

LUXCHEM CORPORATION BERHAD

(Company No: 199101014102 (224414-D))

(Incorporated in Malaysia)

QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 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 30 June 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 SECOND QUARTER ENDED 30 JUNE 2020

	Individual Period (2nd Quarter)		Changes		Cumulative Period		Changes	
	Current Year	Preceding Year	RM	%	Current Year	Preceding Year	RM	%
	Quarter	Corresponding Quarter			Quarter	Corresponding Quarter		
	30-Jun-20	30-Jun-19			30-Jun-20	30-Jun-19		
	RM	RM			RM	RM		
Revenue	140,291,981	188,387,571	(48,095,590)	-26%	314,772,613	390,836,803	(76,064,190)	-19%
Cost of sales	(124,710,555)	(168,303,398)	43,592,842	-26%	(278,931,272)	(350,334,228)	71,402,956	-20%
Gross profit	15,581,426	20,084,173	(4,502,747)	-22%	35,841,341	40,502,575	(4,661,234)	-12%
Other operating income	(396,866)	911,119	(1,307,985)	-144%	3,737,686	1,680,189	2,057,497	122%
Selling and distribution costs	(1,346,923)	(1,464,993)	118,070	-8%	(2,757,404)	(2,930,683)	173,280	-6%
Administrative expenses	(2,710,109)	(4,995,976)	2,285,866	-46%	(11,800,844)	(10,509,980)	(1,290,864)	12%
Administrative expenses - share option expenses	-	-	-	-	-	(138,497)	138,497	-100%
Other operating expenses	(8,028)	(28,687)	20,659	-72%	(25,090)	(51,849)	26,759	-52%
Operating profit	11,119,498	14,505,636	(3,386,137)	-23%	24,995,689	28,551,754	(3,556,065)	-12%
Finance costs	(773,592)	(1,336,413)	562,821	-42%	(1,583,917)	(2,538,274)	954,356	-38%
Profit before Tax	10,345,906	13,169,223	(2,823,317)	-21%	23,411,772	26,013,480	(2,601,709)	-10%
Taxation	(2,765,329)	(3,565,817)	800,488	-22%	(6,788,988)	(6,718,753)	(70,235)	1%
Profit after Tax	7,580,577	9,603,406	(2,022,828)	-21%	16,622,784	19,294,727	(2,671,944)	-14%
Exchange gain/ (loss) on translation of foreign operations	657,466	9,897	647,569	6543%	645,245	(10,192)	655,437	-6431%
Fair value gain/(loss) on equity investments	-	141,432	(141,432)	-100%	-	(263,613)	263,613	-100%
Total other comprehensive (loss)/income	657,466	151,329	506,137	334%	645,245	(273,805)	919,051	-336%
Total comprehensive income for the period	8,238,043	9,754,734	(1,516,691)	-16%	17,268,029	19,020,922	(1,752,893)	-9%
Profit attributable to:								
-Owners of the Company	7,568,644	9,893,068	(2,324,424)	-23%	17,554,228	19,492,404	(1,938,176)	-10%
-Non controlling interests	11,934	(289,662)	301,596	-104%	(931,445)	(197,677)	(733,768)	371%
Total comprehensive income attributable to:	7,580,577	9,603,406	(2,022,828)	-21%	16,622,784	19,294,727	(2,671,944)	-14%
-Owners of the Company	8,226,110	10,044,319	(1,818,209)	-18%	18,199,473	19,219,405	(1,019,932)	-5%
-Non controlling interests	11,934	(289,584)	301,518	-104%	(931,445)	(198,483)	(732,961)	369%
Total comprehensive income attributable to:	8,238,043	9,754,734	(1,516,691)	-16%	17,268,029	19,020,922	(1,752,893)	-9%
Earnings per share attributable to owners of the Company								
Earnings per share - Basic (Sen)	0.85	1.13	(0.28)		1.96	2.24	(0.28)	
Earnings per share - Fully Diluted (Sen)	0.85	1.13	(0.28)		1.96	2.24	(0.28)	

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

LUXCHEM CORPORATION BERHAD

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NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2020

	Current Quarter Ended 30-Jun-20 RM	Current Year to date Ended 30-Jun-20 RM
Interest income	298,049	826,222
Other income*	(694,916)	2,911,465
Interest expense	773,592	1,583,917
Depreciation & amortisation	1,015,343	2,083,901
Foreign exchange (gain)/loss - realised	727,186	(632,702)
Foreign exchange (gain)/loss - unrealised	(2,395,118)	(5,698)
Loss/(gain) on derivatives	(15,459)	144,940

*Includes foreign exchange gain and gain on derivatives

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QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Unaudited As at 30-Jun-20 RM	Audited As at 31-Dec-19 RM
ASSETS		
Non-current Assets		
Property, plant and equipment	60,031,122	53,019,475
Investment property	2,757,544	2,771,696
Goodwill	35,802,888	35,802,888
Intangible assets	4,797,523	4,309,748
Other investments	3,809,015	1,766,705
Deferred tax assets	601,830	596,317
	<u>107,799,922</u>	<u>98,266,829</u>
Current Assets		
Inventories	52,876,503	68,944,796
Trade and other receivables	114,578,896	135,610,389
Derivative financial assets	6,532	-
Current tax assets	1,656,015	3,366,965
Cash and bank balances	119,667,182	126,474,086
	<u>288,785,128</u>	<u>334,396,236</u>
Total Assets	<u>396,585,050</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	3,883,728	1,225,078
Retained profits	139,766,108	133,409,491
Total equity attributable to owners of the Company	<u>318,021,945</u>	<u>309,006,678</u>
Non-controlling interests	(1,530,849)	(628,315)
Total Equity	<u>316,491,097</u>	<u>308,378,363</u>
Non-current Liabilities		
Retirement benefits	582,934	573,219
Lease liabilities	471,852	494,690
Deferred tax liabilities	1,680,045	1,695,829
	<u>2,734,831</u>	<u>2,763,738</u>
Current Liabilities		
Trade and other payables	33,356,432	56,667,112
Derivative financial liabilities	19,868	158,276
Lease liabilities	459,868	590,772
Bank borrowings	41,654,138	63,001,209
Current tax liabilities	1,868,817	1,103,595
	<u>77,359,123</u>	<u>121,520,964</u>
Total Liabilities	<u>80,093,954</u>	<u>124,284,702</u>
Total Equity and Liabilities	<u>396,585,051</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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QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2020

	Current Year to date Ended 30-Jun-20 RM	Preceding Year Corresponding Period Ended 31-Dec-19 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	23,411,772	50,121,307
Adjustments for :		
Amortisation of intangible assets	90,863	150,584
Bad debts written off	-	3,549
Depreciation of investment property	14,152	28,304
Depreciation of property, plant and equipment	1,978,886	3,921,491
Defined benefit obligations	-	119,652
Dividend income	(11,781)	(96,053)
(Gain)/loss on changes in fair value of forward exchange contracts	(144,940)	54,960
Gain on disposal of property, plant and equipment	(11,001)	(209,544)
Impairment losses on trade receivables	-	1,966,432
Interest income	(826,222)	(1,946,149)
Interest expense	1,583,917	4,594,577
Inventories written down	677,070	182,006
Inventories written off	-	1,066,807
Property, plant and equipment written off	1,733	112,975
Net unrealised (gain)/loss on foreign exchange	(5,698)	(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	26,758,753	58,970,369
Decrease/(Increase) in amount due from subsidiaries		
(Increase)/Decrease in inventories	15,474,269	14,637,505
(Increase)/Decrease in trade and other receivables	21,120,018	8,566,349
Increase/(decrease) in trade and other payables	(23,283,050)	(5,889,580)
Cash generated from/(used in) operations	40,069,991	76,284,643
Tax paid	(4,318,250)	(11,280,800)
Interest received	826,222	1,946,149
Interest paid	(1,549,391)	(4,488,037)
Net cash from/(used in) operating activities	35,028,572	62,461,955
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,980,160)	(7,210,542)
Purchase of intangible assets	(296,999)	(11,395)
Proceeds from disposal of property, plant and equipment	11,000	209,553
Dividend received	11,781	96,053
Deposits placed with licensed banks with original maturity of more than three (3) months	5,470,476	(8,704,354)
	(3,783,901)	(15,620,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued pursuant to share options exercised	-	8,143,056
Repayment on lease liabilities	(439,170)	(917,036)
Interest paid on lease liabilities	(34,527)	(106,540)
Net drawdown of trade finance	(21,807,013)	(24,322,539)
Dividend paid	(11,197,607)	(19,888,094)
Net cash (used in)/from financing activities	(33,478,317)	(37,091,153)
Net (decrease)/increase in cash and cash equivalents	(2,233,645)	9,750,117
Cash and cash equivalents at beginning of financial year	110,315,680	100,222,496
Effect of changes in exchange rates	897,217	343,067
Cash and cash equivalents at end of financial period	108,979,252	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	71,363,702	62,070,680
Deposits with financial institutions	48,303,480	64,403,406
	119,667,182	126,474,086
Deposits placed with licensed banks with original maturity of more than three (3) months	(10,687,930)	(16,158,406)
	108,979,252	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 SECOND QUARTER ENDED 30 JUNE 2020

For the 6 months ended 30 June 2020

	Attributable to Owners of the Company				Retained earnings RM	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				
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	-	-	-	-	17,554,228	17,554,228	(931,445)	16,622,783
Foreign currency translations	-	616,335	-	-	-	616,335	28,911	645,246
Fair value gain/(loss) on equity investments	-	-	2,042,311	-	-	2,042,311	-	2,042,311
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(11,197,607)	(11,197,607)	-	(11,197,607)
	-	616,335	2,042,311	-	6,356,621	9,015,267	(902,533)	8,112,733
Balance as at 30 June 2020	174,372,109	370,050	3,513,674	-	139,766,112	318,021,945	(1,530,848)	316,491,096

For the 6 months ended 30 June 2019

	Attributable to Owners of the Company				Retained profits RM	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				
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	-	-	-	-	19,492,405	19,492,405	(197,677)	19,294,728
Foreign currency translations	-	(9,385)	-	-	-	(9,385)	(807)	(10,192)
Fair value gain/(loss) on equity investments	-	-	(263,613)	-	-	(263,613)	-	(263,613)
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the year	-	(9,385)	(263,613)	-	19,492,405	19,219,407	(198,484)	19,020,923
Share options granted under ESOS	-	-	-	138,497	-	138,497	-	138,497
Issue of shares pursuant to exercise of share options:								
- shares issued	3,699,762	-	-	-	-	3,699,762	-	3,699,762
- attributable option reserve transferred	539,240	-	-	(539,240)	-	-	-	-
Share options forfeited	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(10,943,968)	(10,943,968)	-	(10,943,968)
Balance at 30 June 2019	167,616,295	(239,725)	1,431,694	4,028,774	122,502,329	295,339,367	(127,146)	295,212,221

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.

LUXCHEM CORPORATION BERHAD

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QUARTERLY FINANCIAL REPORT AS AT 30 JUNE 2020**A5. Segmental Information**

Segmental results by business activities:

Operating Segments				
YTD 30 June 2020				
	Trading RM	Manufacturing RM	Adjustments RM	Conso RM
Total revenue	256,090,964	122,500,652	-	378,591,615
Inter-segment revenue	(680,400)	(63,138,602)		(63,819,002)
External sales	255,410,565	59,362,048	-	314,772,613
Results				
Segment results	9,498,204	14,755,141	(111,528)	24,141,817
Dividend & interest	424,790	97,254	331,828	853,872
Operating profit/(loss)	9,922,994	14,852,395	220,300	24,995,689
Finance costs	(1,543,285)	(40,632)	-	(1,583,917)
Profit/(Loss) before taxation	8,379,709	14,811,764	220,300	23,411,772
Taxation	(2,992,932)	(3,796,056)	-	(6,788,988)
Profit/(Loss) for the year	5,386,777	11,015,707	220,299	16,622,784
Profit/(Loss) for the year				
Segment assets	244,853,322	140,206,407	11,525,321	396,585,050
Segment liabilities	60,223,122	19,660,074	210,758	80,093,954

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Segmental results by Geographical Segment:

Country	YTD 30 Jun 20	YTD 30 Jun 19	Changes	
	Revenue	Revenue	RM	%
	RM	RM		
Malaysia	217,831,140	273,230,936	(55,399,797)	-20%
Indonesia	42,306,378	58,825,964	(16,519,585)	-28%
Vietnam	32,259,905	38,028,345	(5,768,440)	-15%
Thailand	11,873,366	9,653,046	2,220,320	23%
Bangladesh	1,824,983	1,736,690	88,293	5%
Philippines	1,533,119	1,774,223	(241,104)	-14%
Sri Lanka	1,386,589	943,302	443,287	47%
Australia	1,353,470	1,439,965	(86,496)	-6%
Singapore	1,284,102	1,765,382	(481,280)	-27%
New Zealand	972,455	1,260,402	(287,947)	-23%
Cambodia	630,821	1,147,095	(516,274)	-45%
Algeria	563,771	285,170	278,601	98%
Dubai	480,365	-	480,365	-
Japan	322,503	619,129	(296,627)	-48%
Other	149,647	127,154	22,493	-
Total Export	96,941,473	117,605,867	(20,664,393)	-18%
Total	314,772,613	390,836,803	(76,064,190)	-19%

For current financial year to date ended 30 June 2020, the Group achieved revenue of RM314.77 million. There is a drop of RM76.06 million or 19% compared with preceding financial year to date ended 30 June 2019. Lower revenue was mainly attributable to lower local sales in trading segment and lower export sales to Indonesia through the subsidiary in Indonesia 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 30 June 2020	Amount RM
Capital commitments for the purchase of property, plant and equipment as follow:	
Approved and contracted for	6,815,634
Approved but not contracted for	2,242,130
	<u>9,057,763</u>

A8. Changes in the Composition of the Group

During preceding 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 and year to date.

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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 (2nd Quarter)		Changes	
	Current Year Quarter 30-Jun-20 RM	Preceding Year Corresponding Quarter 30-Jun-19 RM	RM	%
Revenue	140,291,981	188,387,571	(48,095,590)	-26%
Cost of sales	(124,710,555)	(168,303,398)	43,592,842	-26%
Gross profit	15,581,426	20,084,173	(4,502,747)	-22%
Other operating income	(396,866)	911,119	(1,307,985)	-144%
Selling and distribution costs	(1,346,923)	(1,464,993)	118,070	-8%
Administrative expenses	(2,710,109)	(4,995,976)	2,285,866	-46%
Administrative expenses - share option expenses	-	-	-	-
Other operating expenses	(8,028)	(28,687)	20,659	-72%
Operating profit	11,119,498	14,505,636	(3,386,137)	-23%
Finance costs	(773,592)	(1,336,413)	562,821	-42%
Profit before Tax	10,345,906	13,169,223	(2,823,317)	-21%
Taxation	(2,765,329)	(3,565,817)	800,488	-22%
Profit after Tax	7,580,577	9,603,406	(2,022,828)	-21%

The Group reported lower revenue of RM140.29 million for the current quarter ended 30 June 2020, as compared to preceding year corresponding quarter ended 30 June 2019. Revenue decreased RM48.10 million or 26%. The lower revenue was mainly attributable to the trading segment.

The Group reported lower profit after tax of RM7.58 million for the current quarter ended 30 June 2020, as compared to preceding year corresponding quarter ended 30 June 2019 of RM9.60 million. Profit after tax decreased by 21% mainly due to manufacturing 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 Quarter	Immediate Preceding Quarter	Changes	
	30-Jun-20 RM	31-Mar-20 RM	RM	%
Revenue	140,291,981	174,480,632	(34,188,651)	-20%
Cost of sales	(124,710,555)	(154,220,717)	29,510,161	-19%
Gross profit	15,581,426	20,259,915	(4,678,489)	-23%
Other operating income	(396,866)	4,134,552	(4,531,419)	-110%
Selling and distribution costs	(1,346,923)	(1,410,480)	63,557	-5%
Administrative expenses	(2,710,109)	(9,090,734)	6,380,625	-70%
Administrative expenses - share option expenses	-	-	-	-
Other operating expenses	(8,028)	(17,062)	9,034	-53%
Operating profit	11,119,498	13,876,191	(2,756,692)	-20%
Finance costs	(773,592)	(810,325)	36,733	-5%
Profit before Tax	10,345,906	13,065,865	(2,719,959)	-21%
Taxation	(2,765,329)	(4,023,659)	1,258,330	-31%
Profit after Tax	7,580,577	9,042,206	(1,461,629)	-16%

For current quarter ended 30 June 2020, the Group achieved revenue of RM140.29 million, representing a decrease of RM34.19 million or 20% compared to current year preceding quarter. This was mainly due to lower sales in the trading segment.

The Group achieved profit after tax of RM7.58 million during the current quarter. There is a decrease of RM1.46 million or 16% compared to current year preceding quarter which was mainly due to lower profit in the manufacturing 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 30-Jun-20 RM	Current Year Ended 30-Jun-20 RM
Tax expenses	(2,765,329)	(6,788,988)

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.

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B5. Group borrowings and debt securities

The Group's borrowings as at 30 June 2020 as follows:

B5. Group borrowings and debt securities

	As at 30 Jun 2020								
	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 (Lease Liabilities)	298,607,995	89,582	89,582	-	-	230,884,670	69,265	-	69,265
Unsecured									
Bank borrowings	-	-	-	542,418	2,322,903	62,002,454,786	18,600,737	20,730,498	41,654,139
Total	298,607,995	89,582	89,582	542,418	2,322,903	62,233,339,456	18,670,003	20,730,498	41,723,404

	As at 30 Jun 2020					
	Total Borrowing					
	USD Borrowing	RM Equivalent	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured						
Hire-purchase (Lease Liabilities)	-	-	529,492,665	158,848	-	158,848
Unsecured						
Bank borrowings	542,418	2,322,903	62,002,454,786	18,600,737	20,730,498	41,654,139
Total	542,418	2,322,903	62,531,947,451	18,759,585	20,730,498	41,812,987

Exchange rates on borrowings as at 30 June 2020:

USD to RM	4.2825
USD to IDR	14,302
IDR100 to RM	0.0300

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

The Group's borrowings as at 30 June 2019 as follows

	As at 30 Jun 19								
	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	306,258,572	89,734	89,734	-	-	507,211,343	148,613	-	148,613
Unsecured									
Bank borrowings	-	-	-	1,620,480	6,714,157	96,972,999,654	28,413,089	43,893,504	79,020,749
Total	306,258,572	89,734	89,734	1,620,480	6,714,157	97,480,210,997	28,561,702	43,893,504	79,169,362

	As at 30 Jun 19					
	Total Borrowing					
	USD Borrowing	RM Equivalent	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured						
Hire-purchase	-	-	813,469,915	238,347	-	238,347
Unsecured						
Bank borrowings	1,620,480	6,714,157	96,972,999,654	28,413,089	43,893,504	79,020,749
Total	1,620,480	6,714,157	97,786,469,569	28,651,436	43,893,504	79,259,096

Exchange rates on borrowings as at 30 June 2019:

USD to RM	4.1335
USD to IDR	14,141
IDR100 to RM	0.0293

The Group's total borrowing as at 30 June 2020 was RM41.81 million, a decrease of RM37.45 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 30 June 2020, the amount of bank borrowings of its subsidiaries guaranteed by the company amounted to RM41.65 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 30 June 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

The Board of Directors declared a single tier interim dividend of 1 sen per ordinary share for the financial year ending 31 December 2020. The interim dividend shall be paid on 30 September 2020.

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 RM7.57 million for the current quarter and RM17.55 million for the current financial year to date as at 30 June 2020 and on the number of shares in issue of 895,808,553 as at 30 June 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 30 June 2020 as the ESOS had expired on 30 November 2019.

By order of the Board,

Chen Moi Kew
Director / Chief Financial Officer
Date: 29 July 2020