



Texchem Resources Bhd

Registration no: 197301002868 (16318-K)

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

TEXCHEM MAINTAINS CAUTIOUS OUTLOOK AMID UNCERTAIN MARKET LANDSCAPE

- 1QFY23 revenue and PBT stood at RM268.5 million and RM2.2 million respectively, an improvement on a QoQ basis.

George Town, 19 May 2023 – Malaysian conglomerate and Main Market-listed company, Texchem Resources Bhd (“Texchem”) (“德健资源”) has announced its financial results for the first quarter ended 31 March 2023 (“1QFY23”) today.

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 cognizant of the soft 1QFY23 performance as the current business operating landscape remains highly challenging due to market uncertainties. Among our core business unit, our polymer engineering division is facing sluggish global market demand, specifically in the hard disk drive and semiconductor sectors. However, we are committed in our continuous efforts in our new business developments. Meanwhile, our restaurant division is affected by rising input cost, which we are proactively managing. Overall, we are confident of the long-term growth prospects due to the diversified business and solid fundamentals built across the core business divisions,”

On a quarter-on-quarter (“QoQ”) basis, Texchem’s revenue rose 6.6% to RM268.5 million from RM251.8 million in the immediate preceding quarter supported by higher sales from the industrial and food divisions. In tandem with this, Texchem reported a

profit before tax (“PBT”) of RM2.2 million for the current quarter under review as compared to RM1.7 million in 4QFY22.

As compared to the previous year corresponding quarter (“1QFY22”), Texchem’s revenue stood lower at RM268.5 million in 1QFY23 versus RM307.5 million in 1QFY22 as the industrial and polymer engineering divisions were impacted by softer demand. PBT declined from RM18.9 million recorded in 1QFY22 as compared to RM2.2 million in the current quarter under review, predominantly owing to higher input cost in addition to weaker market demand.

Sequentially, Texchem registered a net loss of RM0.2 million for the quarter under review as a result of the aforementioned factors along higher tax expenses. The disproportionate tax charge for 1QFY23 was mainly due to certain expenses or losses being disallowed for tax purposes as well as non-availability of Group tax relief in respect of losses incurred by certain subsidiary companies.

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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.

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.

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.

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