



**TEXCHEM RESOURCES BHD**  
**(Registration No. 197301002868 (16318-K))**  
**(Incorporated in Malaysia)**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

TEXCHEM RESOURCES BHD  
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
for the quarter and nine months ended 30 SEPTEMBER 2022



	Note	3 months ended 30 September		Changes (%)	9 months ended 30 September		Changes (%)
		2022 RM'000	2021 RM'000		2022 RM'000	2021 RM'000	
<b>Revenue</b>	8	<b>282,589</b>	<b>235,595</b>	<b>19.95</b>	<b>891,542</b>	<b>763,521</b>	<b>16.77</b>
Cost of sales		(208,116)	(191,215)	8.84	(671,978)	(610,924)	(9.99)
<b>Gross profit</b>		<b>74,473</b>	<b>44,380</b>	<b>67.81</b>	<b>219,564</b>	<b>152,597</b>	<b>43.88</b>
Distribution costs		(34,752)	(20,398)	70.37	(97,035)	(70,528)	(37.58)
Administrative expenses		(31,532)	(24,007)	31.35	(87,578)	(73,238)	(19.58)
Other income		5,073	4,163	21.86	12,949	9,630	34.47
<b>Operating profit excluding exceptional items</b>		<b>13,262</b>	<b>4,138</b>	<b>220.49</b>	<b>47,900</b>	<b>18,461</b>	<b>159.47</b>
Exceptional income	4	-	-	-	1,579	-	-
Share of loss of equity accounted associates, net of tax		(188)	(120)	(56.67)	(485)	(650)	25.38
<b>Profit before interest and tax</b>		<b>13,074</b>	<b>4,018</b>	<b>225.39</b>	<b>48,994</b>	<b>17,811</b>	<b>175.08</b>
Finance costs		(4,068)	(2,533)	(60.60)	(11,659)	(7,653)	(52.35)
<b>Profit before tax</b>		<b>9,006</b>	<b>1,485</b>	<b>506.46</b>	<b>37,335</b>	<b>10,158</b>	<b>267.54</b>
Tax expense	18	(5,465)	(1,313)	(316.22)	(12,337)	(4,353)	(183.41)
<b>Profit for the period</b>	19	<b>3,541</b>	<b>172</b>	<b>1,958.72</b>	<b>24,998</b>	<b>5,805</b>	<b>330.63</b>
<b>Profit attributable to:</b>							
Owners of the Company		2,350	1,175	100.00	22,165	8,234	169.19
Non-controlling interests		1,191	(1,003)	218.74	2,833	(2,429)	216.63
<b>Profit for the period</b>		<b>3,541</b>	<b>172</b>	<b>1,958.72</b>	<b>24,998</b>	<b>5,805</b>	<b>330.63</b>
<b>Earnings per share attributable to owners of the Company (sen)</b>							
- Basic	27	1.99	0.97	105.15	18.74	6.83	175.95
- Diluted	27	1.96	0.97	102.06	18.50	6.83	170.86

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

for the quarter and nine months ended 30 September 2022

Note	3 months ended 30 September			6 months ended 30 September		
	2022 RM'000	2021 RM'000	Changes (%)	2022 RM'000	2021 RM'000	Changes (%)
<b>Profit for the period</b>	<b>3,541</b>	<b>172</b>	<b>1,958.72</b>	<b>24,998</b>	<b>5,805</b>	<b>330.63</b>
<b>Other comprehensive income/ (expense), net of tax</b>						
Foreign currency translation differences for foreign operations	950	(1,698)	155.95	3,511	(3,092)	213.55
Foreign currency translation differences realised on deconsolidation of a subsidiary	-	-	-	(918)	-	-
Total other comprehensive income/ (expense) for the period	950	(1,698)		2,593	(3,092)	
<b>Total comprehensive income/ (expense) for the period</b>	<b>4,491</b>	<b>(1,526)</b>	<b>394.30</b>	<b>27,591</b>	<b>2,713</b>	<b>916.99</b>
<b>Total comprehensive income/ (expense) attributable to:</b>						
Owners of the Company	3,685	(237)	1,654.85	25,110	6,162	307.50
Non-controlling interests	806	(1,289)	162.53	2,481	(3,449)	171.93
<b>Total comprehensive income/ (expense) for the period</b>	<b>4,491</b>	<b>(1,526)</b>	<b>394.30</b>	<b>27,591</b>	<b>2,713</b>	<b>916.99</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
 At 30 September 2022



	Note	30 September 2022 (Unaudited) RM'000	31 December 2021 (Audited) RM'000
<b>ASSETS</b>			
Property, plant and equipment		147,259	143,699
Right-of-use assets		150,337	88,041
Investment in associates		5,358	5,843
Intangible assets			
- Goodwill		34,382	34,382
- Trademarks		21,500	21,500
Deferred tax assets		12,334	13,801
Other receivables		11,187	9,418
<b>Total non-current assets</b>		<b>382,357</b>	<b>316,684</b>
Trade receivables		132,078	145,951
Other receivables		38,128	33,683
Contract assets		763	742
Inventories		108,042	112,920
Current tax assets		8,766	8,644
Cash and cash equivalents		88,422	108,167
Derivative financial assets	22	297	50
<b>Total current assets</b>		<b>376,496</b>	<b>410,157</b>
<b>TOTAL ASSETS</b>		<b>758,853</b>	<b>726,841</b>
<b>EQUITY</b>			
Share capital		157,853	149,667
Reserves		32,526	121,156
<b>Total equity attributable to owners of the Company</b>		<b>190,379</b>	<b>270,823</b>
Non-controlling interests		23,469	28,956
<b>TOTAL EQUITY</b>		<b>213,848</b>	<b>299,779</b>
<b>LIABILITIES</b>			
Loans and borrowings	21	24,341	9,657
Lease liabilities		121,904	62,848
Deferred tax liabilities		6,284	5,990
Deferred liabilities		3,278	2,766
Provision		6,315	6,002
Other payable		50,000	-
<b>Total non-current liabilities</b>		<b>212,122</b>	<b>87,263</b>
<b>LIABILITIES</b>			
Trade payables		58,516	85,584
Other payables		93,332	68,157
Contract liabilities		428	372
Provision		46	46
Loans and borrowings	21	142,676	156,528
Lease liabilities		29,734	25,184
Current tax liabilities		7,911	3,688
Deferred liabilities		240	240
<b>Total current liabilities</b>		<b>332,883</b>	<b>339,799</b>
<b>TOTAL LIABILITIES</b>		<b>545,005</b>	<b>427,062</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>758,853</b>	<b>726,841</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**

for the nine months ended 30 September 2022

	<-----Non-distributable----->				Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000		
<b>At 1 January 2022</b>	<b>149,667</b>	<b>(4,900)</b>	<b>-</b>	<b>17,573</b>	<b>108,483</b>	<b>270,823</b>	<b>28,956</b>	<b>299,779</b>
Other comprehensive income	-	-	-	2,945	-	2,945	(352)	2,593
Profit for the period	-	-	-	-	22,165	22,165	2,833	24,998
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,945</b>	<b>22,165</b>	<b>25,110</b>	<b>2,481</b>	<b>27,591</b>
Dilution of interest in existing subsidiaries	-	-	-	-	(861)	(861)	861	-
Purchase of own shares	-	(5,099)	-	-	-	(5,099)	-	(5,099)
Share-based payments	-	-	5,904	-	-	5,904	-	5,904
Share option exercised	2,616	-	(2,616)	-	-	-	-	-
Issue of shares pursuant to Employees' Share Option Scheme	5,570	-	-	-	-	5,570	-	5,570
Issue of shares to non-controlling interests	-	-	-	-	-	-	9,533	9,533
Dividends to owners of the Company	-	-	-	-	(21,211)	(21,211)	-	(21,211)
	<b>8,186</b>	<b>(5,099)</b>	<b>3,288</b>	<b>-</b>	<b>(22,072)</b>	<b>(15,697)</b>	<b>10,394</b>	<b>(5,303)</b>



TEXCHEM RESOURCES BHD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the nine months ended 30 September 2022 (Cont'd)

	<-----Non-distributable----->				Distributable		Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000		
<b>Balance b/f</b>	8,186	(5,099)	3,288	-	(22,072)	(15,697)	10,394	(5,303)
Acquisition of non-controlling interests* without a change in control	-	-	-	-	(89,857)	(89,857)	(18,362)	(108,219)
<b>Total transactions with owners of the Company</b>	<b>8,186</b>	<b>(5,099)</b>	<b>3,288</b>	<b>-</b>	<b>(111,929)</b>	<b>(105,554)</b>	<b>(7,968)</b>	<b>(113,522)</b>
<b>At 30 September 2022</b>	<b>157,853</b>	<b>(9,999)</b>	<b>3,288</b>	<b>20,518</b>	<b>18,719</b>	<b>190,379</b>	<b>23,469</b>	<b>213,848</b>

\* Please refer to Note C to the Condensed Consolidated Statement of Cash Flows.

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
for the nine months ended 30 September 2022 (Cont'd)

	<-----Attributable to owners of the Company----->						Total equity RM'000
	<----Non-distributable---->			Distributable		Non-controlling interests RM'000	
	Share capital RM'000	Treasury shares RM'000	Other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000		
<b>At 1 January 2021</b>	<b>149,667</b>	<b>(4,900)</b>	<b>16,239</b>	<b>82,893</b>	<b>243,899</b>	<b>28,672</b>	<b>272,571</b>
Other comprehensive expense	-	-	(2,072)	-	(2,072)	(1,020)	(3,092)
Profit/ (loss) for the period	-	-	-	8,234	8,234	(2,429)	5,805
<b>Total comprehensive (expense)/ income for the period</b>	<b>-</b>	<b>-</b>	<b>(660)</b>	<b>8,234</b>	<b>6,162</b>	<b>(3,449)</b>	<b>2,713</b>
Disposal of Company's shares held by a subsidiary	-	-	3,250	260	3,510	92	3,602
Dividends paid by a subsidiary to non-controlling interests	-	-	-	-	-	(1,063)	(1,063)
Issue of shares to non-controlling interests	-	-	-	-	-	1,785	1,785
<b>Total transaction with owners of the Company</b>	<b>-</b>	<b>-</b>	<b>3,250</b>	<b>260</b>	<b>3,510</b>	<b>814</b>	<b>4,324</b>
Transfer of legal reserve	-	-	184	(184)	-	-	-
<b>At 30 September 2021</b>	<b>149,667</b>	<b>(4,900)</b>	<b>17,601</b>	<b>91,203</b>	<b>253,571</b>	<b>26,037</b>	<b>279,608</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the nine months ended 30 September 2022

	Note	9 months ended 30 September	
		2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before tax</b>		37,335	10,158
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		15,747	16,734
Depreciation of right-of-use assets		21,709	18,513
Provision for Directors' retirement/ resignation benefits		584	581
Property, plant and equipment written off		259	856
(Reversal of impairment loss)/ impairment loss on property, plant and equipment		(1)	2
Gain on disposal of property, plant and equipment		(876)	(526)
Gain on termination of lease		(14)	-
Gain on deconsolidation of a subsidiary	B	(1,579)	-
Interest income		(676)	(137)
Interest expense		11,659	7,653
Share-based payments		5,904	-
Share of loss of equity accounted associates		485	650
		<u>53,201</u>	<u>44,326</u>
Operating profit before changes in working capital		90,536	54,484
Changes in working capital:			
Inventories		4,877	(25,827)
Trade and other receivables		9,719	13,056
Trade and other payables		(26,805)	(28,602)
Contract assets		(21)	(581)
Contract liabilities		56	(14)
		<u>78,362</u>	<u>12,516</u>
Cash generated from operations			
Income tax paid		(6,696)	(7,896)
Directors' retirement/ resignation benefits paid		(100)	(414)
Restoration cost paid		(96)	(109)
		<u>71,470</u>	<u>4,097</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		2,281	1,168
Purchase of property, plant and equipment		(16,902)	(6,728)
Interest received		676	137
Deconsolidation of a subsidiary, net of cash and cash equivalents	B	(293)	-
Proceeds from disposal of Company's shares held by a subsidiary		-	3,602
		<u>(14,238)</u>	<u>(1,821)</u>
<b>Net cash used in investing activities</b>			



**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the nine months ended 30 September 2022 (Cont'd)

	Note	9 months ended 30 September	
		2022 RM'000	2021 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of term loans		10,000	1,180
Repayment of term loans		(2,027)	(4,090)
Repayment of hire purchase creditors		(4,271)	(4,351)
Drawdown of borrowings (net)		163	10,110
Repayment of lease liabilities		(20,499)	(18,498)
Interest paid		(11,659)	(7,653)
Dividends paid to owners of the Company		(21,211)	-
Dividends paid to non-controlling interests		-	(1,063)
Proceeds from issuance of shares to non-controlling interests		3,514	1,785
Purchase of own shares		(5,099)	-
Proceeds from issuance of shares pursuant to Employees' Share Option Scheme		5,570	-
Acquisition of non-controlling interests	C	(27,200)	-
<b>Net used in financing activities</b>		<b>(72,719)</b>	<b>(22,580)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(15,487)</b>	<b>(20,304)</b>
Cash and cash equivalents at 1 January		95,388	79,028
Effects of exchange differences on cash and cash equivalents		2,355	237
<b>Cash and cash equivalents at 30 September</b>	A	<b>82,256</b>	<b>58,961</b>

**Note A: Cash and cash equivalents**

Cash and cash equivalents included in the condensed consolidated statement of cash flows comprise the following condensed consolidated statement of financial position amounts:

	30 September 2022 RM'000	30 September 2021 RM'000
Short term deposits	1,900	2,000
Cash and bank balances	86,522	71,472
Bank overdrafts	(6,166)	(14,511)
	<b>82,256</b>	<b>58,961</b>

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

for the nine months ended 30 September 2022

**Note B: Deconsolidation of a subsidiary**

On 9 May 2022, the Group completed the dissolution of Sushi King Company Limited a wholly-owned subsidiary of Sushi King Sdn. Bhd. which in turn is a 98.35% owned subsidiary of Sushi King Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company. Accordingly, the Group deconsolidated this subsidiary and derecognised its assets and liabilities.

The deconsolidation had the following effect on the Group's assets and liabilities.

	<b>30 September 2022 RM'000</b>
<b>Identifiable assets and liabilities deconsolidated</b>	
Cash and cash equivalents	293
Trade and other receivables	82
Trade and other payables	(3,387)
Net identifiable liabilities	(3,012)
Net off with amount due from a subsidiary	2,351
Transfer from foreign currency translation reserve	(918)
<b>Gain on deconsolidation of a subsidiary</b>	<b>(1,579)</b>
<b>Net cash outflow arising from deconsolidation of a subsidiary</b>	<b>(293)</b>

**Note C: Acquisition of non-controlling interests without a change in control**

- (i) On 18 April 2022, the Group completed the proposed acquisition of 1.40 million ordinary shares in Sushi King Sdn. Bhd. ("SKSB"), representing 28% of the issued share capital of SKSB by Sushi King Holdings Sdn. Bhd., a wholly-owned subsidiary of the Company, from Asia Yoshinoya International Sdn. Bhd. ("AYI") for a total cash consideration of RM102.20 million to be paid over a period of five (5) years. The carrying amount of SKSB Group's net assets in the Group's consolidated financial statements on the date of the acquisition was RM61.80 million.
  
- (ii) On 6 July 2022, Sushi King Holdings Sdn. Bhd. ("SKHSB"), wholly-owned subsidiary of the Company, has entered into Share Sale Agreements ("SSA") with Inspire Investment Corporation and Inspire Corporation to acquire the remaining equity interest comprising of a total of 82,452 ordinary shares in Sushi King Sdn. Bhd. ("SKSB") on the terms and subject to the conditions as stipulated in the SSA for a total consideration of RM6.0 million. The carrying amount of SKSB Group's net assets in the Group's consolidated financial statements on the date of the acquisition was RM64.80 million.

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**

for the nine months ended 30 September 2022

**Note C: Acquisition of non-controlling interests without a change in control (cont'd)**

	30 September 2022 RM'000
<b><u>Acquisition of non-controlling interests from AYI</u></b>	
Carrying amount of non-controlling interests acquired	17,294
Consideration paid to AYI	(27,200)
Unpaid balance	(75,000)
A decrease in equity attributable to owners of the Company	(i) <u>(84,906)</u>
<b><u>Acquisition of non-controlling interests from Inspire Investment Corporation and Inspire Corporation</u></b>	
Carrying amount of non-controlling interests acquired	1,068
Issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to Inspire Investment Corporation	(3,009)
Issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to Inspire Corporation	(3,010)
	<u>(6,019)</u>
A decrease in equity attributable to owners of the Company	(ii) <u>(4,951)</u>
	<b>Total (i) + (ii) <u>(89,857)</u></b>

The decrease in equity attributable to owners of the Company comprised a decrease in retained earnings of RM89.90 million.

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

**1. Basis of preparation**

The condensed consolidated interim financial statements have been prepared on the historical cost basis, unless otherwise stated.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the financial year ended 31 December 2021 except for the adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) issued by the MASB:

**MFRSs and amendments effective for annual periods beginning on or after 1 January 2022**

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018-2020)
Amendments to MFRS 3	Business Combinations - Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRS Standards 2018-2020)
Amendments to Illustrative Examples accompanying MFRS 16	Leases (Annual Improvements to MFRS Standards 2018-2020)
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture (Annual Improvements to MFRS Standards 2018-2020)

The above amendments to MFRSs are either not relevant or do not have material impacts on the Group’s financial statements for the current financial period.

The following are MFRSs and amendment to MFRSs that have been issued by the Malaysia Accounting Standard Board but are not yet effective to the Group’s current financial period:

**MFRSs and amendments effective for annual periods beginning on or after 1 January 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17
Amendments to MFRS 9	Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 112	Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

**1. Basis of preparation (Cont'd)**
**MFRSs and amendments effective for annual period beginning on or after a date yet to be confirmed**

Amendments to MFRS 10	Consolidated Financial Statements
Amendments to MFRS 128	Investment in Associates and Joint Ventures – Sale or Contribution by Assets between an Investor and its Associate or Joint Venture

The Group plans to apply the abovementioned amendments to MFRSs, where applicable in the respective financial year, when the abovementioned amendments to MFRSs become effective.

The initial application of the amendments to MFRSs is not expected to have any material financial impacts to the Group's financial statements.

**2. Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2021 was not qualified.

**3. Seasonality and cyclicity of interim operations**

The Group's operations were not significantly affected by any unusual seasonal or cyclical factors.

**4. Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter and nine months ended 30 September 2022 except for the gain on deconsolidation of a subsidiary of RM1.58 million.

**5. Changes in estimates**

There were no changes in estimates that have a material effect during the quarter and nine months ended 30 September 2022.

**6. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter ended 30 September 2022 except for the following:

During the quarter ended 30 September 2022, a total of 828,500 new ordinary shares at the exercise price of RM2.45 per share were issued pursuant to the exercise of the Company's Employees' Share Option Scheme.

**7. Dividend paid**

The Company had declared and paid the following dividend:

	Sen per share (Single tier)	Amount RM'000	Date of entitlement	Date of payment
Final dividend 2021	10.0	11,687	12 May 2022	27 May 2022
First interim dividend 2022	8.0	9,524	24 August 2022	19 September 2022
		<u>21,211</u>		

**TEXCHEM RESOURCES BHD**  
**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**

**8. Operating segments**

	Industrial		Polymer Engineering		Food		Restaurant		Venture Business		Others		Eliminations		Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>3 months ended 30</b>																
<b>September</b>																
Revenue from external customers	115,256	123,451	61,272	54,409	23,126	19,620	82,285	37,380	165	277	485	458	-	-	282,589	235,595
Inter-segment revenue	2,172	1,536	412	565	517	321	2	-	1,671	1,341	3,175	2,929	(7,949)	(6,692)	-	-
<b>Total revenue</b>	<b>117,428</b>	<b>124,987</b>	<b>61,684</b>	<b>54,974</b>	<b>23,643</b>	<b>19,941</b>	<b>82,287</b>	<b>37,380</b>	<b>1,836</b>	<b>1,618</b>	<b>3,660</b>	<b>3,387</b>	<b>(7,949)</b>	<b>(6,692)</b>	<b>282,589</b>	<b>235,595</b>
Profit/ (loss) before share of profit/ (loss) of equity accounted associates, net of tax	1,437	2,774	4,033	3,715	2,852	2,412	3,448	(5,808)	(584)	(564)	(1,992)	(924)	-	-	9,194	1,605
Share of profit/ (loss) of equity accounted associates, net of tax	-	-	-	-	-	-	142	34	-	-	(330)	(154)	-	-	(188)	(120)
<b>Profit/ (loss) before tax</b>	<b>1,437</b>	<b>2,774</b>	<b>4,033</b>	<b>3,715</b>	<b>2,852</b>	<b>2,412</b>	<b>3,590</b>	<b>(5,774)</b>	<b>(584)</b>	<b>(564)</b>	<b>(2,322)</b>	<b>(1,078)</b>	<b>-</b>	<b>-</b>	<b>9,006</b>	<b>1,485</b>



TEXCHEM RESOURCES BHD  
PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

8. Operating segments (Cont'd)

	Industrial		Polymer Engineering		Food		Restaurant		Venture Business		Others		Eliminations		Consolidated	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
<b>9 months ended 30</b>																
<b>September</b>																
Revenue from external customers	387,366	401,479	190,483	164,046	84,129	59,893	226,757	135,686	1,171	812	1,636	1,605	-	-	891,542	763,521
Inter-segment revenue	7,674	4,022	1,457	1,474	1,159	746	5	-	5,336	4,973	9,261	9,094	(24,892)	(20,309)	-	-
<b>Total revenue</b>	<b>395,040</b>	<b>405,501</b>	<b>191,940</b>	<b>165,520</b>	<b>85,288</b>	<b>60,639</b>	<b>226,762</b>	<b>135,686</b>	<b>6,507</b>	<b>5,785</b>	<b>10,897</b>	<b>10,699</b>	<b>(24,892)</b>	<b>(20,309)</b>	<b>891,542</b>	<b>763,521</b>
Profit/ (loss) before share of profit/ (loss) of equity accounted associates, net of tax	9,365	10,242	12,430	13,378	9,796	2,423	12,227	(11,964)	(1,572)	(1,384)	(4,426)	(1,887)	-	-	37,820	10,808
Share of profit/ (loss) of equity accounted associates, net of tax	-	-	-	-	-	-	450	10	-	-	(935)	(660)	-	-	(485)	(650)
<b>Profit/ (loss) before tax</b>	<b>9,365</b>	<b>10,242</b>	<b>12,430</b>	<b>13,378</b>	<b>9,796</b>	<b>2,423</b>	<b>12,667</b>	<b>(11,954)</b>	<b>(1,572)</b>	<b>(1,384)</b>	<b>(5,361)</b>	<b>(2,547)</b>	<b>-</b>	<b>-</b>	<b>37,335</b>	<b>10,158</b>
<b>Segment assets</b>	<b>152,378</b>	<b>155,355</b>	<b>198,090</b>	<b>195,710</b>	<b>63,602</b>	<b>53,138</b>	<b>292,733</b>	<b>218,558</b>	<b>7,271</b>	<b>7,371</b>	<b>44,779</b>	<b>41,833</b>	<b>-</b>	<b>-</b>	<b>758,853</b>	<b>671,965</b>

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

**9. Carrying amount of revalued assets**

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the financial year ended 31 December 2021.

**10. Material events subsequent to the end of the reporting period**

There no material events which occurred subsequent to the end of the reporting period until the date of this announcement.

**11. Changes in composition of the Group for the nine months ended 30 September 2022**

On 18 April 2022, the Group through its wholly-owned subsidiary, Sushi King Holdings Sdn. Bhd., acquired 1.4 million ordinary shares in Sushi King Sdn. Bhd. (“SKSB”), representing 28% of the issued share capital of SKSB, from Asia Yoshinoya International Sdn. Bhd. for a total cash consideration of RM102.20 million to be paid over a period of five (5) years.

Consequently, SKSB is a 98.35% owned subsidiary of Sushi King Holdings Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company.

On 6 July 2022, Sushi King Holdings Sdn. Bhd. (“SKHSB”), wholly-owned subsidiary of the Company, has entered into Share Sale Agreements (“SSA”) with the following companies to acquire the remaining equity interest comprising of a total of 82,452 ordinary shares in Sushi King Sdn. Bhd. (“SKSB”) on the terms and subject to the conditions as stipulated in the SSA.

Name of Company	Interest acquired	Consideration	Term of Payment
Inspire Investment Corporation	0.825% equity interest comprising of 41,226 ordinary shares in SKSB.	RM3,009,498	Satisfied in full by issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital of SKHSB to Inspire Investment Corporation.
Inspire Corporation	0.825% equity interest comprising of 41,226 ordinary shares in SKSB.	RM3,009,498	Satisfied in full by issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to Inspire Corporation.
<b>Total</b>	1.65% comprising of 82,452 ordinary shares in SKSB.	RM6,018,996	Satisfied in full by issuance of 6,018,996 new ordinary shares at the issue price of RM1.00 per share in the capital of SKHSB.

Consequently, SKSB became a wholly-owned subsidiary of SKHSB, while SKHSB became a 97.80% owned subsidiary of the Company.

**12. Changes in contingent liabilities or contingent assets**

There were no contingent liabilities or contingent assets in the Group since the last financial year ended 31 December 2021.



**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

**13. Commitments**

	<b>30 September 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Property, plant and equipment	<u>10,831</u>	<u>9,565</u>

**14. Group's Financial Performance Review and Segmental Analysis**

(a) Overall review of Group's financial performance

	<b>3 months ended 30 September</b>			<b>9 months ended 30 September</b>		
	<b>2022 RM'000</b>	<b>2021 RM'000</b>	<b>Changes (%)</b>	<b>2022 RM'000</b>	<b>2021 RM'000</b>	<b>Changes (%)</b>
Revenue	282,589	235,595	19.95	891,542	763,521	16.77
Operating profit excluding exceptional items	13,262	4,138	220.49	47,900	18,461	159.47
Profit before interest and tax	13,074	4,018	225.39	48,994	17,811	175.08
Profit before tax	9,006	1,485	506.46	37,335	10,158	267.54
Profit after tax	3,541	172	1,958.72	24,998	5,805	330.63
Profit attributable to owners of the Company	2,350	1,175	100.00	22,165	8,234	169.19

(i) Statement of Profit or Loss and Other Comprehensive Income

The Group recorded revenue of RM891.5 million and pre-tax profit of RM37.3 million in YTD Q3 2022 against revenue of RM763.5 million and pre-tax profit of RM10.2 million in YTD Q3 2021. The variance in revenue and pre-tax profit will be explained in the respective operating business segments in Note 14(b).

(ii) Statement of Financial Position

As at 30 September 2022, total equity attributable to owners of the Company reduced to RM190.4 million from RM270.8 million as at 31 December 2021 mainly due to dividend paid and a decrease in equity attributable to owners of the Company arising from the acquisition of remaining 29.65% of the issued share capital of Sushi King Sdn. Bhd. as indicated in Note C to the Condensed Consolidated Statement of Cash Flows, during the financial period ended 30 September 2022.

Total borrowings of the Group increased slightly to RM167.0 million as at 30 September 2022 against RM166.2 million as at 31 December 2021.

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

---

**14. Group's Financial Performance Review and Segmental Analysis (Cont'd)**

(a) Overall review of Group's financial performance

(iii) Statement of Cash Flows

The net cash generated from operating activities was higher at RM71.5 million for YTD Q3 2022 compared to RM4.1 million for YTD Q3 2021 mainly due to higher operating profit.

The net cash used in investing activities was higher at RM14.2 million for YTD Q3 2022 compared to RM1.8 million for YTD Q3 2021 mainly due to higher purchase of property, plant and equipment.

The net cash used in financing activities was higher at RM72.7 million for YTD Q3 2022 against RM22.6 million for YTD Q3 2021 mainly due to higher interest paid, dividend paid and partial payment for the acquisition of 28% of the issued share capital of Sushi King Sdn. Bhd. as indicated in Note C to the Condensed Consolidated Statement of Cash Flows.

The cash and cash equivalents of the Group was RM82.3 million as at 30 September 2022, representing a decrease of RM13.1 million against RM95.4 million as at 1 January 2022.

(b) Segmental analysis (Note 8)

In Q3 2022, the Group continued to report satisfactory performance mainly due to improved contribution from the Restaurant Division and Food Division.

(1) Current quarter compared with previous corresponding quarter

In Q3 2022, the Group achieved a higher revenue of RM282.6 million (Q3 2021: RM235.6 million). Excluding the share-based payments of RM3.5 million, the Group generated a higher pre-tax profit of RM12.5 million (Q3 2021: pre-tax profit of RM1.5 million) due to the various factors as explained in the respective operating business segments as follows:

(i) Industrial Division

The Industrial Division achieved a lower revenue of RM117.4 million in Q3 2022 (Q3 2021: RM125.0 million). Excluding the share-based payments of RM0.7 million, the Industrial Division achieved a pre-tax profit of RM2.1 million in Q3 2022 (Q3 2021: RM2.8 million) mainly due to weaker market demand as a result of customers' inventory adjustment.

(ii) Polymer Engineering Division

The Polymer Engineering Division achieved a higher revenue of RM61.7 million (Q3 2021: RM55.0 million) in Q3 2022. Excluding the share-based payments of RM0.9 million, the Polymer Engineering Division recorded a higher pre-tax profit of RM4.9 million in Q3 2022 (Q3 2021: RM3.7 million) mainly due to better operational efficiency and improved business performance in medical life sciences.

(iii) Food Division

The Food Division recorded a higher revenue of RM23.6 million (Q3 2021: RM19.9 million) in Q3 2022. Excluding the share-based payments of RM0.3 million, the Food Division recorded a higher pre-tax profit of RM3.2 million in Q3 2022 (Q3 2021: RM2.4 million) mainly due to better sales mix and increased foreign exchange gain.

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

---

**14. Group's Financial Performance Review and Segmental Analysis (Cont'd)**

(b) Segmental analysis (Note 8) (Cont'd)

(1) Current quarter compared with previous corresponding quarter (Cont'd)

(iv) Restaurant Division

The Restaurant Division recorded a higher revenue of RM82.3 million (Q3 2021: RM37.4 million) in Q3 2022. Excluding the share-based payments of RM0.6 million, the Restaurant Division achieved a pre-tax profit of RM4.2 million (Q3 2021: pre-tax loss of RM5.8 million) in Q3 2022 mainly driven by the robust recovery in consumer demand and significantly better operational efficiency.

(v) Venture Business Division

The Venture Business Division achieved a marginally higher revenue of RM1.8 million (Q3 2021: RM1.6 million) in Q3 2022 mainly attributed to its conductive sheet business while the slightly higher pre-tax loss of RM0.58 million (Q3 2021: RM0.56 million) in Q3 2022 was mainly due to higher product development costs.

(2) Current nine months financial period compared with previous corresponding financial period

The Group achieved a revenue of RM891.5 million (YTD Q3 2021: RM763.5 million) in YTD Q3 2022. Excluding the share-based payments of RM5.9 million, the Group achieved a higher pre-tax profit of RM43.2 million (YTD Q3 2021: RM10.2 million) in YTD Q3 2022 due to the various factors as explained in the respective operating business segments as follows:

(i) Industrial Division

The Industrial Division achieved a lower revenue of RM395.0 million (YTD Q3 2021: RM405.5 million) in YTD Q3 2022. Excluding the share-based payments of RM1.2 million, the Industrial Division recorded a higher pre-tax profit of RM10.6 million (YTD Q3 2021: RM10.2 million) in YTD Q3 2022 mainly due to more favourable product mix and better operational efficiency.

(ii) Polymer Engineering Division

The Polymer Engineering Division achieved a higher revenue of RM191.9 million (YTD Q3 2021: RM165.5 million) in YTD Q3 2022. Excluding the share-based payments of RM1.5 million, the Polymer Engineering Division recorded a higher pre-tax profit of RM13.9 million (YTD Q3 2021: RM13.4 million) in YTD Q3 2022 mainly due to efficient cost management and improved business performance in data storage, data memory and medical life sciences.

(iii) Food Division

The Food Division achieved a higher revenue of RM85.3 million (YTD Q3 2021: RM60.6 million) in YTD Q3 2022. Excluding the share-based payments of RM0.6 million, the Food Division recorded a higher pre-tax profit of RM10.4 million (YTD Q3 2021: RM2.4 million) in YTD Q3 2022 mainly due to more favourable sales mix, increased foreign exchange gain and efficient cost management.

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

**14. Group’s Financial Performance Review and Segmental Analysis (Cont’d)**

(b) Segmental analysis (Note 8) (Cont’d)

(2) Current nine months financial period compared with previous corresponding financial period (cont’d)

(iv) Restaurant Division

The Restaurant Division recorded a higher revenue of RM226.8 million (YTD Q3 2021: RM135.7 million) in YTD Q3 2022. Excluding the share-based payments of RM0.9 million, the Restaurant Division recorded a pre-tax profit of RM13.6 million (YTD Q3 2021: pre-tax loss of RM12.0 million) in YTD Q3 2022 mainly due to the recovery in food and beverage sector and significantly better operational efficiency.

(v) Venture Business Division

The Venture Business Division achieved a higher revenue of RM6.5 million (YTD Q3 2021: RM5.8 million) mainly attributed to its conductive sheets business while the higher pre-tax loss of RM1.6 million (YTD Q3 2021: RM1.4 million) in YTD Q3 2022 was mainly due to higher product development costs.

**15. Financial review for current quarter compared with immediate preceding quarter**

The comparison of the Group’s revenue and profit for the current and the preceding quarters are as follows:

	Quarter 3	Quarter 2	Changes
	2022	2022	
	RM’000	RM’000	
Revenue	282,589	301,461	(6.26)
Operating profit excluding exceptional items	13,262	12,429	6.70
Profit before interest and tax	13,074	13,905	(5.89)
Profit before tax	9,006	9,479	(4.99)
Profit after tax	3,541	6,732	(47.40)
Profit attributable to owners of the Company	2,350	6,732	(65.09)

The Group achieved a revenue of RM282.6 million in the current quarter, representing a decrease of 6.26% compared to the preceding quarter. The Group’s pre-tax profit was 4.99% lower at RM9.0 million in the current quarter mainly due to lower contribution from the Industrial Division. The Industrial Division’s performance was affected by weaker consumer demand from the textile, construction and latex glove industries.

**16. Prospects for 2022**

The global economy is still fraught with uncertainties because of the Russia-Ukraine war, China Covid-19 lockdowns, rising inflation and interest rates.

Despite the challenges ahead, the Board is cautiously optimistic that the Group will record a satisfactory performance for 2022 and will continue to improve on operational efficiencies.

**17. Profit forecast**

Not applicable as no profit forecast was published.

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

**18. Tax expense**

The tax expense comprises:

	3 months ended		9 months ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
- current period	3,932	2,189	9,882	7,027
- prior period	676	85	677	218
	<u>4,608</u>	<u>2,274</u>	<u>10,559</u>	<u>7,245</u>
<b>Deferred tax expense/ (income)</b>				
- current period	795	(1,257)	1,716	(2,888)
- prior period	62	296	62	(4)
<b>Tax expense</b>	<u><b>5,465</b></u>	<u><b>1,313</b></u>	<u><b>12,337</b></u>	<u><b>4,353</b></u>

The effective tax rates were higher than the statutory tax rate mainly due to certain expenses which are not tax deductible and withholding tax on foreign dividend income.

**19. Profit for the period**

Profit for the period is arrived at after charging/ (crediting):

	3 months ended		9 months ended	
	30 September		30 September	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income	(265)	(31)	(676)	(137)
Interest expense on loans and borrowings	2,526	1,535	6,986	4,508
Interest expense on lease liabilities	1,542	998	4,673	3,145
Depreciation of property, plant and equipment	4,811	5,433	15,747	16,734
Depreciation of right-of-use assets	7,344	6,154	21,709	18,513
(Reversal of impairment loss)/ impairment loss on property, plant and equipment	-	35	(1)	2
Reversal of impairment loss on trade receivables	(11)	(9)	(97)	(25)
Inventories written back	(809)	102	(659)	(426)
Gain on disposal of property, plant and equipment	(86)	(111)	(876)	(526)
Gain on termination of leases	-	-	(14)	-
Property, plant and equipment written off	181	97	259	856
Gain on foreign exchange	(2,752)	(94)	(5,406)	(122)
Provision for Directors' retirement/ resignation benefits	161	161	584	581
Gain on deconsolidation of a subsidiary	-	-	(1,579)	-

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

**20. Status of corporate proposals**

As at 21 October 2022, being the latest practicable date, which is not earlier than 7 days from the date of issue of this quarterly report, there were no corporate proposals announced and pending completion.

**21. Loans and borrowings**

At 30 September 2022	Long term		Short term		Total borrowings	
	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)
<b><u>Unsecured</u></b>						
<b><u>Denominated in USD</u></b>						
Revolving credits	-	-	1,429	6,633	1,429	6,633
Trade financing	-	-	369	1,716	369	1,716
Term loans	-	-	-	-	-	-
<b><u>Denominated in THB</u></b>						
Trade financing	-	-	75,030	9,169	75,030	9,169
Hire purchase creditors	200	24	557	68	757	92
Term loans	-	-	3,001	367	3,001	367
<b><u>Denominated in SGD</u></b>						
Bank overdrafts	-	-	19	88	19	88
<b><u>Denominated in VND</u></b>						
Trade financing	-	-	22,675,295	4,535	22,675,295	4,535
Term loans	378,720	76	1,136,145	227	1,514,865	303
<b><u>Denominated in RM</u></b>						
Bank overdrafts	-	-	-	6,078	-	6,078
Revolving credits	-	8,800	-	48,400	-	57,200
Trade financing	-	-	-	58,544	-	58,544
Term loans	-	9,519	-	2,692	-	12,211
Hire purchase creditors	-	5,922	-	4,159	-	10,081
<b>Total</b>	-	24,341	-	142,676	-	167,017

TEXCHEM RESOURCES BHD  
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF  
BURSA MALAYSIA SECURITIES BERHAD

21. **Loans and borrowings (Cont'd)**

At 31 December 2021	Long term		Short term		Total borrowings	
	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)	Foreign currency ('000)	RM Equivalent ('000)
<b>Unsecured</b>						
<b>Denominated in USD</b>						
Revolving credits	-	-	700	2,925	700	2,925
Trade financing	-	-	2,965	12,388	2,965	12,388
Term loans	45	188	41	171	86	359
<b>Denominated in THB</b>						
Trade financing	-	-	108,069	13,519	108,069	13,519
Hire purchase creditors	870	109	995	124	1,865	233
Term loans	1,500	188	6,001	751	7,501	939
<b>Denominated in SGD</b>						
Bank overdrafts	-	-	84	260	84	260
<b>Denominated in VND</b>						
Trade financing	-	-	30,143,802	5,516	30,143,802	5,516
Term loans	197,725	36	182,516	33	380,241	69
<b>Denominated in RM</b>						
Bank overdrafts	-	-	-	12,520	-	12,520
Revolving credits	-	-	-	52,000	-	52,000
Trade financing	-	-	-	50,350	-	50,350
Term loans	-	2,537	-	989	-	3,526
Hire purchase creditors	-	6,599	-	4,982	-	11,581
<b>Total</b>	-	9,657	-	156,528	-	166,185

**Exchange rates applied**

	At 30 September 2022	At 31 December 2021
USD/ RM	4.643	4.178
THB/ RM	0.1223	0.1251
SGD/ RM	3.2385	3.0912
VND/ RM	0.000195	0.000183

**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

---

**22. Derivative financial instruments**

As at 30 September 2022, the Group has the following outstanding derivative financial instruments:

<b>Type of Derivative</b>	<b>Contract/ Notional Value RM'000</b>	<b>Fair Value RM'000</b>	<b>Fair Value-Net Gain RM'000</b>
Forward exchange contracts - Payables	9,091	9,388	297
			<u>297</u>

For the nine months ended 30 September 2022, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the end of the last reporting period.

**23. Gains and Losses arising from fair value changes of financial liabilities**

There are no material gains and losses arising from the changes on the fair values of financial liabilities as all financial liabilities are measured at the amortised cost using the effective interest method.

**24. Material impairment of assets**

There was no material impairment of assets during the quarter under review and financial year to date.

**25. Changes in material litigation**

There was no material litigation against the Group as at 21 October 2022, being a date not earlier than 7 days from date of issue of this quarterly report.

**26. Dividends**

No dividend has been proposed or declared for the quarter ended 30 September 2022.



**TEXCHEM RESOURCES BHD**  
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF**  
**BURSA MALAYSIA SECURITIES BERHAD**

**27. Basic / Diluted earnings per share**

Basic profit per share of the Group is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares outstanding.

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period attributable to owners of the Company	2,350	1,175	22,165	8,234
Weighted average number of ordinary shares for computing basic earnings per share*	118,293	120,571	118,293	120,571
Basic earnings per share (sen)	1.99	0.97	18.74	6.83
Weighted average number of ordinary shares for computing diluted earnings per share*	119,834	120,571	119,834	120,571
Diluted earnings per share (sen)	1.96	0.97	18.50	6.83

**\*Weighted average number of ordinary shares:**

<b>In thousands of shares</b>	<b>30 September</b>	<b>30 September</b>
	<b>2022</b>	<b>2021</b>
Issued ordinary shares at 1 January	124,099	124,099
Effect of shares issued pursuant to ESOS	770	-
Effect of treasury shares held	(6,576)	(3,528)
Weighted average number of ordinary shares for computing basic earnings per share	118,293	120,571
Number of shares under ESOS deemed to have been issued for no consideration	1,541	-
Weighted average number of ordinary shares for computing diluted earnings per share	119,834	120,571

**BY ORDER OF THE BOARD**

**YEOH SAW GAIK**  
**GROUP CHIEF FINANCIAL OFFICER**  
**Date: 28 October 2022**