gain/(loss) on equity investments	-	-	313,265	-	-	313,265	-	313,265
	-	6,526	313,265	-	9,985,584	10,305,374	(962,123)	9,343,252
Balance as at 31 March 2020	174,372,109	(239,759)	1,784,628	-	143,395,075	319,312,052	(1,590,438)	317,721,615

For the 3 months ended 31 March 2019

	Attributable to Owners of the Company					Total RM	Non- controlling interests RM	Total RM
	Non - distributable			Distributable				
	Share capital RM	Exchange translation reserve RM	Fair value reserve RM	Share Option reserve RM	Retained profits RM			
2019								
Balance at 1 January 2019	163,377,293	(230,340)	1,695,307	4,429,517	113,953,892	283,225,669	71,338	283,297,007
Profit for the year	-	-	-	-	9,599,337	9,599,337	91,986	9,691,323
Foreign currency translations	-	(19,204)	-	-	-	(19,204)	(884)	(20,088)
Fair value gain/(loss) on equity investments	-	-	(405,045)	-	-	(405,045)	-	(405,045)
Total comprehensive (loss)/income for the year	-	(19,204)	(405,045)	-	9,599,337	9,175,089	91,101	9,266,190
Share options granted under ESOS	-	-	-	138,497	-	138,497	-	138,497
Issue of shares pursuant to exercise of share options:								
- shares issued	1,498,992	-	-	-	-	1,498,992	-	1,498,992
- attributable option reserve transferred	539,240	-	-	(539,240)	-	-	-	-
Balance at 31 March 2019	165,415,525	(249,544)	1,290,262	4,028,774	123,553,229	294,038,247	162,439	294,200,686

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 2019 and the accompanying explanatory notes attached to this quarterly financial report.

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PART A NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD 134 (“MFRS 134”), INTERIM FINANCIAL REPORTING

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 2019.

The accounting policies applied by the Group are consistent with those applied in the annual financial statements for the year ended 31 December 2019 other than the application of a new MFRS and amendments to MFRSs which became effective for annual period beginning on 1 January 2020. The initial application of these new MFRS and amendments to MFRSs has no material impact on this interim financial reporting.

New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board (‘MASB’) during the financial year:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform	1 January 2020

A2. Auditor’s Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2019.

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.

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A5. Segmental Information

Segmental results by business activities:

Operating Segments				
<u>YTD 31 March 2020</u>				
	Trading RM	Manufacturing RM	Adjustments RM	Conso RM
Total revenue	143,818,192	64,047,916	-	207,866,108
Inter-segment revenue	(413,644)	(32,971,832)		(33,385,476)
External sales	143,404,549	31,076,082	-	174,480,632
Results				
Segment results	4,134,810	9,141,509	(67,670)	13,208,649
Dividend & interest	289,372	51,911	326,258	667,542
Operating profit/(loss)	4,424,182	9,193,420	258,589	13,876,191
Finance costs	(790,503)	(19,823)	-	(810,325)
Profit/(Loss) before taxation	3,633,680	9,173,598	258,589	13,065,866
Taxation	(1,811,497)	(2,212,163)	-	(4,023,659)
Profit/(Loss) for the year	1,822,183	6,961,436	258,588	9,042,206
Profit/(Loss) for the year				
Segment assets	279,612,781	147,140,010	17,170,453	443,923,244
Segment liabilities	97,314,235	28,619,303	268,092	126,201,631

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Segmental results by Geographical Segment:

Country	YTD 31 Mar 20	YTD 31 Mar 19	Changes	
	Revenue	Revenue	RM	%
	RM	RM		
Malaysia	120,245,758	139,138,751	(18,892,994)	-14%
Indonesia	27,135,294	33,995,947	(6,860,653)	-20%
Vietnam	14,681,537	18,160,554	(3,479,017)	-19%
Thailand	6,341,459	5,185,045	1,156,414	22%
Bangladesh	1,499,452	841,886	657,566	78%
Philippines	1,342,762	617,065	725,696	118%
New Zealand	754,619	723,438	31,181	4%
Singapore	719,932	1,469,395	(749,463)	-51%
Sri Lanka	711,126	601,662	109,463	18%
Australia	699,939	749,504	(49,565)	-7%
Cambodia	213,324	452,828	(239,505)	-53%
Japan	135,431	478,284	(342,853)	-72%
Other	-	34,872	(34,872)	-
Total Export	54,234,874	63,310,481	(9,075,607)	-14%
Total	174,480,632	202,449,232	(27,968,600)	-14%

For current financial year-to-date ended 31 March 2020, the Group achieved revenue of RM174.48 million. There is a drop of RM27.97 million or 14% compared with preceding financial year-to-date ended 31 March 2019. Lower revenue was mainly attributable to lower local sales in trading segment.

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A6. Valuation of property, plant and equipment

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

A7. Capital commitments

Capital commitments as at 31 March 2020	Amount RM
Capital commitments for the purchase of property, plant and equipment as follow:	
Approved and contracted for	7,831,233
Approved but not contracted for	2,495,531
	<u>10,326,764</u>

A8. Changes in the Composition of the Group

During the current quarter, the Company has increased its investment in the subsidiary in Indonesia, PT Luxchem Indonesia from 70% to 92.62%

Other than the above-mentioned, no significant changes in the composition of the Group for the current quarter.

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

B1. Review of performance of the Company and its principal subsidiaries

B1.1 Financial review for current quarter compared with preceding year corresponding quarter

	Individual Period (1st Quarter)		Changes	
	Current Year Quarter 31-Mar-20 RM	Preceding Year Corresponding Quarter 31-Mar-19 RM	RM	%
Revenue	174,480,632	202,449,232	(27,968,600)	-14%
Cost of sales	(154,220,717)	(182,030,830)	27,810,114	-15%
Gross profit	20,259,915	20,418,401	(158,486)	-1%
Other operating income	4,134,552	769,071	3,365,482	438%
Selling and distribution costs	(1,410,480)	(1,465,690)	55,210	-4%
Administrative expenses	(9,090,734)	(5,514,005)	(3,576,730)	65%
Administrative expenses - share option expenses	-	(138,497)	138,497	-100%
Other operating expenses	(17,062)	(23,162)	6,100	-26%
Operating profit	13,876,191	14,046,119	(169,928)	-1%
Finance costs	(810,325)	(1,201,861)	391,536	-33%
Profit before Tax	13,065,865	12,844,257	221,608	2%
Taxation	(4,023,659)	(3,152,936)	(870,723)	28%
Profit after Tax	9,042,206	9,691,322	(649,115)	-7%

For current quarter ended 31 March 2020, the Group achieved revenue of RM174.48 million, representing a decrease of RM27.97 million or 14% compared to preceding year corresponding quarter. This was mainly due to lower sales in the trading segment.

The Group achieved profit after tax of RM9.04 million during the current quarter. There is a decrease of RM0.65 million or 7% compared to preceding year corresponding quarter which was mainly due to lower profit in the trading segment.

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B1. Review of performance of the Company and its principal subsidiaries (cont'd)

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

	Current Year	Immediate Preceding	Changes	
	Quarter	Quarter	RM	%
	31-Mar-20	31-Dec-19		
	RM	RM		
Revenue	174,480,632	187,155,351	(12,674,719)	-7%
Cost of sales	(154,220,717)	(165,745,721)	11,525,004	-7%
Gross profit	20,259,915	21,409,630	(1,149,715)	-5%
Other operating income	4,134,552	1,513,257	2,621,296	173%
Selling and distribution costs	(1,410,480)	(1,497,806)	87,326	-6%
Administrative expenses	(9,090,734)	(6,710,514)	(2,380,220)	35%
Administrative expenses - share option expenses	-	-	-	-
Other operating expenses	(17,062)	(1,072,860)	1,055,798	-98%
Operating profit	13,876,191	13,641,706	234,484	2%
Finance costs	(810,325)	(885,399)	75,074	-8%
Profit before Tax	13,065,865	12,756,307	309,558	2%
Taxation	(4,023,659)	(3,339,012)	(684,648)	21%
Profit after Tax	9,042,206	9,417,295	(375,089)	-4%

The Group reported lower revenue of RM174.48 million for the current quarter ended 31 March 2020, as compared to previous quarter ended 31 December 2019. Revenue decreased RM12.67 million or 7%. The lower revenue was mainly attributable to the manufacturing segment.

The Group reported lower profit after tax of RM9.04 million for the current quarter ended 31 March 2020, as compared to previous quarter ended 31 December 2019 of RM9.42 million. Profit after tax decreased 4% mainly due to lower profit in trading segment.

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B2. Prospects for the following quarter

The group's performance can be affected by fluctuations in USD/RM exchange rates, raw material price fluctuations, raw material demand and supply situations, competition and current Covid-19 pandemic situation.

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

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-20 RM	Current Year Ended 31-Mar-20 RM
Tax expenses	(4,023,659)	(4,023,659)

The effective tax rate of the Group in current year is higher than the statutory tax rate. This is due to a foreign subsidiary which suffered losses during the current financial period which lowered the group's profit before tax.

LUXCHEM CORPORATION BERHAD

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B5. Group borrowings and debt securities

The Group's borrowings as at 31 March 2020 as follows:

B5. Group borrowings and debt securities

	As at 31 March 2020						
	Long Term			Short Term			
	IDR Borrowing	RM Equivalent	Total RM	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured							
Hire-purchase (Lease Liabilities)	108,924,610	28,756	28,756	315,584,078	83,314	-	83,314
Unsecured							
Bank borrowings	-	-	-	92,219,798,144	24,346,028	45,295,366	69,641,393
Total	108,924,610	28,756	28,756	92,535,382,222	24,429,342	45,295,366	69,724,708

	As at 31 March 2020			
	Total Borrowing			
	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured				
Hire-purchase (Lease Liabilities)	424,508,688	112,070	-	112,070
Unsecured				
Bank borrowings	92,219,798,144	24,346,028	45,295,366	69,641,393
Total	92,644,306,832	24,458,098	45,295,366	69,753,464

Exchange Rates on borrowings as at 31 Mar 2020

USD to RM	4.3130
USD to IDR	16,367
IDR100 to RM	0.0264

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B5. Group borrowings and debt securities (cont'd)

The Group's borrowings as at 31 March 2019 as follows

	As at 31 March 2019								
	Long Term			Short Term					
	IDR Borrowing	RM Equivalent	Total RM	USD Borrowing	RM Equivalent	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured									
Hire-purchase	226,737,400	65,074	65,074	-	-	419,214,614	120,315	25,407	145,722
Unsecured									
Bank borrowings	-	-	-	309,939	1,267,040	113,778,859,483	32,654,533	48,452,830	82,374,403
Total	226,737,400	65,074	65,074	309,939	1,267,040	114,198,074,097	32,774,847	48,478,237	82,520,124

	As at 31 March 2019					
	Total Borrowing					
	USD Borrowing	RM Equivalent	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured						
Hire-purchase	-	-	645,952,014	185,388	25,407	210,795
Unsecured						
Bank borrowings	309,939	1,267,040	113,778,859,483	32,654,533	48,452,830	82,374,403
Total	309,939	1,267,040	114,424,811,497	32,839,921	48,478,237	82,585,198

Exchange Rates on borrowings as at 31 Mar 2019

USD to RM	4.0850
USD to IDR	14,244
IDR100 to RM	0.0287

The Group's total borrowing as at 31 March 2020 was RM69.75 million, a decrease of RM12.84 million compared to preceding year corresponding quarter.

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B6. Financial Guarantee

The Company has provided various financial guarantees to banks for the guarantee of banking facilities granted to its various subsidiaries. As at 31 March 2020, the amount of bank borrowings of its subsidiaries guaranteed by the company amounted to RM69.64 million.

The Company monitors the performance of the subsidiary closely to ensure it meets all its 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.

B7. Material Litigation

As at 31 March 2020, 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 and our subsidiaries.

B8. Proposed Dividend

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

B9. Earnings per share

(a) Basic earnings per share

The basic earnings per ordinary share is calculated by dividing the profit attributable to equity holders of the Company of RM9.99 million for the current quarter and current financial year-to-date as at 31 March 2020 and on the number of shares in issue of 895,808,553 as at 31 March 2020

(b) Diluted earnings per share

There is no effect of dilution due to ESOS for the current quarter and current financial year- to-date as at 31 March 2020 as the ESOS had expired on 30 November 2019.

By order of the Board,

Chen Moi Kew
Director / Chief Financial Officer
Date: 12 June 2020