



Texchem Resources Bhd

Registration no: 197301002868 (16318-K)

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

TEXCHEM'S 1QFY22 NET PROFIT ALMOST DOUBLED YOY TO RM13.1 MILLION

*1QFY22 net profit surged 97.2% YoY following strong performance by its
restaurant and food divisions*

George Town, 25 April 2022 – Malaysian conglomerate and Main Market-listed company, Texchem Resources Bhd (“Texchem”) (“德健资源”) has announced its first quarter (“1QFY22”) financial results today for the period ended 31 March 2022.

For the quarter under review, revenue rose 15.3% year-on-year (“YoY”) to RM307.5 million versus RM266.7 million a year ago. Profit before tax (“PBT”) jumped 86.2% YoY to RM18.9 million, while profit after tax and non-controlling interest (“PATNCI” or “net profit”) surged 97.2% YoY to RM13.1 million, which is almost double of 1QFY21 net profit after NCI of RM6.6 million.

Commenting on the financial performance of Texchem Resources Bhd Group of Companies (“the Group”), **Executive Chairman of Texchem, Tan Sri Dato’ Seri (Dr) Fumihiko Konishi (丹斯里小西史彦)**, said “We are pleased by the solid set of results delivered against the backdrop of a very demanding business operating landscape. The stronger earnings growth was mainly driven by enhanced profitability in the restaurant and food divisions. We are reaping the benefits of the transformation strategies implemented which focused on cost

optimization as well as expansion into higher margin and value-added business streams.”

1QFY22 revenue from the restaurant division grew 23.0% YoY to RM71.5 million from RM58.2 million previously as the resumption of economic and social activities gained further traction, which boosted sales. Meanwhile, PBT for this division soared 94.3% YoY to RM6.2 million as compared to RM3.2 million a year ago. The larger-than-proportionate increase was chiefly driven by higher operational efficiency and healthier cost structure at its Sushi King operations as various rationalization initiatives implemented continue to bear fruit.

On the other hand, Texchem’s food division also charted strong growth in 1QFY22. Revenue for the food division swelled 105.3% YoY to RM36.8 million as compared to RM17.9 million earlier. In tandem with the top-line growth, 1QFY22 PBT improved to RM5.2 million from a loss before tax of RM1.0 million a year ago. This was primarily due to better sales mix and favourable foreign exchange movement.

At the industrial division, efforts to increase sales from products with better margin resulted in 1QFY22 PBT to rise by 22.4% YoY to RM4.3 million whilst 1QFY22 revenue stood at RM131.7 million from RM135.8 million a year ago.

As for Texchem’s polymer engineering division, 1QFY22 revenue increased 23.6% YoY to RM66.3 million from RM53.6 million previously. However, due to the increase in the raw material costs as a result of the global supply chain disruptions and inflationary pressures, PBT for this division slipped 16.4% YoY to RM4.3 million as compared to RM5.2 million in 1QFY21.

“Looking ahead, our focus remains on the execution of our growth strategies across all core business divisions. For the industrial division, our plan is to

transform into a specialty chemicals distribution player. While for our polymer engineering division, we will ride on the growth and recovery of the key industries we serve which include data storage and memory, semiconductor and medical/life sciences. At our restaurant division, we will continue to build on the strong foundation of Sushi King, strengthening brand equity through more targeted marketing initiatives and leveraging on its over 850,000 strong loyalty programme member base. Lastly, for our food division, the plan is to grow new markets and high value products to enhance profitability.”

“All in all, we are excited by the growth plans we have in place. The reopening of Malaysia’s borders and transition to endemicity augur well for the Group, especially our restaurant division. Meanwhile, Texchem is also mindful of the challenges ahead of us such as supply chain disruptions, rising raw materials cost and inflation. Nevertheless, we are positive on the outlook of the Group premised upon the aforementioned factors while cognizant of the prevailing challenges,” Tan Sri (Dr) Fumihiko Konishi concluded.

On dividend payout, shareholders have approved a final dividend of 10.0 sen per share for the financial year ended 31 December 2021 (“FY21”) at the recent annual general meeting (“AGM”). Total dividend payout amounts to approximately RM11.7 million, representing a 45.0% payout based on FY21 net profit of RM25.4 million.

About Texchem

Texchem was founded in 1973 as a textile chemical trader before transforming into a Malaysian conglomerate. Texchem was listed on the Second Board of Kuala Lumpur Stock Exchange (KLSE) in 1993 and subsequently transferred to the Main Market of Bursa Malaysia Securities Berhad in 2001. Texchem's headquarter is in Penang with presence in Malaysia and across ASEAN countries, serving customers in various countries. Today, the Group has 5 core business divisions – industrial, polymer engineering, restaurant, food and venture business.

The industrial division provides integrated sourcing and distribution solutions for polymer, plastic resins, industrial chemicals, food additives, dyestuff and textile chemicals to global and domestic customers. Meanwhile, the Group is also a polymer engineering solutions provider backed by strong in-house technological and design capability. It serves key industries such as data storage & memory, semiconductor, medical/life sciences, automotive, consumer electronics and fast-moving consumer goods. The production facilities are strategically located in major manufacturing hubs with 8 manufacturing facilities across 3 countries – Malaysia, Thailand & Vietnam.

Under the restaurant division, Texchem is the founder and operator of Sushi King, Malaysia's largest Halal Japanese chain of restaurants with 121 outlets nationwide as at March 2022, which are supported by its integrated supply chain. Apart from Sushi King, other restaurant brands are Hoshino Coffee and Miraku.

The food division is engaged in the processing and marketing of marine products as well as aquaculture activities in Myanmar and Malaysia for export and domestic markets. Lastly, Texchem's venture business initiates and nurtures new businesses which are synergistic to its existing core businesses. Currently, the division is focusing on TEXa, a patented and United States



Department of Agriculture (USDA) certified durable bio-based polymer that is used to make products that can be reused multiple times, which promotes a circular economy.

Released on behalf of Texchem Resources Bhd by Capital Front Investor Relations.

For media enquiries, kindly contact:

Name: Kai Khoo

Email: kai@capitalfront.biz