

**LUXCHEM**

**LUXCHEM CORPORATION BERHAD**

Registration No: 199101014102 (224414 - D)  
(Incorporated in Malaysia)

**QUARTERLY REPORT  
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

# LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Individual Period (2nd Quarter)		Changes		Cumulative Period		Changes	
	Current Year Quarter 30-Jun-24 RM	Preceding Year Corresponding Quarter 30-Jun-23 RM	RM	%	Current Year Quarter 30-Jun-24 RM	Preceding Year Corresponding Quarter 30-Jun-23 RM	RM	%
Revenue	210,199,103	157,563,378	52,635,725	33%	393,346,059	310,395,293	82,950,766	27%
Cost of sales	(178,435,093)	(135,638,088)	(42,797,006)	32%	(332,493,628)	(265,355,192)	(67,138,435)	25%
Gross profit	31,764,009	21,925,290	9,838,719	45%	60,852,431	45,040,100	15,812,331	35%
Other operating income	2,245,642	3,284,547	(1,038,905)	-32%	4,763,523	5,334,565	(571,042)	-11%
Selling and distribution costs	(2,573,204)	(2,310,566)	(262,639)	11%	(4,827,221)	(4,373,273)	(453,948)	10%
Administrative expenses	(8,535,322)	(7,297,969)	(1,237,353)	17%	(17,275,358)	(15,970,092)	(1,305,266)	8%
Other operating expenses	(1,648,877)	(1,617,568)	(31,309)	2%	(3,210,651)	(3,178,723)	(31,928)	1%
Net impairment of financial assets	-	-	-	-	-	-	-	-
Operating profit	21,252,248	13,983,734	7,268,513	52%	40,302,724	26,852,577	13,450,146	50%
Finance costs	(726,904)	(623,762)	(103,142)	17%	(1,296,549)	(1,291,906)	(4,644)	0%
Profit before Tax	20,525,344	13,359,972	7,165,371	54%	39,006,175	25,560,672	13,445,503	53%
Taxation	(4,936,537)	(3,171,397)	(1,765,140)	56%	(9,450,716)	(6,152,447)	(3,298,268)	54%
Profit after Tax	<b>15,588,806</b>	<b>10,188,575</b>	<b>5,400,231</b>	<b>53%</b>	<b>29,555,459</b>	<b>19,408,224</b>	<b>10,147,235</b>	<b>52%</b>
Exchange gain on translation of foreign operations	(388,164)	676,824	(1,064,988)	-157%	(373,317)	1,166,511	(1,539,828)	-132%
Fair value gain/(loss) on equity investments	139,471	(24,382)	163,853	-672%	134,869	(15,103)	149,972	-993%
Total other comprehensive income	(248,693)	652,442	(901,135)	-138%	(238,448)	1,151,408	(1,389,856)	-121%
Total comprehensive income for the period	<b>15,340,113</b>	<b>10,841,017</b>	<b>4,499,096</b>	<b>42%</b>	<b>29,317,011</b>	<b>20,559,632</b>	<b>8,757,378</b>	<b>43%</b>
Profit attributable to:								
-Owners of the Company	12,201,624	9,415,678	2,785,946	30%	23,762,482	16,915,145	6,847,336	40%
-Non controlling interests	3,387,182	772,897	2,614,285	338%	5,792,978	2,493,079	3,299,898	132%
	<b>15,588,806</b>	<b>10,188,575</b>	<b>5,400,231</b>	<b>53%</b>	<b>29,555,459</b>	<b>19,408,224</b>	<b>10,147,235</b>	<b>52%</b>
Total comprehensive income attributable to:								
-Owners of the Company	11,978,268	10,025,744	1,952,523	19%	23,549,264	17,990,044	5,559,220	31%
-Non controlling interests	3,361,845	815,272	2,546,573	312%	5,767,747	2,569,588	3,198,158	124%
	<b>15,340,113</b>	<b>10,841,017</b>	<b>4,499,096</b>	<b>42%</b>	<b>29,317,011</b>	<b>20,559,632</b>	<b>8,757,378</b>	<b>43%</b>
Earnings per share attributable to owners of the Company								
Earnings per share - Basic (Sen)	1.14	0.88	0.26		2.22	1.58	0.64	
Earnings per share - Fully Diluted (Sen)	1.14	0.88	0.26		2.22	1.58	0.64	
No. of shares		1,069,766,119				1,069,766,119		
Weighted Average No. of Dilutive Share		1,069,766,119				1,069,766,119		

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

## NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Current Quarter Ended 30-Jun-24 RM	Current Year-to-date Ended 30-Jun-24 RM
Interest income	(2,044,033)	(3,488,435)
Other income*	(169,097)	(1,242,576)
Interest expense	726,904	1,296,549
Depreciation & amortisation	3,430,180	6,854,874
Net foreign exchange loss/(gain) - realised	64,595	(750,768)
Net foreign exchange loss - unrealised	(50,327)	169,540
Fair value loss/(gain) on derivative instruments	1,542	(60,186)

**LUXCHEM CORPORATION BERHAD**

Registration No: 199101014102 (224414-D)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

	<b>Unaudited As at 30-Jun-24 RM</b>	<b>Audited As at 31-Dec-23 RM</b>
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	119,445,626	121,060,111
Investment property	2,644,326	2,658,479
Goodwill	65,315,203	64,706,662
Intangible assets	111,450,584	114,244,010
Other investments	1,197,362	1,062,492
Deferred tax assets	304,078	314,273
	<u>300,357,179</u>	<u>304,046,027</u>
<b>Current Assets</b>		
Inventories	70,064,754	66,523,124
Trade and other receivables	138,141,829	110,399,815
Derivative financial assets	3,062	-
Current tax assets	4,048,764	6,760,197
Cash and bank balances	262,142,352	252,670,473
	<u>474,400,761</u>	<u>436,353,609</u>
<b>Total Assets</b>	<b><u>774,757,940</u></b>	<b><u>740,399,636</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable to Owners of the Parent</b>		
Share capital	298,077,797	298,077,797
Treasury Shares	(70,536)	(70,536)
Other reserves	1,101,641	1,314,856
Retained profits	249,431,173	234,226,820
	<u>548,540,075</u>	<u>533,548,937</u>
Non-controlling interests	83,446,646	79,798,399
<b>Total Equity</b>	<b><u>631,986,721</u></b>	<b><u>613,347,336</u></b>
<b>Non-current Liabilities</b>		
Retirement benefits	733,864	759,346
Lease liabilities	340,467	508,852
Term loan	10,580,150	12,016,542
Deferred tax liabilities	27,727,283	28,439,156
	<u>39,381,764</u>	<u>41,723,896</u>
<b>Current Liabilities</b>		
Trade and other payables	48,764,225	45,284,773
Derivative financial liabilities	-	57,124
Lease liabilities	366,649	399,427
Deferred consideration	300,000	-
Term loan	3,774,833	2,994,895
Bank borrowings	48,056,854	35,736,543
Current tax liabilities	2,126,894	855,642
	<u>103,389,455</u>	<u>85,328,404</u>
<b>Total Liabilities</b>	<b><u>142,771,219</u></b>	<b><u>127,052,300</u></b>
<b>Total Equity and Liabilities</b>	<b><u>774,757,940</u></b>	<b><u>740,399,636</u></b>
Net Assets per ordinary share attributable to ordinary equity holders of the Company (RM)	0.59	0.57

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

# LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Year-to-date Ended	
	30-Jun-24	30-Jun-23
	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	39,006,175	25,560,672
<b>Adjustments for :</b>		
Amortisation of intangible assets	3,401,151	3,262,376
Depreciation of investment property	14,152	14,152
Depreciation of property, plant and equipment	3,439,571	3,099,440
Dividend income	(2,758)	(80,757)
Gain on changes in fair value of forward foreign exchange contracts	(60,186)	(69,618)
Gain on disposal of property, plant and equipment	(34,972)	(252,152)
Gain on termination of lease	-	(222)
Interest income	(3,488,435)	(2,229,370)
Interest expense	1,296,549	1,291,906
Property, plant and equipment written off	69,309	60,761
Net unrealised loss on foreign exchange	169,540	(45,262)
<b>Operating profit before working capital changes</b>	43,810,096	30,611,926
(Increase)/decrease in inventories	(2,665,943)	13,843,186
(Increase)/decrease in trade and other receivables	(27,029,357)	4,245,499
Increase/(decrease) in trade and other payables	3,060,475	(14,416,200)
<b>Cash generated from operations</b>	17,175,271	34,284,411
Tax paid	(6,253,087)	(10,219,524)
Interest received	3,488,435	2,229,370
Interest paid	(1,275,886)	(1,274,003)
<b>Net cash generated from operating activities</b>	13,134,733	25,020,254
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of a subsidiary	(607,383)	-
Purchase of property, plant and equipment	(1,619,343)	(4,684,883)
Purchase of intangible assets	(86,567)	-
Proceeds from disposal of property, plant and equipment	47,250	332,715
Dividends received	2,758	80,757
Net placement of deposits with licensed banks with original maturity of more than three (3) months	(11,611,582)	(31,992,755)
<b>Net cash used in investing activities</b>	(13,874,867)	(36,264,166)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment on lease liabilities	(227,883)	(454,032)
Interest paid on lease liabilities	(20,663)	(17,903)
Repayment of term loan	(1,589,723)	(1,619,516)
Drawdown of trade finance	11,411,643	(7,248,430)
Dividends paid to:		
- Shareholders of the Company	(8,558,129)	(10,697,661)
- Subsidiaries' non-controlling interests	(2,119,500)	(1,620,000)
<b>Net cash used in financing activities</b>	(1,104,253)	(21,657,542)
<b>Net decrease in cash and cash equivalents</b>	(1,844,388)	(32,901,454)
<b>Cash and cash equivalents at beginning of financial year</b>	117,653,823	196,830,779
<b>Effect of changes in exchange rates</b>	(295,319)	1,385,209
<b>Cash and cash equivalents at end of financial year</b>	115,514,116	165,314,534
<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	68,688,759	72,754,803
Deposits with financial institutions	193,453,593	151,998,292
	262,142,352	224,753,095
Deposits placed with licensed banks with original maturity of more than three (3) months	(146,628,236)	(59,438,561)
	115,514,116	165,314,534

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to this quarterly financial report.

# LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2024

For the 6 months ended 30 June 2024

	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	Treasury Shares RM	Retained earnings RM	Total RM		
<b>2023</b>								
Balance as at 1 January 2024	298,077,797	547,705	767,151	(70,536)	234,226,820	533,548,936	79,798,399	613,347,335
Profit for the period	-	-	-	-	23,762,482	23,762,482	5,792,978	29,555,460
Foreign currency translations	-	(348,086)	-	-	-	(348,086)	(25,231)	(373,317)
Fair value gain on equity investments	-	-	134,869	-	-	134,869	-	134,869
<b>Total comprehensive income for the year</b>	-	(348,086)	134,869	-	23,762,482	23,549,265	5,767,747	29,317,011
<b>Transactions with owners</b>								
Dividends paid to:								
- shareholders of the Company	-	-	-	-	(8,558,129)	(8,558,129)	-	(8,558,129)
- subsidiaries' non-controlling interest	-	-	-	-	-	-	(2,119,500)	(2,119,500)
<b>Total transactions with owners</b>	-	-	-	-	(8,558,129)	(8,558,129)	(2,119,500)	(10,677,629)
<b>Balance as at 30 June 2024</b>	<b>298,077,797</b>	<b>199,618</b>	<b>902,020</b>	<b>(70,536)</b>	<b>249,431,173</b>	<b>548,540,072</b>	<b>83,446,646</b>	<b>631,986,718</b>

For the 6 months ended 30 June 2023

	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	Treasury Shares RM	Retained earnings RM	Total RM		
<b>2023</b>								
Balance as at 1 January 2023	298,077,797	(54,044)	515,515	(70,536)	214,248,714	512,717,446	76,271,207	588,988,653
Profit for the period	-	-	-	-	16,915,144	16,915,144	2,493,079	19,408,223
Foreign currency translations	-	1,090,002	-	-	-	1,090,002	76,509	1,166,511
Fair value gain on equity investments	-	-	(15,103)	-	-	(15,103)	-	(15,103)
<b>Total comprehensive income for the year</b>	-	1,090,002	(15,103)	-	16,915,144	17,990,043	2,569,588	20,559,631
<b>Transactions with owners</b>								
Dividends paid to:								
- shareholders of the Company	-	-	-	-	(10,697,661)	(10,697,661)	-	(10,697,661)
- subsidiaries' non-controlling interest	-	-	-	-	-	-	(1,620,000)	(1,620,000)
<b>Total transactions with owners</b>	-	-	-	-	(10,697,661)	(10,697,661)	(1,620,000)	(12,317,661)
<b>Balance as at 30 June 2023</b>	<b>298,077,797</b>	<b>1,035,958</b>	<b>500,412</b>	<b>(70,536)</b>	<b>220,466,197</b>	<b>520,009,828</b>	<b>77,220,795</b>	<b>597,230,623</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 2023 and the accompanying explanatory notes attached to this quarterly financial report.

**PART A : NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134, INTERIM FINANCIAL REPORTING****A1. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. These interim financial statements also comply with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

These interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

The accounting standards adopted by the Group are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023, except for the following which were adopted at the beginning of the current financial year. The adoption of these new standards and other pronouncements did not have any significant effects on the interim financial statements upon their initial applications.

**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:

<b>Title</b>	<b>Effective Date</b>
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

Other than as disclosed above, the accounting policies and method of computation adopted by the Group in preparing these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023.

**A2. Seasonal or Cyclical Factors**

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

**A3. Auditor’s Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2023.

**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.

**A5. Significant Estimates and Changes in Estimates**

There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current period under review.

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### A6. Debt and Equity Securities

Of the total 1,069,866,119 issued ordinary shares as at 30 June 2024, 100,000 ordinary shares were held as treasury shares by the Company. Accordingly, the number of outstanding ordinary shares in issue as at 30 June 2024 was therefore 1,069,766,119.

The Group did not undertake any issuance and/or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current period under review.

### A7. Dividends Paid

On 21 March 2024, the Company had made the payment of single tier second interim dividend of 0.8 sen per ordinary share in respect of the financial year ending 31 December 2023 amounting to RM8,558,129.

### A8. Segmental Information

The Group has two reportable operating segments as follows:

- i. **Trading** – Import, export and distribution of petrochemical and other related products.
- ii. **Manufacturing** – Manufacturing and trading of unsaturated polyester resin (“UPR”), latex chemical dispersions, latex processing chemicals, former cleaning agents, powder free coagulant and related products.

<b>Operating Segments</b>				
<b>YTD 30 JUNE 24</b>				
	Trading RM	Manufacturing RM	Others RM	Conso RM
Total revenue	268,316,581	214,356,350	-	482,672,931
Inter-segment revenue	(16,466,881)	(72,859,991)	-	(89,326,872)
External sales	251,849,699	141,496,359	-	393,346,059
<b>Results</b>				
Segment results	11,395,945	25,605,312	(248,677)	36,752,581
Dividend, interest & rental	1,380,895	1,714,583	454,666	3,550,143
Operating profit	12,776,840	27,319,894	205,989	40,302,724
Finance costs	(993,018)	(303,531)	-	(1,296,549)
Profit before tax	11,783,822	27,016,363	205,989	39,006,175
Taxation	(2,936,964)	(6,513,752)	-	(9,450,716)
Profit for the period	8,846,859	20,502,611	205,989	29,555,459
Segment assets	319,925,417	428,353,713	26,478,811	774,757,940
Segment liabilities	71,327,148	71,028,622	415,453	142,771,223

<b>Operating Segments</b>				
<b>YTD 30 JUNE 2023</b>				
	Trading RM	Manufacturing RM	Others RM	Conso RM
Total revenue	214,360,007	164,037,045	-	378,397,052
Inter-segment revenue	(6,167,167)	(61,834,593)	-	(68,001,760)
External sales	208,192,840	102,202,452	-	310,395,293
<b>Results</b>				
Segment results	10,469,541	14,295,922	(280,013)	24,485,450
Dividend, interest & rental	928,809	1,034,236	404,082	2,367,127
Operating profit	11,398,350	15,330,158	124,069	26,852,577
Finance costs	(1,016,268)	(275,637)	-	(1,291,906)
Profit before tax	10,382,082	15,054,521	124,069	25,560,672
Taxation	(2,540,728)	(3,611,720)	-	(6,152,447)
Profit for the period	7,841,354	11,442,801	124,069	19,408,224
Segment assets	282,533,096	393,542,485	27,252,828	703,328,410
Segment liabilities	46,301,080	59,686,725	109,983	106,097,788

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### A8. Segmental Information (cont'd)

Segmental results by Geographical Segment:

Country	YTD 30 Jun 24	YTD 30 Jun 23	Change	
	Revenue	Revenue		
	RM	RM	RM	%
<b>Malaysia</b>	<b>236,868,132</b>	<b>201,281,844</b>	<b>35,586,288</b>	<b>18%</b>
Vietnam	62,761,090	37,533,536	25,227,554	67%
Indonesia	28,152,395	28,002,800	149,596	1%
China	19,987,360	14,812,625	5,174,735	35%
Thailand	18,183,628	9,840,258	8,343,370	85%
Bangladesh	3,707,886	4,802,051	(1,094,165)	-23%
Australia	3,208,162	4,089,678	(881,516)	-22%
Sri Lanka	2,992,108	2,320,094	672,015	29%
Hong Kong	2,535,351	114,580	2,420,771	>100%
Algeria	2,517,710	606,436	1,911,274	>100%
South Africa	2,432,389	85,253	2,347,136	>100%
Singapore	1,902,665	1,190,626	712,040	60%
Cambodia	1,351,560	1,112,973	238,587	21%
New Zealand	1,192,538	1,197,988	(5,450)	0%
United Arab Emirates	1,108,812	122,415	986,397	>100%
Philippines	1,077,618	1,169,272	(91,654)	-8%
Others	3,366,653	2,112,864	1,253,789	59%
<b>Total exports</b>	<b>156,477,926</b>	<b>109,113,448</b>	<b>47,364,478</b>	<b>43%</b>
<b>Total</b>	<b>393,346,058</b>	<b>310,395,292</b>	<b>82,950,766</b>	<b>27%</b>

For the current financial year-to-date ended 30 June 2024, the Group achieved revenue of RM393.35 million. There is an increase of RM82.95 million or 27% compared with preceding financial year-to-date ended 30 June 2023. Higher revenue was attributable to local and export sales from both trading and manufacturing segments.

### A9. Valuation of Property, Plant and Equipment

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

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### A10. Capital Commitments

Capital commitments as at 30 June 2024	Amount RM
Capital commitments for the purchase of property, plant and equipment as follow:	
Approved and contracted for	
- property, plant and equipment	2,167,147
- intangible assets	229,381
Approved but not contracted for	
- property, plant and equipment	3,436,977
- intangible assets	527,949
	<u>6,361,454</u>

### A11. Changes in the Composition of the Group

Change in the composition of the Group during the current quarter and financial period ended 30 June 2024 are disclosed as follows:

- i. On 17 April 2024, the Company has completed the acquisition of 450,000 ordinary shares in Hurco Marketing Sdn Bhd ("HMSB"), representing 100% equity interest in HMSB for a total purchase consideration of RM1,516,585 which was satisfied via cash. Accordingly, HMSB is now a wholly-owned subsidiary of the Company.

The effect of business combination has been reflected in this report using the latest available financial information of HMSB as at 30 April 2024. All the income and expenses prior to this date would be accounted for as pre-acquisition reserve.

HMSB is principally involved in the import, export and distribution of chemical and other related products.

- ii. On 6 May 2024, Lexis Chemical Sdn Bhd, a 55% owned subsidiary of the Company had incorporated a wholly-owned subsidiary in China, namely Lexis Corporation (Guangzhou) Co. Ltd ("Lexis (Guangzhou)").

The intended principal activity of Lexis (Guangzhou) is manufacturing of industrial cleaning agents, coagulants, specialties chemicals and additives for the rubber glove industry.

### A12. Financial Guarantee Contracts

Financial guarantee contracts of the Group as at the date of this report, are in respect of guarantees given to financial institutions for credit facilities granted to subsidiaries amounting to RM62,411,838.

### A13. Significant Event Subsequent to the End of the Reporting Period

There was no material event subsequent to the end of the reporting period.

**A14. Fair Value of Financial Instruments**

The carrying amounts of cash and cash equivalents, short-term receivables and payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

**Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.**

- Quoted shares of the Group are measured at Level 1. The fair value of quoted ordinary shares of the Group is determined by reference to exchange quoted market prices.

**Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.**

- Forward foreign exchange contracts are measured at Level 2. The fair value of forward foreign exchange contracts is based on the difference between contracted forward rates and forward exchange rate as at the end of each reporting period.

**Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).**

- Unquoted shares of the Group are measured at Level 3. The fair value of unquoted ordinary shares of the Group is estimated based on price to earnings valuation method.

<b>As at 30 June 2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial assets at fair value through other comprehensive income</b>				
<i>Other investments - quoted shares</i>	1,087,361	-	-	1,087,361
<i>Other investments - Unquoted shares</i>	-	-	110,001	110,001
<b>Financial assets at fair value through profit or loss</b>				
<i>- forward foreign exchange contracts</i>	-	3,062	-	3,062

<b>As at 31 Dec 2023</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Financial assets at fair value through other comprehensive income</b>				
<i>Other investments - quoted shares</i>	952,491	-	-	952,491
<i>Other investments - Unquoted shares</i>	-	-	110,001	110,001
<b>Financial liabilities at fair value through profit or loss</b>				
<i>- forward foreign exchange contracts</i>	-	(57,124)	-	(57,124)

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### PART B : NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Group Performance

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

	Individual Period (2nd Quarter)		Changes	
	Current Year 30-Jun-24 RM	Preceding Year Corresponding 30-Jun-23 RM	RM	%
Revenue	210,199,103	157,563,378	52,635,725	33%
Profit before Tax	20,525,344	13,359,972	7,165,371	54%
Profit after Tax	15,588,806	10,188,575	5,400,231	53%
<b>Revenue</b>				
Trading	134,365,306	105,576,227	28,789,079	27%
Manufacturing	75,833,797	51,987,151	23,846,646	46%
Investment holding & others	-	-	-	-
	210,199,103	157,563,378	52,635,725	33%
<b>Profit before tax</b>				
Trading	5,943,453	6,122,782	(179,329)	-3%
Manufacturing	14,307,833	7,111,704	7,196,129	101%
Investment holding & others	274,058	125,487	148,571	>100%
	20,525,344	13,359,973	7,165,371	54%
<b>Profit after tax</b>				
Trading	4,471,232	4,657,141	(185,909)	-4%
Manufacturing	10,843,517	5,405,948	5,437,569	101%
Investment holding & others	274,058	125,487	148,571	>100%
	15,588,806	10,188,575	5,400,231	53%

The Group reported higher revenue of RM210.20 million for the current quarter ended 30 June 2024, as compared to preceding year corresponding quarter ended 30 June 2023 of RM157.56 million. Revenue increased by RM52.64 million or 33%. Higher revenue was attributable to both trading and manufacturing segments.

The Group reported higher profit after tax of RM15.59 million for the current quarter ended 30 June 2024, as compared to preceding year corresponding quarter ended 30 June 2023 of RM10.18 million. Profit after tax increased by RM5.40 million or 53% due to manufacturing segment.

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### B1. Review of Group Performance (cont'd)

#### B1.2 Financial Review for current year-to-date compared with preceding year corresponding year-to-date

	Cumulative Period		Changes	
	Current Year-to-date 30-Jun-24 RM	Preceding Year-to-date 30-Jun-23 RM	RM	%
	Revenue	393,346,059	310,395,293	82,950,766
Profit before Tax	39,006,175	25,560,672	13,445,503	53%
Profit after Tax	29,555,459	19,408,224	10,147,235	52%
<b><u>Revenue</u></b>				
Trading	251,849,699	208,192,840	43,656,859	21%
Manufacturing	141,496,359	102,202,452	39,293,907	38%
Investment holding & others	-	-	-	-
	393,346,059	310,395,293	82,950,766	27%
<b><u>Profit before tax</u></b>				
Trading	11,783,822	10,382,082	1,401,740	14%
Manufacturing	27,016,363	15,054,521	11,961,842	79%
Investment holding & others	205,989	124,069	81,920	66%
	39,006,175	25,560,672	13,445,503	53%
<b><u>Profit after tax</u></b>				
Trading	8,846,859	7,841,354	1,005,505	13%
Manufacturing	20,502,611	11,442,801	9,059,810	79%
Investment holding & others	205,989	124,069	81,920	66%
	29,555,459	19,408,224	10,147,235	52%

For current year-to-date ended 30 June 2024, the Group achieved revenue of RM393.35 million, representing an increase of RM82.95 million or 27% compared to preceding year-to-date ended 30 June 2023. This was mainly due to higher sales in both trading and manufacturing segments.

The Group achieved profit after tax of RM29.56 million for current year-to-date ended 30 June 2024. There is an increase of RM10.15 million or 52% compared to preceding year-to-date ended 30 June 2023 due to both trading and manufacturing segments

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### B1. Review of Group Performance (cont'd)

#### B1.3 Financial review for current quarter compared with the immediate preceding quarter

	Current Year Quarter	Immediate Preceding Quarter	Changes	
	30-Jun-24 RM	31-Mar-24 RM	RM	%
Revenue	210,199,103	183,146,956	27,052,147	15%
Profit before Tax	20,525,344	18,480,831	2,044,513	11%
Profit after Tax	15,588,806	13,966,653	1,622,153	12%
<b>Revenue</b>				
Trading	134,365,306	117,484,393	16,880,912	14%
Manufacturing	75,833,797	65,662,562	10,171,234	15%
Investment holding & others	-	-	-	-
	210,199,103	183,146,956	27,052,147	15%
<b>Profit before tax</b>				
Trading	5,943,453	5,840,369	103,084	2%
Manufacturing	14,307,833	12,708,530	1,599,303	13%
Investment holding & others	274,058	(68,068)	342,126	->100%
	20,525,344	18,480,831	2,044,513	11%
<b>Profit after tax</b>				
Trading	4,471,232	4,375,627	95,605	2%
Manufacturing	10,843,517	9,659,094	1,184,422	12%
Investment holding & others	274,058	(68,068)	342,126	->100%
	15,588,806	13,966,653	1,622,153	12%

For the current quarter ended 30 June 2024, the Group achieved revenue of RM210.20 million, representing an increase of RM27.05 million or 15% compared to previous quarter ended 31 March 2024. This was mainly due to higher sales from both trading and manufacturing segments.

The Group achieved profit after tax of RM15.59 million during the current quarter ended 30 June 2024. There is an increase of RM1.62 million or 12% compared to previous quarter ended 31 March 2024, mainly contributed by manufacturing segment.

### B2. Prospects

The Group's performance can be affected by several key challenges such as USD/RM exchange rates, raw material price fluctuations, raw material demand and supply situations, stiff competition and on-going global geopolitical conflict.

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

### B3. Variance between Actual Profit from Profit Forecast or Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued.

### B4. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the reporting date.

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### B5. Taxation

	<b>Current Quarter Ended 30-Jun-24 RM</b>	<b>Current Year-to-date Ended 30-Jun-24 RM</b>
Tax expenses	(4,936,537)	(9,450,716)

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

### B6. Group Borrowings and Debt Securities

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

	Currency	As at 30 Jun 2024					
		Long Term		Short Term		Total borrowings	
		Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
<b>Secured</b>							
Hire-purchase (Lease Liabilities)	IDR	244,117,767	70,306	287,072,786	82,677	531,190,553	152,983
Trade financing	IDR	-	-	6,452,546,604	1,858,334	6,452,546,604	1,858,334
	USD	-	-	503,787	2,382,532	503,787	2,382,532
	RM	-	-	-	43,815,989	-	43,815,989
Term loans	RM	-	10,580,150	-	3,774,833	-	14,354,983
Total			10,650,456		51,914,365		62,564,821

	Currency	As at 30 Jun 2023					
		Long Term		Short Term		Total borrowings	
		Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination	Foreign Denomination	RM Denomination
<b>Secured</b>							
Hire-purchase (Lease Liabilities)	IDR	100,320,507	31,200	75,092,832	23,354	175,413,339	54,554
Trade financing	IDR	-	-	13,838,255,366	4,303,698	13,838,255,366	4,303,698
	USD	-	-	549,524	2,567,975	549,524	2,567,975
	RM	-	-	-	24,130,164	-	24,130,164
Term loans	RM	-	13,598,129	-	3,000,474	-	16,598,603
Total			13,629,329		34,025,665		47,654,994

Exchange rates on borrowings as at 30 June:

	2024	2023
USD to RM	4.7195	4.6650
USD to IDR	16,421	15,026
IDR100 to RM	0.0288	0.0311

The Group's total borrowing as at 30 June 2024 was RM62.56 million, an increase of RM14.91 million compared to preceding year corresponding quarter.

**B7. Derivative Financial Instruments**

As at 30 June 2024, the values and maturity analysis of the outstanding derivatives are as follows:

<u>Derivatives</u>	Base Currency	Contract/Notional	Fair value
		Value	Net gains/(losses)
		<u>Net long/(short)</u>	<u>Net gains/(losses)</u>
		RM	RM
Forward foreign exchange contracts			
- Less than 1 year	USD	<u>(1,419,796)</u>	<u>3,062</u>

**B8. Fair Value Changes of Financial Liabilities**

The Group does not have any financial liabilities which are measured at fair value through profit or loss for the period under review.

**B9. Material Litigation**

On 3 March 2021, the subsidiary of Luxchem, namely Luxchem Trading Sdn Bhd ("the Plaintiff") filed a writ of summons and a statement of claim on Central Spectrum (M) Sdn Bhd ("the Defendant") for breach of a sale and purchase agreement dated 29 January 2014 ("SPA") entered into between the Plaintiff (as purchaser) and the Defendant (as vendor) for the purchase by the Plaintiff from the Defendant, of a plot of industrial land in Pulau Indah Industrial Park, measuring approximately 8.42 acres ("Lot") at a purchase price of RM14,671,008.00 ("Purchase Price"). The Plaintiff alleged that the Defendant has failed to, amongst others, complete the basic infrastructure (in particular the water reticulation system) and the sewerage system, including to effect the handover of the water reticulation system to Air Selangor and the sewerage system to Indah Water Konsortium, in accordance with the terms of the SPA.

The plaintiff is claiming against the Defendant for, amongst others:-

1. declaration that the Defendant has breached the SPA;
2. declaration that the purported delivery of vacant possession by the Defendant on 10 September 2017 is null, void and of no effect;
3. declaration that the Defendant has not delivered vacant possession of the land to the Plaintiff in full compliance with the SPA and the Plaintiff is entitled to claim for liquidated ascertained damages ("LAD") pursuant to the terms of the SPA;
4. LAD from the official date for the purported delivery of vacant possession by the Defendant amounting to RM4,980,104.00 (calculated as at 31 January 2021) and such further LAD at the rate of 10% per annum of the Purchase Price until the date of delivery of actual vacant possession;
5. in the alternative to paragraph (4) above,
  - i. special damages of RM1,077,958.06 calculated up to 31 July 2021 and further special compensation to be assessed and determined by the Court
  - ii. general damages to be assess and determined by the Court after trial
6. further losses and damages for breach of the SPA to be assessed and determined by the court;
7. 5% interest on the sum of award ordered by the court from the date of judgement to the date of full and final settlement;
8. costs; and
9. such other reliefs as the court deems fit and just.

The Defendant filed its statement of defence on 2 April 2021 and the Plaintiff has filed its reply to defence on 15 April 2021. The court has directed the parties to comply with pre-trial directions by 15 June 2021 and fixed the matter for case management on 15 June 2021.

Based on the documents and evidence received as at the LPD, the Plaintiff's solicitor is of the view that Luxchem Trading Sdn Bhd has a good chance of succeeding in its claim for the declarations sought and is likely to be awarded either the LAD claimed or alternatively, the special and general damages claimed depending on the court's decision in respect of the Plaintiff's claim for declarations.

Due to Full Movement Control Order, the judge has fixed a further case management on 13 October 2021 for the parties to comply with the pre-trial directions.

The Court had on 13 October 2021, informed to adjourn the case management, which supposed to be held on 13 October 2021, to 5 January 2022.

**B9. Material Litigation (cont'd.)**

The Court has conducted the first Case Management (via Zoom) on 5 January 2022. The Court has fixed the matter for further Case Management (via Zoom) on 12 September 2022 for parties to file witness statements.

The Court has also fixed the matter for Full-Trial on 11 October 2022, 12 October 2022, 13 October 2022 and 14 October 2022.

The Court had on 12 September 2022, informed to adjourn the case management, which supposed to be held on 12 September 2022, to 21 September 2022. The Court has conducted further Case Management (via Zoom) on 21 September 2022 and directed parties to file and serve Witness Statement on or before 29 September 2022.

Subsequently, the Court has vacated the Full-Trial fixed on 11 October 2022, 12 October 2022, 13 October 2022 and 14 October 2022. The matter is now fixed for further Case Management (via Zoom) on 11 October 2022 for parties to update on the Witness Statement and to fix new dates for Full-Trial.

The Court had fixed the new Full Trial on 17 February 2023 and 20 February 2023 via Zoom, after the Case Management (via Zoom) on 11 October 2022.

The Court had directed parties to file and serve any further Bundle of Documents and Witness Statement on or before 3 February 2023.

The Full-Trial fixed on 17 February 2023 and 20 February 2023 has been vacated due to change of Judge. The Court has fixed the matter for Case Management on 5 April 2023 for parties to get directions from the new Judge.

On 6 April, the Company announced that the legal team of the Defendant would like to resolve the case through mediation and the Plaintiff concurred with the proposal.

The legal team of the Company has received a letter dated 4 April 2023 from the State Court of Selangor, informed that the Court had fixed the mediation on 19 April 2023, at 11:00AM, at Shah Alam Court Mediation Centre.

The Court has conducted Case Management on 5 April 2023, the trial had been fixed on 3 July 2023, 4 July 2023 and 5 July 2023 and the trial will be conducted physically in the Court. Parties are required to file and exchange witness statements two weeks prior to the trial.

The Judge further directed the parties to update the Court if the matter can be resolved through mediation.

On 17 April 2023, the Company announced that the mediation session supposed to be held on 19 April 2023, at 11:00AM, at Shah Alam Court Mediation Centre was brought forward to the even date, i.e. 17 April 2023, at 11:00AM. However, the aforesaid mediation session was then postponed to 1 June 2023, at 9:30AM.

On 29 May 2023, the Company announced that the Plaintiff disagreed with the terms proposed by the Defendant. As such, the Plaintiff has rejected the proposal offered by the Defendant. Hence, the representative of the Plaintiff will not attend the mediation session, to be held on 1 June 2023, at 9:30AM, at Shah Alam Court Mediation Centre.

As a result, the Plaintiff will proceed with the full trial, which had been fixed on 3 July 2023, 4 July 2023 and 5 July 2023. The trial will be conducted physically in the Court.

On 4 July 2023, the Company announced that the Plaintiff had attended the full trial on 3 July 2023 and had called its first two witnesses, however, the earlier full trial dates fixed on 4 July 2023 and 5 July 2023 were vacated by the High Court. The full trial will resume on 4 December 2023 and 5 December 2023.

On 29 November 2023, the Company announced that the full trial fixed on 4 December 2023 and 5 December 2023 had been vacated and rescheduled to be continued on 14 April 2025 and 15 April 2025.

## LUXCHEM CORPORATION BERHAD

Registration No: 199101014102 (224414-D)

### B10. Dividends

The Board of Directors declared the payment of single tier first interim dividend of 0.8 sen per ordinary share in respect of the financial year ending 31 December 2024, payable on 30 August 2024 to depositors registered in the Records of Depositors at close of business on 9 August 2024.

### B11. Earnings per share

#### (a) Basic earnings per share

	Individual Period (2nd Quarter)		Cumulative Period	
	Current Year-to-date 30-Jun-24 RM	Preceding Year Corresponding 30-Jun-23 RM	Current Year-to-date 30-Jun-24 RM	Preceding Year-to-date 30-Jun-23 RM
Profit attributable to Owners of the Company	12,201,624	9,415,678	23,762,482	16,915,145
Weighted average number of ordinary shares: Issued ordinary shares outstanding at beginning/end of the period Effect of treasury shares held	1,069,866,119 (100,000)	1,069,866,119 (100,000)	1,069,866,119 (100,000)	1,069,866,119 (100,000)
	1,069,766,119	1,069,766,119	1,069,766,119	1,069,766,119
Earnings per share - Basic (Sen)	1.14	0.88	2.22	1.58

The basic earnings per ordinary share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the current quarter and current financial year-to-date ended 30 June 2024, excluding treasury shares held by the Company.

#### (b) Diluted earnings per share

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

By order of the Board,

Chen Moi Kew  
Director / Chief Financial Officer  
Date: 25 July 2024