



Texchem Resources Bhd

Registration no: 197301002868 (16318-K)

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

TEXCHEM ACHIEVES REVENUE OF RM752.2 MILLION FOR 9MFY23

- Focus remains on building on its solid foundation across core business divisions.

George Town, 26 October 2023 – Malaysian conglomerate and Main Market-listed company, Texchem Resources Bhd (“Texchem”) (“德健资源”) has announced its third quarter (“3QFY23”) and nine-month financial results today for the period ended 30 September 2023 (“9MFY23”).

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 “Although some central banks have slowed down the interest rate hikes as inflation has somewhat moderated, nevertheless, inflationary pressures remain high and the operating environment continues to be demanding. During the quarter, while our Restaurant and Food Divisions continued to be impacted by the intense competition and inflationary cost pressures in the F&B services. Our Polymer Engineering Division experienced some rebound from the high-tech sector, particularly semiconductor that improved our quarter-on-quarter (“QoQ”) performance.”

“Looking ahead, we anticipate the rest of 2023 to stay demanding especially given the recent geopolitical tensions and appreciation of USD against Ringgit. Our focal point remains on driving business competitiveness by leveraging on our solid fundamentals. At the same time, we are working to improve our margins by enhancing our operational productivity. On a whole, we will leverage on our strengths to navigate through any

obstacles that may arise and emerge stronger than before,” Tan Sri Dato’ Seri (Dr) Fumihiko Konishi concluded.

Cumulatively, Texchem’s 9MFY23 revenue came in at RM752.2 million as compared to RM891.5 million a year ago. The Group’s performance continued to be affected by softened demand as well as a rise in operating costs arising from the global economic uncertainties. As a result, Texchem reported a loss before tax of RM0.3 million for the current period under review, which included share-based payments amounting to RM2.2 million. After adjusting for ESOS, Texchem would have achieved a profit before tax (“PBT”) of RM1.9 million. Consequently, due to higher tax expenses, Texchem posted a net loss of RM7.2 million for 9MFY23. The increased tax expenses was largely owing 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.

For the current quarter under review, Texchem’s revenue grew 1.2% QoQ to RM243.3 million from RM240.5 million in 2QFY23. This was predominantly owing improvements from the Polymer Engineering and Restaurants Divisions. PBT improved to RM1.0 million for 3QFY23 from a loss before tax of RM3.5 million in the immediate preceding quarter driven by the aforementioned improvements and gain on disposal of investment in associate. With that, net loss for the current quarter narrowed to RM0.8 million vis-à-vis RM6.3 million in 2QFY23.

Meanwhile, Texchem’s efforts to reinforce its cash flow continued to gain positive momentum. The Group generated another healthy net operating cash flow (“NOCF”) of RM34.1 million for the quarter under review, which brought cumulative NOCF to RM71.2 million. Net gearing continued to improve to 0.40x as of end-3QFY23 from 0.47x a quarter ago.

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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 128 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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