

# LUXCHEM CORPORATION BERHAD

(Company No: 199101014102 (224414-D))

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2021

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 2021.

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 2021

	Individual Period (1st Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 31-Mar-21 RM	Preceding Year Corresponding Quarter 31-Mar-20 RM	RM	%	Current Year Quarter 31-Mar-21 RM	Preceding Year Corresponding Quarter 31-Mar-20 RM	RM	%
Revenue	227,867,741	174,480,632	53,387,109	31%	227,867,741	174,480,632	53,387,109	31%
Cost of sales	(191,966,550)	(154,220,717)	(37,745,833)	24%	(191,966,550)	(154,220,717)	(37,745,833)	24%
Gross profit	35,901,191	20,259,915	15,641,276	77%	35,901,191	20,259,915	15,641,276	77%
Other operating income	1,706,961	4,134,552	(2,427,592)	-59%	1,706,961	4,134,552	(2,427,592)	-59%
Selling and distribution costs	(1,487,535)	(1,410,480)	(77,055)	5%	(1,487,535)	(1,410,480)	(77,055)	5%
Administrative expenses	(6,286,889)	(9,090,734)	2,803,846	-31%	(6,286,889)	(9,090,734)	2,803,846	-31%
Other operating expenses	(1,904,797)	(17,062)	(1,887,735)	11064%	(1,904,797)	(17,062)	(1,887,735)	11064%
Operating profit	27,928,932	13,876,191	14,052,741	101%	27,928,932	13,876,191	14,052,741	101%
Finance costs	(700,086)	(810,325)	110,240	-14%	(700,086)	(810,325)	110,240	-14%
Profit before Tax	27,228,846	13,065,865	14,162,981	108%	27,228,846	13,065,865	14,162,981	108%
Taxation	(6,554,919)	(4,023,659)	(2,531,259)	63%	(6,554,919)	(4,023,659)	(2,531,259)	63%
Profit after Tax	<b>20,673,928</b>	<b>9,042,206</b>	<b>11,631,722</b>	<b>129%</b>	<b>20,673,928</b>	<b>9,042,206</b>	<b>11,631,722</b>	<b>129%</b>
Exchange gain/ (loss) on translation of foreign operations	19,583	(12,221)	31,804	-260%	19,583	(12,221)	31,804	-260%
Fair value gain/(loss) on equity investments	(895,453)	-	(895,453)	-100%	(895,453)	-	(895,453)	-100%
Total other comprehensive (loss)/income	(875,869)	(12,221)	(863,649)	7067%	(875,869)	(12,221)	(863,649)	7067%
Total comprehensive income for the period	<b>19,798,058</b>	<b>9,029,985</b>	<b>10,768,073</b>	<b>119%</b>	<b>19,798,058</b>	<b>9,029,985</b>	<b>10,768,073</b>	<b>119%</b>
Profit attributable to:								
-Owners of the Company	20,563,423	9,985,584	10,577,839	106%	20,563,423	9,985,584	10,577,839	106%
-Non controlling interests	110,504	(943,378)	1,053,883	-112%	110,504	(943,378)	1,053,883	-112%
	<b>20,673,928</b>	<b>9,042,206</b>	<b>11,631,722</b>	<b>129%</b>	<b>20,673,928</b>	<b>9,042,206</b>	<b>11,631,722</b>	<b>129%</b>
Total comprehensive income attributable to:								
-Owners of the Company	19,689,769	9,973,364	9,716,405	97%	19,689,769	9,973,364	9,716,405	97%
-Non controlling interests	108,289	(943,378)	1,051,667	-111%	108,289	(943,378)	1,051,667	-111%
	<b>19,798,058</b>	<b>9,029,985</b>	<b>10,768,073</b>	<b>119%</b>	<b>19,798,058</b>	<b>9,029,985</b>	<b>10,768,073</b>	<b>119%</b>
Earnings per share attributable to owners of the Company								
Earnings per share - Basic (Sen)	2.19	1.11	1.08		2.19	1.11	1.08	
Earnings per share - Fully Diluted (Sen)	2.19	1.11	1.08		2.19	1.11	1.08	

*The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this quarterly financial report.*

# LUXCHEM CORPORATION BERHAD

(Company No: 199101014102 (224414-D))

(Incorporated in Malaysia)

## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2021

### NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Current Quarter Ended 31-Mar-21 RM	Current Year to date Ended 31-Mar-21 RM
Interest income	(378,451)	(378,451)
Other income*	(1,328,510)	(1,328,510)
Interest expense	700,086	700,086
Depreciation & amortisation	971,373	971,373
Write back of receivable	(652,629)	(652,629)
Write back of inventories	(31,492)	(31,492)
Foreign exchange (gain)/loss - realised	(346,154)	(346,154)
Foreign exchange (gain)/loss - unrealised	1,108,665	1,108,665
Loss/(gain) on derivatives	149,765	149,765

\*Includes foreign exchange gain and gain on derivatives

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2021

### CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Unaudited As at 31-Mar-21 RM	Audited As at 31-Dec-20 RM
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	62,641,952	63,220,609
Investment property	2,736,315	2,743,392
Goodwill	35,802,888	35,802,888
Intangible assets	4,716,555	4,742,149
Other investments	2,771,532	3,666,985
Deferred tax assets	1,567,052	1,569,340
	<u>110,236,294</u>	<u>111,745,363</u>
<b>Current Assets</b>		
Inventories	74,067,541	72,882,379
Trade and other receivables	141,234,182	159,903,609
Derivative financial assets	-	52,450
Current tax assets	3,297,334	2,422,688
Cash and bank balances	250,941,615	140,355,897
	<u>469,540,672</u>	<u>375,617,023</u>
<b>Total Assets</b>	<b><u>579,776,966</u></b>	<b><u>487,362,386</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Parent</b>		
Share capital	245,231,412	174,372,109
Other reserves	2,506,325	3,379,977
Retained profits	179,664,464	159,101,042
	<u>427,402,201</u>	<u>336,853,128</u>
Non-controlling interests	521,547	413,258
<b>Total Equity</b>	<b><u>427,923,748</u></b>	<b><u>337,266,386</u></b>
<b>Non-current Liabilities</b>		
Retirement benefits	779,028	781,762
Lease liabilities	251,992	268,279
Deferred tax liabilities	1,336,443	1,324,304
	<u>2,367,463</u>	<u>2,374,345</u>
<b>Current Liabilities</b>		
Trade and other payables	44,900,446	81,173,123
Derivative financial liabilities	127,493	30,178
Lease liabilities	309,965	397,984
Bank borrowings	99,509,157	63,793,408
Current tax liabilities	4,638,694	2,326,962
	<u>149,485,755</u>	<u>147,721,655</u>
<b>Total Liabilities</b>	<b><u>151,853,218</u></b>	<b><u>150,096,000</u></b>
<b>Total Equity and Liabilities</b>	<b><u>579,776,966</u></b>	<b><u>487,362,386</u></b>
Net Assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.43	0.38

*The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2021

	Current Year to date Ended 31-Mar-21 RM	Preceding Year Corresponding Year Ended 31-Dec-20 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	27,228,846	62,523,077
<b>Adjustments for :</b>		
Amortisation of intangible assets	58,136	256,050
Depreciation of investment property	7,076	28,304
Depreciation of property, plant and equipment	906,161	3,923,878
Defined benefit obligations	-	146,459
Dividend income	(28,611)	(156,413)
(Gain)/loss on changes in fair value of forward exchange contracts	149,765	(180,548)
Gain on disposal of property, plant and equipment	232	(18,442)
Gain on remeasurement of lease	(2,252)	-
Impairment losses on trade receivables	1,700,642	3,858,681
Interest income	(378,451)	(1,314,840)
Interest expense	700,086	2,586,116
Inventories written down	-	987,305
Inventories written off	-	608,205
Property, plant and equipment written off	185	208,956
Net unrealised (gain)/loss on foreign exchange	1,108,665	(337,515)
Reversal of impairment loss on trade receivables	(652,629)	(1,240,015)
Reversal of inventories written down	(31,492)	(186,883)
<b>Operating profit before working capital changes</b>	30,766,360	71,692,375
Decrease/(Increase) in amount due from subsidiaries		
(Increase)/Decrease in inventories	(1,163,990)	(5,495,697)
(Increase)/Decrease in trade and other receivables	17,786,198	(27,473,399)
Increase/(Decrease) in trade and other payables	(37,415,559)	25,171,532
<b>Cash generated from operations</b>	9,973,008	63,894,811
Tax paid	(5,120,330)	(14,841,277)
Interest received	378,451	1,314,840
Interest paid	(691,749)	(2,529,161)
<b>Net cash generated from operating activities</b>	4,539,380	47,839,213
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(320,314)	(14,453,804)
Purchase of intangible assets	(32,542)	(406,811)
Proceeds from disposal of property, plant and equipment	120	111,217
Dividend received	28,611	156,413
Deposits received/(placed) with licensed banks with original maturity of more than three (3) months	(7,515,725)	(4,497,906)
<b>Net cash used in investing activities</b>	(7,839,850)	(19,090,891)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issued pursuant to Private Placement exercise	70,859,303	-
Repayment on lease liabilities	(109,292)	(681,193)
Interest paid on lease liabilities	(8,337)	(56,955)
Net drawdown/(repayment) of trade finance	35,610,913	1,620,093
Dividend paid	-	(20,155,692)
<b>Net cash generated from/(used in) financing activities</b>	106,352,588	(19,273,747)
<b>Net increase in cash and cash equivalents</b>	103,052,117	9,474,575
<b>Cash and cash equivalents at beginning of financial year</b>	119,699,585	110,315,680
<b>Effect of changes in exchange rates</b>	17,871	(90,670)
<b>Cash and cash equivalents at end of financial year</b>	222,769,573	119,699,585
<b>For the purpose of the statements of cashflows, cash and cash equivalents comprise the following as at the end of each reporting period:</b>		
Cash and bank balances	47,495,274	39,363,585
Deposits with financial institutions	203,446,340	100,992,312
	250,941,615	140,355,897
Deposits placed with licensed banks with original maturity of more than three (3) months	(28,172,037)	(20,656,312)
	222,769,577	119,699,585

*The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to this quarterly financial report.*

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 31 MARCH 2021

#### For the 3 months ended 31 March 2021

	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	Retained earnings RM	Total RM		
<b>2021</b>							
Balance as at 1 January 2021	174,372,109	8,334	3,371,643	159,101,042	336,853,128	413,258	337,266,386
Profit for the period	-	-	-	20,563,424	20,563,424	110,504	20,673,928
Foreign currency translations	-	21,798	-	-	21,798	(2,215)	19,583
Fair value loss on equity investments	-	-	(895,453)	-	(895,453)	-	(895,453)
<b>Total comprehensive income for the period</b>	-	21,798	(895,453)	20,563,424	19,689,770	108,289	19,798,059
<b>Transactions with owners</b>							
Ordinary shares issued pursuant to Private Placement	70,859,303	-	-	-	70,859,303	-	70,859,303
<b>Balance as at 31 March 2021</b>	<b>245,231,412</b>	<b>30,132</b>	<b>2,476,190</b>	<b>179,664,466</b>	<b>427,402,201</b>	<b>521,547</b>	<b>427,923,748</b>

#### For the 3 months ended 31 March 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	Retained earnings RM	Total RM		
<b>2020</b>							
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	-	-	-	9,985,584	9,985,584	(943,378)	9,042,206
Foreign currency translations	-	6,526	-	-	6,526	(18,744)	(12,218)
Fair value gain on equity investments	-	-	313,265	-	313,265	-	313,265
<b>Total comprehensive income for the period</b>	-	6,526	313,265	9,985,584	10,305,375	(962,122)	9,343,253
<b>Balance as at 31 March 2020</b>	<b>174,372,109</b>	<b>(239,759)</b>	<b>1,784,628</b>	<b>143,395,075</b>	<b>319,312,053</b>	<b>(1,590,437)</b>	<b>317,721,616</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2021

### 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 2020.

The accounting policies applied by the Group are consistent with those applied in the annual financial statements for the year ended 31 December 2020 other than the application of new MFRSs and amendments to the MFRSs which became effective for annual period beginning on 1 January 2021. The initial application of these new MFRSs 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
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021

#### A2. Auditor’s Report

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2020.

#### 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 31 MARCH 2021****A5. Segmental Information**

Segmental results by business activities:

<b>Operating Segments</b>				
<b>YTD 31 March 2021</b>				
	Trading RM	Manufacturing RM	Adjustments RM	Conso RM
Total revenue	189,108,785	83,540,906	-	272,649,691
Inter-segment revenue	(509,306)	(44,272,643)		(44,781,949)
External sales	188,599,479	39,268,263	-	227,867,741
<b>Results</b>				
Segment results	15,443,036	12,249,945	(188,093)	27,504,888
Dividend, interest & rental	267,550	126,213	30,282	424,045
Operating profit/(loss)	15,710,586	12,376,158	(157,811)	27,928,933
Finance costs	(609,694)	(90,391)	-	(700,086)
Profit/(Loss) before taxation	15,100,891	12,285,767	(157,811)	27,228,848
Taxation	(3,609,727)	(2,945,191)	-	(6,554,919)
Profit/(Loss) for the period	11,491,164	9,340,576	(157,811)	20,673,929
Segment assets	315,634,673	179,972,999	84,169,297	579,776,969
Segment liabilities	99,464,679	52,145,886	242,654	151,853,219

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Segmental results by Geographical Segment:

Country	YTD 31 Mar 21	YTD 31 Mar 20	Change	
	Revenue	Revenue	RM	%
	RM	RM		
<b>Malaysia</b>	<b>162,418,343</b>	<b>120,245,758</b>	<b>42,172,585</b>	<b>35%</b>
Indonesia	25,624,960	27,135,294	(1,510,334)	-6%
Vietnam	23,377,497	14,681,537	8,695,960	59%
Thailand	6,320,262	6,341,459	(21,196)	0%
Australia	2,907,053	699,939	2,207,114	315%
Singapore	2,253,610	719,932	1,533,678	213%
Sri Lanka	1,472,300	711,126	761,175	107%
Bangladesh	995,885	1,499,452	(503,567)	-34%
Philippines	919,731	1,342,762	(423,031)	-32%
New Zealand	906,910	754,619	152,292	20%
Others	671,189	348,755	322,434	92%
<b>Total exports</b>	<b>65,449,399</b>	<b>54,234,874</b>	<b>11,214,524</b>	<b>21%</b>
<b>Total</b>	<b>227,867,742</b>	<b>174,480,632</b>	<b>53,387,110</b>	<b>31%</b>

For current financial year to date ended 31 March 2021, the Group achieved revenue of RM227.87 million. There is an increase of RM53.39 million or 31% compared with preceding financial year to date ended 31 March 2020. Higher revenue was mainly attributable to higher 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 2021	Amount RM
Capital commitments for the purchase of property, plant and equipment as follow:	
Approved and contracted for	
- property, plant and equipment	802,410
- intangible assets	15,434
Approved but not contracted for	1,516,364
	<u>2,334,208</u>

### A8. Changes in the Composition of the Group

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

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2021

### 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-21 RM	Preceding Year Corresponding Quarter 31-Mar-20 RM	RM	%
Revenue	227,867,741	174,480,632	53,387,109	31%
Cost of sales	(191,966,550)	(154,220,717)	(37,745,833)	24%
Gross profit	35,901,191	20,259,915	15,641,276	77%
Other operating income	1,706,961	4,134,552	(2,427,592)	-59%
Selling and distribution costs	(1,487,535)	(1,410,480)	(77,055)	5%
Administrative expenses	(6,286,889)	(9,090,734)	2,803,846	-31%
Other operating expenses	(1,904,797)	(17,062)	(1,887,735)	11064%
Operating profit	27,928,932	13,876,191	14,052,741	101%
Finance costs	(700,086)	(810,325)	110,240	-14%
Profit before Tax	27,228,846	13,065,865	14,162,981	108%
Taxation	(6,554,919)	(4,023,659)	(2,531,259)	63%
Profit after Tax	<b>20,673,928</b>	<b>9,042,206</b>	<b>11,631,722</b>	<b>129%</b>

The Group reported higher revenue of RM227.87 million for the current quarter ended 31 March 2021, as compared to preceding year corresponding quarter ended 31 March 2020. Revenue increased RM53.39 million or 31%. The higher revenue was mainly attributable to the trading segment.

The Group reported higher profit after tax of RM20.67 million for the current quarter ended 31 March 2021, as compared to preceding year corresponding quarter ended 31 March 2020 of RM9.04 million. Profit after tax increased by 129% mainly due to trading segment.

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## QUARTERLY FINANCIAL REPORT AS AT 31 MARCH 2021

### 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 31-Mar-21 RM	Immediate Preceding Quarter 31-Dec-20 RM	Changes	
			RM	%
Revenue	227,867,741	220,231,784	7,635,957	3%
Cost of sales	(191,966,550)	(187,259,367)	(4,707,183)	3%
Gross profit	35,901,191	32,972,417	2,928,774	9%
Other operating income	1,706,961	1,647,790	59,171	4%
Selling and distribution costs	(1,487,535)	(1,689,083)	201,548	-12%
Administrative expenses	(6,286,889)	(7,218,161)	931,272	-13%
Other operating expenses	(1,904,797)	(4,959,184)	3,054,388	-62%
Operating profit	27,928,932	20,753,779	7,175,153	35%
Finance costs	(700,086)	(489,968)	(210,118)	43%
Profit before Tax	27,228,846	20,263,811	6,965,035	34%
Taxation	(6,554,919)	(4,110,171)	(2,444,748)	59%
Profit after Tax	<b>20,673,928</b>	<b>16,153,640</b>	<b>4,520,287</b>	<b>28%</b>

For current quarter ended 31 March 2021, the Group achieved revenue of RM227.87 million, representing an increase of RM7.64 million or 3% compared to previous quarter ended 31 December 2020. This was mainly due to higher sales in the trading segment.

The Group achieved profit after tax of RM20.67 million during the current quarter ended 31 March 2021. There is an increase of RM4.52 million or 28% compared to previous quarter ended 31 December 2020 which was mainly due to higher profits in both trading and 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 year.

### **B4. Status of Corporate Proposals announced**

#### **Proposed Acquisition**

On 14 December 2020, the Company entered into a Heads of Agreement ("HOA") with Mr. Chuah Kim Piew and Mr. Lee Juinn Yong for the proposed acquisition by the Company of 55% equity interest each in Lexis Chemical Sdn Bhd, Lexis Specialties Sdn Bhd and Lexis Corporation Sdn Bhd for a total purchase consideration of RM121.00 million to be satisfied partly via cash and partly via issuance of new ordinary shares in the company.

On 26 February 2021, the Company announced that the Company and the vendors had agreed to extend both the Due Diligence Period and the Expiry Date for a period of 60 days, commencing from 1 March 2021 until 29 April 2021 ("Extended Period"). The Company is currently finalising the due diligence process.

#### **Proposed Private Placement**

On 14 December 2020, the Company announced that the Company proposes to undertake the private placement of up to 134,371,000 new ordinary shares in the Company, representing approximately 15% of the total number of issued shares of the Company, to independent third-party investors to be identified later and at an issue price to be determined later.

On 17 December 2020, the Company announced that Bursa Securities had, vide its letter dated 17 December 2020, approved the listing and quotation of up to 134,371,000 Placement Shares to be issued pursuant to the Private Placement.

On 10 February 2021, the Company announced that the Board had on to-date ("Price-fixing Date") fixed the issue price for the placement of 75,000,000 Placement Shares at RM0.71 per Placement Share ("Issue Price"). The Issue Price represents a discount of 9.14% to the 5-day VWAP of the Shares up to and including 9 February 2021 of RM0.7814, being the last market day immediately preceding the Price-fixing Date.

On 16 February 2021, the Company announced that the Board had on the Price-fixing Date fixed the issue price for the placement of 15,000,000 Placement Shares at RM0.73 per Placement Share. The Issue Price represents a discount of 7.71% to the 5-day VWAP of the Shares up to and including 15 February 2021 of RM0.7910, being the last market day immediately preceding the Price-fixing Date.

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### B4. Status of Corporate Proposals announced (cont'd)

On 19 February 2021, the Company announced Private Placement of 70,750,000 new Shares were placed out at the price of RM0.71 per placement share and were listed on Bursa Malaysia Securities Bhd on 22 February 2021.

On 22 February 2021, the Company announced Private Placement of 4,250,000 new Shares were placed out at the price of RM0.71 per placement share and were listed on Bursa Malaysia Securities Bhd on 23 February 2021.

On 22 February 2021, the Company announced that the Board had on the Price-fixing Date fixed the issue price for the placement of 15,500,000 Placement Shares at RM0.75 per Placement Share. The Issue Price represents a discount of 8.38% to the 5-day VWAP of the Shares up to and including 19 February 2021 of RM0.8186, being the last market day immediately preceding the Price-fixing Date.

On 24 February 2021, the Company announced Private Placement of 15,000,000 new Shares were placed out at the price of RM0.73 per placement share and were listed on Bursa Malaysia Securities Bhd on 25 February 2021.

On 1 March 2021, the Company announced Private Placement of 11,166,000 new Shares were placed out at the price of RM0.75 per placement share and were listed on Bursa Malaysia Securities Bhd on 2 March 2021.

### B5. Status of Utilisation of Proceeds Raised from Private Placement

The status of utilisation of proceeds raised from the Private Placement during the financial period ended 31 March 2021 is as follow:

Purpose	Proposed Utilisation	Actual Utilisation	Balance Unutilised	Intended timeframe for utilisation from completion of Private Placement
	RM	RM	RM	
i. Acquisition and/or investment in complementary business and/or assets	45,564,500	-	45,564,500	Within 24 months
ii. Working capital	24,000,000	-	24,000,000	Within 12 months
iii. Estimated expenses for Private Placement	3,010,000	1,715,197	1,294,803	Immediate
Total	<u>72,574,500</u>	<u>1,715,197</u>	<u>70,859,303</u>	

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### B6. Taxation

	Current Quarter Ended 31-Mar-21 RM	Current Year Ended 31-Mar-21 RM
Tax expenses	(6,554,919)	(6,554,919)

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

### B7. Group borrowings and debt securities

The Group's borrowings as at 31 March 2021 as follows:

	As at 31 March 2021						
	Long Term			Short Term			
	IDR Borrowing	RM Equivalent	Total RM	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
<b>Secured</b>							
Hire-purchase (Lease Liabilities)	177,836,388	50,683	50,683	229,565,082	65,426	-	65,426
<b>Unsecured</b>							
Bank borrowings	-	-	-	93,534,814,991	26,657,423	72,851,735	99,509,158
<b>Total</b>	177,836,388	50,683	50,683	93,764,380,073	26,722,849	72,851,735	99,574,584

	As at 31 March 2021			
	Total Borrowing			
	IDR Borrowing	RM Equivalent	RM Borrowing	Total RM
<b>Secured</b>				
Hire-purchase (Lease Liabilities)	407,401,470	116,109	-	116,109
<b>Unsecured</b>				
Bank borrowings	93,534,814,991	26,657,423	72,851,735	99,509,158
<b>Total</b>	93,942,216,461	26,773,533	72,851,735	99,625,268

Exchange rates on borrowings as at 31 March 2021:

USD to RM	4.1460
USD to IDR	14,572
IDR100 to RM	0.0285

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### B7. Group borrowings and debt securities (cont'd)

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

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

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

Exchange rates on borrowings as at 31 March 2020:

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

The Group's total borrowing as at 31 March 2021 was RM99.63 million, an increase of RM29.88 million compared to preceeding year corresponding quarter.

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### **B8. 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 2021, the amount of bank borrowings of its subsidiaries guaranteed by the Company amounted to RM99.51 million.

The Company monitors the performance of the subsidiaries 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.

### **B9. Material Litigation**

As at 31 March 2021, 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.

### **B10. Dividend**

The Board of Directors declared the payment of single tier first interim dividend of 0.9 sen per ordinary share in respect of the financial year ending 31 December 2021, payable on 3 June 2021 to depositors registered in the Records of Depositors at close of business on 7 May 2021.

### **B11. 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 RM20.56 million for the current quarter and current financial year to date as at 31 March 2021 and on the weighted average number of shares in issue of 936,983,331 as at 31 March 2021.

#### (b) Diluted earnings per share

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

By order of the Board,

Chen Moi Kew  
Director / Chief Financial Officer  
Date: 21 April 2021