



Texchem Resources Bhd

Registration no: 197301002868 (16318-K)

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

TEXCHEM SUSTAINING POSITIVE MOMENTUM WITH HEALTHY 9MFY22 PERFORMANCE

- 9MFY22 revenue improved 16.8% YoY to RM891.5 million
- Cumulative PBT stood at RM37.3 million, surpassed full year FY21 PBT

George Town, 28 October 2022 – Malaysian conglomerate and Main Market-listed company, Texchem Resources Bhd (“Texchem”) (“德健资源”) has announced its third quarter (“3QFY22”) and nine-month financial results for the period ended 30 September 2022 (“9MFY22”) today.

For 9MFY22, Texchem delivered a revenue of RM891.5 million, representing an increase of 16.8% year-on-year (“YoY”) from RM763.5 million a year ago. 9MFY22 profit before tax (“PBT”) surged 267.5% YoY to RM37.3 million as compared to RM10.2 million in the previous year’s corresponding period. This has also surpassed the full year FY21 PBT figure of RM30.7 million. Similarly, profit after tax and non-controlling interest (“PATNCI” or “net profit”) net profit for the period under review jumped 169.2% YoY to RM22.2 million versus RM8.2 million a year ago.

The stronger financial performance reflects the successful outcomes of Texchem’s initiatives to improve cost management and operational efficiencies. This has led to higher bottom-line contributions from its polymer engineering,

food and restaurant divisions which were offset by share-based payments totalling RM5.9 million in 9MFY22.

Commenting on the financial performance of Texchem Resources Berhad Group of Companies (“the Group”), **Executive Chairman of Texchem, Tan Sri Dato’ Seri (Dr) Fumihiko Konishi (丹斯里小西史彦)**, said “Despite the global operating challenges, the Group delivered a commendable performance during the quarter. After adjusting for share-based payments, the Group’s adjusted PBT in the third quarter improved to RM12.5 million as compared to RM11.9 million in the second quarter. Save for the industrial division which has been impacted by the weaker demand due to inventory adjustment by customers, the polymer engineering, food and restaurant divisions all performed better thanks to improved focus on profitability and operational efficiency.”

“Moving forward, against the backdrop of the arduous environment, we shall continue to undertake a cautious and prudent approach on the execution of our strategic plans. The Group will leverage on track record and experience combined with our healthy balance sheet as we navigate through the headwinds.”

For the quarter under review, Texchem’s revenue rose 19.9% YoY to RM282.6 million from RM235.6 million in 3QFY21. Meanwhile, 3QFY22 PBT increased six-fold YoY to RM9.0 million from RM1.5 million previously.

During the quarter, Texchem reported a disproportionately higher tax expense of RM5.5 million, which translates to an effective tax rate of 61.1%. This was mainly due to certain expenses which are not tax deductible and withholding tax on foreign dividend income. 3QFY22 net profit doubled to RM2.4 million from RM1.2 million in the same quarter in the previous year.

In the current financial year under review, the Board has so far declared and paid an interim dividend of 8.0 sen per share for the financial year ending 31 December 2022.

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, food, restaurant 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.

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.

Under the restaurant division, Texchem is the founder and operator of Sushi King, Malaysia's largest Halal Japanese chain of restaurants with 131 outlets nationwide, which are supported by its integrated supply chain. Apart from Sushi King, other restaurant brands are Hoshino Coffee, Doutor Coffee and Miraku.

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

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