

LUXCHEM CORPORATION BERHAD

(Company No: 199101014102 (224414-D))

(Incorporated in Malaysia)

QUARTERLY FINANCIAL REPORT AS AT 30 SEPTEMBER 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 September 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 THIRD QUARTER ENDED 30 SEPTEMBER 2020

	Individual Period (3rd Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 30-Sep-20 RM	Preceding Year Corresponding Quarter 30-Sep-19 RM	RM	%	Current Year Quarter 30-Sep-20 RM	Preceding Year Corresponding Quarter 30-Sep-19 RM	RM	%
Revenue	191,260,089	187,488,231	3,771,858	2%	506,032,702	578,325,034	(72,292,332)	-13%
Cost of sales	(166,162,913)	(168,997,243)	2,834,330	-2%	(445,094,185)	(519,331,471)	74,237,286	-14%
Gross profit	25,097,176	18,490,988	6,606,188	36%	60,938,517	58,993,563	1,944,954	3%
Other operating income	250,379	2,267,417	(2,017,038)	-89%	3,988,065	3,947,607	40,459	1%
Selling and distribution costs	(1,322,701)	(1,570,561)	247,860	-16%	(4,080,104)	(4,501,244)	421,140	-9%
Administrative expenses	(4,602,407)	(4,707,456)	105,048	-2%	(16,403,251)	(15,217,436)	(1,185,816)	8%
Administrative expenses - share option expenses	-	-	-	-	-	(138,497)	138,497	-100%
Other operating expenses	(62,722)	(1,957,966)	1,895,244	-97%	(87,813)	(2,009,815)	1,922,003	-96%
Operating profit	19,359,725	12,522,423	6,837,302	55%	44,355,414	41,074,177	3,281,237	8%
Finance costs	(512,231)	(1,170,903)	658,673	-56%	(2,096,148)	(3,709,177)	1,613,029	-43%
Profit before Tax	18,847,494	11,351,520	7,495,974	66%	42,259,266	37,365,000	4,894,266	13%
Taxation	(4,678,144)	(3,108,177)	(1,569,967)	51%	(11,467,132)	(9,826,930)	(1,640,202)	17%
Profit after Tax	14,169,350	8,243,343	5,926,007	72%	30,792,134	27,538,070	3,254,064	12%
Exchange gain/ (loss) on translation of foreign operations	(436,784)	18,328	(455,112)	-2483%	208,461	8,136	200,326	2462%
Fair value gain/(loss) on equity investments	2,996,446	(20,289)	3,016,735	-14869%	2,996,446	(283,903)	3,280,349	-1155%
Total other comprehensive (loss)/income	2,559,662	(1,962)	2,561,624	-130595%	3,204,907	(275,767)	3,480,674	-1262%
Total comprehensive income for the period	16,729,012	8,241,381	8,487,631	103%	33,997,041	27,262,303	6,734,738	25%
Profit attributable to:								
-Owners of the Company	14,204,243	8,583,266	5,620,977	65%	31,758,471	28,075,670	3,682,802	13%
-Non controlling interests	(34,893)	(339,923)	305,030	-90%	(966,338)	(537,600)	(428,738)	80%
Total comprehensive income attributable to:	14,169,350	8,243,343	5,926,007	72%	30,792,134	27,538,070	3,254,064	12%
-Owners of the Company	16,763,905	8,584,287	8,179,618	95%	34,963,379	27,803,692	7,159,687	26%
-Non controlling interests	(34,893)	(342,906)	308,013	-90%	(966,338)	(541,389)	(424,949)	78%
	16,729,012	8,241,381	8,487,631	103%	33,997,041	27,262,303	6,734,738	25%
Earnings per share attributable to owners of the Company								
Earnings per share - Basic (Sen)	1.59	0.96	0.62		3.55	3.20	0.34	
Earnings per share - Fully Diluted (Sen)	1.59	0.93	0.66		3.55	3.17	0.38	

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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(Incorporated in Malaysia)

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NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

	Current Quarter Ended 30-Sep-20 RM	Current Year to date Ended 30-Sep-20 RM
Interest income	185,844	1,012,066
Other income*	64,535	2,975,999
Interest expense	512,231	2,096,148
Depreciation & amortisation	1,081,832	3,165,734
Foreign exchange (gain)/loss - realised	1,164,197	531,495
Foreign exchange (gain)/loss - unrealised	241,909	236,211
Loss/(gain) on derivatives	59,534	204,475

*Includes foreign exchange gain and gain on derivatives

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Unaudited As at 30-Sep-20 RM	Audited As at 31-Dec-19 RM
ASSETS		
Non-current Assets		
Property, plant and equipment	62,884,398	53,019,475
Investment property	2,750,468	2,771,696
Goodwill	35,802,888	35,802,888
Intangible assets	4,744,111	4,309,748
Other investments	4,763,151	1,766,705
Deferred tax assets	578,676	596,317
	<u>111,523,692</u>	<u>98,266,829</u>
Current Assets		
Inventories	47,276,774	68,944,796
Trade and other receivables	127,787,111	135,610,389
Derivative financial assets	46,198	-
Current tax assets	1,572,126	3,366,965
Cash and bank balances	131,834,651	126,474,086
	<u>308,516,860</u>	<u>334,396,236</u>
Total Assets	<u>420,040,552</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	4,430,456	1,225,078
Retained profits	145,012,267	133,409,491
Total equity attributable to owners of the Company	<u>323,814,832</u>	<u>309,006,678</u>
Non-controlling interests	(1,595,118)	(628,315)
Total Equity	<u>322,219,715</u>	<u>308,378,363</u>
Non-current Liabilities		
Retirement benefits	542,129	573,219
Lease liabilities	355,519	494,690
Deferred tax liabilities	1,717,040	1,695,829
	<u>2,614,688</u>	<u>2,763,738</u>
Current Liabilities		
Trade and other payables	39,603,476	56,667,112
Derivative financial liabilities	-	158,276
Lease liabilities	423,910	590,772
Bank borrowings	51,852,977	63,001,209
Current tax liabilities	3,325,786	1,103,595
	<u>95,206,149</u>	<u>121,520,964</u>
Total Liabilities	<u>97,820,837</u>	<u>124,284,702</u>
Total Equity and Liabilities	<u>420,040,552</u>	<u>432,663,065</u>
Net Assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.36	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 SEPTEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

	Current Year to date Ended 30-Sep-20 RM	Preceding Year Corresponding Period Ended 31-Dec-19 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	42,259,266	50,121,307
Adjustments for :		
Amortisation of intangible assets	196,331	150,584
Bad debts written off	-	3,549
Depreciation of investment property	21,228	28,304
Depreciation of property, plant and equipment	2,948,175	3,921,491
Defined benefit obligations	-	119,652
Dividend income	(85,159)	(96,053)
(Gain)/loss on changes in fair value of forward exchange contracts	(204,475)	54,960
Gain on disposal of property, plant and equipment	(11,001)	(209,544)
Impairment losses on trade receivables	-	1,966,432
Interest income	(1,012,066)	(1,946,149)
Interest expense	2,096,148	4,594,577
Inventories written down	677,070	182,006
Inventories written off	-	1,066,807
Property, plant and equipment written off	2,118	112,975
Net unrealised (gain)/loss on foreign exchange	236,211	(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	47,123,848	58,970,369
(Increase)/Decrease in inventories	20,725,195	14,637,505
(Increase)/Decrease in trade and other receivables	7,183,345	8,566,349
Increase/(Decrease) in trade and other payables	(17,018,162)	(5,889,580)
Cash generated from/(used in) operations	58,014,225	76,284,643
Tax paid	(7,543,030)	(11,280,800)
Interest received	1,012,066	1,946,149
Interest paid	(2,052,339)	(4,488,037)
Net cash generated from/(used in) operating activities	49,430,921	62,461,955
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(12,853,282)	(7,210,542)
Purchase of intangible assets	(349,053)	(11,395)
Proceeds from disposal of property, plant and equipment	11,000	209,553
Dividend received	85,159	96,053
Deposits received/(placed) with licensed banks with original maturity of more than three (3) months	5,486,362	(8,704,354)
	(7,619,815)	(15,620,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares issued pursuant to share options exercised	-	8,143,056
Repayment on lease liabilities	(562,455)	(917,036)
Interest paid on lease liabilities	(43,809)	(106,540)
Net (repayment)/drawdown of trade finance	(9,676,419)	(24,322,539)
Dividend paid	(20,155,692)	(19,888,094)
Net cash (used in)/from financing activities	(30,438,375)	(37,091,153)
Net (decrease)/increase in cash and cash equivalents	11,372,731	9,750,117
Cash and cash equivalents at beginning of financial year	110,315,680	100,222,496
Effect of changes in exchange rates	(525,807)	343,067
Cash and cash equivalents at end of financial period	121,162,604	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	62,193,854	62,070,680
Deposits with financial institutions	69,640,797	64,403,406
	131,834,651	126,474,086
Deposits placed with licensed banks with original maturity of more than three (3) months	(10,672,045)	(16,158,406)
	121,162,606	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 THIRD QUARTER ENDED 30 SEPTEMBER 2020

For the 9 months ended 30 September 2020

	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	Share Option reserve RM	Retained earnings RM	Total RM		
2020								
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 period	-	-	-	-	31,758,472	31,758,472	(966,338)	30,792,134
Foreign currency translations	-	208,927	-	-	-	208,927	(465)	208,462
Fair value gain/(loss) on equity investments	-	-	2,996,446	-	-	2,996,446	-	2,996,446
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(20,155,692)	(20,155,692)	-	(20,155,692)
Total comprehensive (loss)/income for the period	-	208,927	2,996,446	-	11,602,780	14,808,153	(966,802)	13,841,351
Balance as at 30 September 2020	174,372,109	(37,358)	4,467,809	-	145,012,271	323,814,831	(1,595,117)	322,219,714

For the 9 months ended 30 September 2019

	Attributable to Owners of the Company						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	Total 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 period	-	-	-	-	28,075,671	28,075,671	(537,600)	27,538,071
Foreign currency translations	-	11,922	-	-	-	11,922	(3,789)	8,133
Fair value loss on equity investments	-	-	(283,903)	-	-	(283,903)	-	(283,903)
Remeasurement of defined benefit obligations	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income for the period	-	11,922	(283,903)	-	28,075,671	27,803,690	(541,389)	27,262,301
Share options granted under ESOS	-	-	-	138,497	-	138,497	-	138,497
Issue of shares pursuant to exercise of share options:								
- shares issued	7,795,416	-	-	-	-	7,795,416	-	7,795,416
- attributable option reserve transferred	2,731,034	-	-	(2,731,034)	-	-	-	-
Share options forfeited	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(19,888,094)	(19,888,094)	-	(19,888,094)
Balance at 30 September 2019	173,903,743	(218,418)	1,411,404	1,836,980	122,141,469	299,075,178	(470,051)	298,605,127

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

Segmental results by business activities:

Operating Segments				
YTD 30 Sep 20				
	Trading RM	Manufacturing RM	Adjustments RM	Conso RM
Total revenue	414,410,439	194,208,168	-	608,618,607
Inter-segment revenue	(1,161,295)	(101,424,610)		(102,585,905)
External sales	413,249,145	92,783,557	-	506,032,702
Results				
Segment results	20,036,074	23,404,504	(238,569)	43,202,008
Dividend & interest	663,732	117,534	372,140	1,153,407
Operating profit/(loss)	20,699,805	23,522,038	133,571	44,355,414
Finance costs	(2,044,397)	(51,752)	-	(2,096,148)
Profit/(Loss) before taxation	18,655,409	23,470,288	133,571	42,259,266
Taxation	(5,590,976)	(5,876,156)	-	(11,467,132)
Profit/(Loss) for the period	13,064,432	17,594,132	133,570	30,792,134
Segment assets	268,198,137	140,103,144	11,739,271	420,040,551
Segment liabilities	75,169,973	22,581,501	69,364	97,820,838

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Segmental results by Geographical Segment:

Country	YTD 30 SEP 20	YTD 30 SEP 19	Changes	
	Revenue	Revenue	RM	%
	RM	RM	RM	%
Malaysia	353,029,597	402,289,642	(49,260,045)	-12%
Indonesia	63,654,848	87,665,795	(24,010,947)	-27%
Vietnam	54,480,802	57,702,623	(3,221,821)	-6%
Thailand	17,164,674	14,412,140	2,752,534	19%
Bangladesh	2,725,236	2,153,071	572,165	27%
Phillippines	2,637,831	2,747,931	(110,100)	-4%
Australia	2,603,752	1,910,592	693,160	36%
Sri Lanka	2,591,408	1,393,949	1,197,459	86%
Singapore	2,358,434	2,748,860	(390,426)	-14%
New Zealand	1,826,368	1,795,047	31,321	2%
Cambodia	1,009,182	1,826,566	(817,384)	-45%
Algeria	563,771	285,170	278,601	98%
Dubai	480,365	-	480,365	-
Japan	451,310	1,082,916	(631,606)	-58%
India	356,088	78,999	277,089	351%
Hong Kong	99,036	102,739	(3,703)	-4%
Brunei	-	48,300	(48,300)	-100%
China	-	80,693	(80,693)	-100%
Total Export	153,003,105	176,035,391	(23,032,287)	-13%
Total	506,032,702	578,325,033	(72,292,332)	-13%

For current financial year to date ended 30 September 2020, the Group achieved revenue of RM506.03 million. There is a drop of RM72.29 million or 13% compared with preceding financial year to date ended 30 September 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 September 2020	Amount RM
Capital commitments for the purchase of property, plant and equipment as follow:	
Approved and contracted for	1,920,732
Approved but not contracted for	1,807,562
	<u>3,728,294</u>

A8. Changes in the Composition of the Group

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

Other than the above-mentioned, there are 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 (3rd Quarter)		Changes	
	Current Year Quarter 30-Sep-20	Preceding Year Corresponding Quarter 30-Sep-19		
	RM	RM	RM	%
Revenue	191,260,089	187,488,231	3,771,858	2%
Cost of sales	(166,162,913)	(168,997,243)	2,834,330	-2%
Gross profit	25,097,176	18,490,988	6,606,188	36%
Other operating income	250,379	2,267,417	(2,017,038)	-89%
Selling and distribution costs	(1,322,701)	(1,570,561)	247,860	-16%
Administrative expenses	(4,602,407)	(4,707,456)	105,048	-2%
Other operating expenses	(62,722)	(1,957,966)	1,895,244	-97%
Operating profit	19,359,725	12,522,423	6,837,302	55%
Finance costs	(512,231)	(1,170,903)	658,673	-56%
Profit before Tax	18,847,494	11,351,520	7,495,974	66%
Taxation	(4,678,144)	(3,108,177)	(1,569,967)	51%
Profit after Tax	14,169,350	8,243,343	5,926,007	72%

The Group reported higher revenue of RM191.26 million for the current quarter ended 30 September 2020, as compared to preceding year corresponding quarter ended 30 September 2019. Revenue increased RM3.77 million or 2%. The higher revenue was mainly attributable to the trading segment.

The Group reported higher profit after tax of RM14.17 million for the current quarter ended 30 September 2020, as compared to preceding year corresponding quarter ended 30 September 2019 of RM8.24 million. Profit after tax increased by 72% mainly due to 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 Quarter 30-Sep-20 RM	Immediate Preceding Quarter 30-Jun-20 RM	Changes	
			RM	%
Revenue	191,260,089	140,291,981	50,968,108	36%
Cost of sales	(166,162,913)	(124,710,555)	(41,452,357)	33%
Gross profit	25,097,176	15,581,426	9,515,750	61%
Other operating income	250,379	(396,866)	647,246	-163%
Selling and distribution costs	(1,322,701)	(1,346,923)	24,223	-2%
Administrative expenses	(4,602,407)	(2,710,109)	(1,892,298)	70%
Other operating expenses	(62,722)	(8,028)	(54,694)	681%
Operating profit	19,359,725	11,119,498	8,240,226	74%
Finance costs	(512,231)	(773,592)	261,361	-34%
Profit before Tax	18,847,494	10,345,906	8,501,588	82%
Taxation	(4,678,144)	(2,765,329)	(1,912,815)	69%
Profit after Tax	14,169,350	7,580,577	6,588,773	87%

For current quarter ended 30 September 2020, the Group achieved revenue of RM191.26 million, representing an increase of RM50.97 million or 36% compared to current year preceding quarter. This was mainly due to higher sales in the trading segment.

The Group achieved profit after tax of RM14.17 million during the current quarter. There is an increase of RM6.59 million or 87% compared to current year preceding quarter which was mainly due to higher profit in the 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 30-Sep-20 RM	Current Year Ended 30-Sep-20 RM
Tax expenses	(4,678,144)	(11,467,132)

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 September 2020 as follows:

	As at 30 Sep 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)	238,906,471	66,655	66,655	-	-	185,188,264	51,668	-	51,668
Unsecured									
Bank borrowings	-	-	-	2,109,439	8,779,742	21,660,189,480	6,043,193	37,030,042	51,852,977
Total	238,906,471	66,655	66,655	2,109,439	8,779,742	21,845,377,744	6,094,860	37,030,042	51,904,645

	As at 30 Sep 2020					
	Total Borrowing					
	USD Borrowing	RM Equivalent	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured						
Hire-purchase (Lease Liabilities)	-	-	424,094,735	118,323	-	118,323
Unsecured						
Bank borrowings	2,109,439	8,779,742	21,660,189,480	6,043,193	37,030,042	51,852,977
Total	2,109,439	8,779,742	22,084,284,215	6,161,516	37,030,042	51,971,300

Exchange rates on borrowings as at 30 September 2020:

USD to RM	4.1555
USD to IDR	14,918
IDR100 to RM	0.0279

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

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

	As at 30 Sep 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	219,350,231	64,708	64,708	-	-	467,047,041	137,779	-	137,779
Unsecured									
Bank borrowings	-	-	-	2,506,551	10,480,716	45,388,542,008	13,389,620	39,012,187	62,882,523
Total	219,350,231	64,708	64,708	2,506,551	10,480,716	45,855,589,049	13,527,399	39,012,187	63,020,302

	As at 30 Sep 19					
	Total Borrowing					
	USD Borrowing	RM Equivalent	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
Secured						
Hire-purchase	-	-	686,397,272	202,487	-	202,487
Unsecured						
Bank borrowings	2,506,551	10,480,716	45,388,542,008	13,389,620	39,012,187	62,882,523
Total	2,506,551	10,480,716	46,074,939,280	13,592,107	39,012,187	63,085,010

Exchange rates on borrowings as at 30 September 2019:

USD to RM	4.1900
USD to IDR	14,174
IDR100 to RM	0.0295

The Group's total borrowing as at 30 September 2020 was RM51.97 million, a decrease of RM11.11 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 September 2020, the amount of bank borrowings of its subsidiaries guaranteed by the company amounted to RM51.85 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 September 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 RM14.20 million for the current quarter and RM31.76 million for the current financial year to date as at 30 September 2020 and on the number of shares in issue of 895,808,553 as at 30 September 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 September 2020 as the ESOS had expired on 30 November 2019.

By order of the Board,

Chen Moi Kew
Director / Chief Financial Officer
Date: 27 October 2020