



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2023**

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)**

for the quarter and twelve months ended 31 DECEMBER 2023

	Note	3 months ended			12 months ended		
		31 December		Changes (%)	31 December		Changes (%)
		2023 RM'000	2022 RM'000		2023 RM'000	2022 RM'000	
<b>Revenue</b>	8	<b>241,285</b>	<b>251,764</b>	<b>(4.16)</b>	<b>993,525</b>	<b>1,143,306</b>	<b>(13.10)</b>
Cost of sales		<u>(179,485)</u>	<u>(188,472)</u>	4.77	<u>(745,951)</u>	<u>(860,450)</u>	13.31
<b>Gross profit</b>		<b>61,800</b>	<b>63,292</b>	<b>(2.36)</b>	<b>247,574</b>	<b>282,856</b>	<b>(12.47)</b>
Distribution costs		(32,038)	(32,953)	2.78	(128,070)	(129,988)	1.48
Administrative expenses		(28,356)	(33,843)	16.21	(115,821)	(121,421)	4.61
Other income		<u>2,207</u>	<u>9,233</u>	(76.10)	<u>9,265</u>	<u>22,182</u>	(58.23)
<b>Operating profit</b>		<b>3,613</b>	<b>5,729</b>	<b>(36.93)</b>	<b>12,948</b>	<b>53,629</b>	<b>(75.86)</b>
Exceptional income	4	-	-	-	2,488	1,579	57.57
Share of (loss)/ profit of equity accounted associates, net of tax		<u>(40)</u>	<u>(389)</u>	89.72	<u>979</u>	<u>(874)</u>	212.01
<b>Profit before interest and tax</b>		<b>3,573</b>	<b>5,340</b>	<b>(33.09)</b>	<b>16,415</b>	<b>54,334</b>	<b>(69.79)</b>
Finance costs		<u>(5,672)</u>	<u>(3,662)</u>	(54.89)	<u>(18,848)</u>	<u>(15,321)</u>	(23.02)
<b>(Loss)/ Profit before tax</b>		<b>(2,099)</b>	<b>1,678</b>	<b>(225.09)</b>	<b>(2,433)</b>	<b>39,013</b>	<b>(106.24)</b>
Tax expense	18	<u>(1,325)</u>	<u>(2,305)</u>	42.52	<u>(8,142)</u>	<u>(14,642)</u>	44.39
<b>(Loss)/ Profit for the period/ year</b>	19	<b><u>(3,424)</u></b>	<b><u>(627)</u></b>	<b>446.09</b>	<b><u>(10,575)</u></b>	<b><u>24,371</u></b>	<b>(143.39)</b>
<b>(Loss)/ Profit attributable to:</b>							
Owners of the Company		<u>(3,595)</u>	<u>(254)</u>	1,315.35	<u>(10,849)</u>	<u>21,911</u>	(149.51)
Non-controlling interests		<u>171</u>	<u>(373)</u>	(145.84)	<u>274</u>	<u>2,460</u>	(88.86)
<b>(Loss)/ Profit for the period/ year</b>		<b><u>(3,424)</u></b>	<b><u>(627)</u></b>	<b>446.09</b>	<b><u>(10,575)</u></b>	<b><u>24,371</u></b>	<b>(143.39)</b>
<b>(Loss)/ Earnings per share attributable to owners of the Company (sen)</b>							
- Basic	27	<u>(3.06)</u>	<u>(0.21)</u>	1,357.14	<u>(9.24)</u>	<u>18.49</u>	(150.00)
- Diluted	27	<u>(3.06)</u>	<u>(0.21)</u>	1,357.14	<u>(9.24)</u>	<u>18.49</u>	(150.00)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**

for the quarter and twelve months ended 31 DECEMBER 2023

	Note	3 months ended			12 months ended		
		31 December		Changes	31 December		Changes
		2023	2022		2023	2022	
		RM'000	RM'000	(%)	RM'000	RM'000	(%)
<b>(Loss)/Profit for the period/ year</b>		<b>(3,424)</b>	<b>(627)</b>	<b>446.09</b>	<b>(10,575)</b>	<b>24,371</b>	<b>(143.39)</b>
<b>Other comprehensive income/ (expense), net of tax</b>							
Foreign currency translation differences for foreign operations		267	(2,249)	(111.87)	4,374	1,262	(246.59)
Foreign currency translation differences realised on deconsolidation of a subsidiary		-	-	-	-	(918)	100.00
Total other comprehensive income/ (expense), net of tax		267	(2,249)		4,374	344	
<b>Total comprehensive (expense)/ income for the period/ year</b>		<b>(3,157)</b>	<b>(2,876)</b>	<b>9.77</b>	<b>(6,201)</b>	<b>24,715</b>	<b>(125.09)</b>
<b>Total comprehensive (expense)/ income attributable to:</b>							
Owners of the Company		<b>(3,226)</b>	<b>(2,236)</b>	<b>44.28</b>	<b>(6,729)</b>	<b>22,874</b>	<b>(129.42)</b>
Non-controlling interests		69	(640)	(110.78)	528	1,841	(71.32)
<b>Total comprehensive (expense)/ income for the period/ year</b>		<b>(3,157)</b>	<b>(2,876)</b>	<b>9.77</b>	<b>(6,201)</b>	<b>24,715</b>	<b>(125.09)</b>

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

At 31 DECEMBER 2023

	Note	31 December 2023 (Unaudited) RM'000	31 December 2022 (Audited) RM'000
<b>ASSETS</b>			
Property, plant and equipment		150,252	149,455
Right-of-use assets		161,905	147,207
Investment in associates		5,225	4,969
Intangible assets			
- Goodwill		34,382	34,382
- Trademarks		21,500	21,500
Deferred tax assets		13,289	13,196
Other receivables		6,514	8,957
<b>Total non-current assets</b>		<b>393,067</b>	<b>379,666</b>
Trade receivables		111,612	114,007
Other receivables		30,632	32,870
Contract assets		2,237	1,054
Inventories		93,995	112,819
Current tax assets		12,000	10,675
Cash and cash equivalents		89,225	96,048
Derivative financial assets	22	1	-
<b>Total current assets</b>		<b>339,702</b>	<b>367,473</b>
<b>TOTAL ASSETS</b>		<b>732,769</b>	<b>747,139</b>
<b>EQUITY</b>			
Share capital		157,853	157,853
Reserves		20,364	33,451
<b>Total equity attributable to owners of the Company</b>		<b>178,217</b>	<b>191,304</b>
Non-controlling interests		21,709	23,210
<b>TOTAL EQUITY</b>		<b>199,926</b>	<b>214,514</b>
<b>LIABILITIES</b>			
Loans and borrowings	21	38,193	22,026
Lease liabilities		134,303	117,144
Deferred tax liabilities		6,210	6,989
Deferred liabilities		3,089	3,012
Provision		6,438	6,328
Other payable		30,000	50,000
<b>Total non-current liabilities</b>		<b>218,233</b>	<b>205,499</b>
<b>LIABILITIES</b>			
Trade payables		61,727	52,318
Other payables		77,924	99,960
Contract liabilities		1,885	1,495
Provision		11	46
Loans and borrowings	21	142,086	138,074
Lease liabilities		27,665	29,452
Current tax liabilities		2,766	5,147
Deferred liabilities		546	546
Derivative financial liabilities	22	-	88
<b>Total current liabilities</b>		<b>314,610</b>	<b>327,126</b>
<b>TOTAL LIABILITIES</b>		<b>532,843</b>	<b>532,625</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>732,769</b>	<b>747,139</b>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.

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

for the twelve months ended 31 DECEMBER 2023

		<-----Attributable to owners of the company----->							
		<-----Non-distributable----->				Distributable			
Note		Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Other capital reserves RM'000	Retained earnings RM'000	Non-controlling interests RM'000	Total equity RM'000	
						Sub-total RM'000			
	<b>At 1 January 2023</b>	<b>157,853</b>	<b>(9,999)</b>	<b>6,830</b>	<b>18,536</b>	<b>18,084</b>	<b>191,304</b>	<b>23,210</b>	<b>214,514</b>
	Other comprehensive income for the year								
	- Foreign currency translation differences for foreign operations	-	-	-	4,120	-	4,120	254	4,374
	(Loss)/ Profit for the year	-	-	-	-	(10,849)	(10,849)	274	(10,575)
	<b>Total comprehensive income/ (expense) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,120</b>	<b>(10,849)</b>	<b>(6,729)</b>	<b>528</b>	<b>(6,201)</b>
	Purchase of own shares	-	(3,796)	-	-	-	(3,796)	-	(3,796)
6	Share-based payment transactions	-	-	2,979	-	-	2,979	-	2,979
	Dividends paid to owners of the Company	-	-	-	-	(5,855)	(5,855)	-	(5,855)
7	Dividends paid to non-controlling interests	-	-	-	-	-	-	(1,715)	(1,715)
	Dividends shared to non-controlling interests of a subsidiary	-	-	-	-	314	314	(314)	-
	<b>Total transactions with owners of the Company</b>	<b>-</b>	<b>(3,796)</b>	<b>2,979</b>	<b>-</b>	<b>(5,541)</b>	<b>(6,358)</b>	<b>(2,029)</b>	<b>(8,387)</b>
	<b>At 31 December 2023</b>	<b>157,853</b>	<b>(13,795)</b>	<b>9,809</b>	<b>22,656</b>	<b>1,694</b>	<b>178,217</b>	<b>21,709</b>	<b>199,926</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 2022 and the accompanying explanatory notes attached to this interim financial report.

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

for the twelve months ended 31 DECEMBER 2023 (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	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>17,573</b>	<b>108,483</b>	<b>270,823</b>	<b>28,956</b>	<b>299,779</b>
Other comprehensive income/ (expense) for the year								
- Foreign currency translation differences for foreign operations	-	-	-	1,881	-	1,881	(619)	1,262
- Foreign currency translation differences realised on deconsolidation of a subsidiary	-	-	-	(918)	-	(918)	-	(918)
Profit for the year	-	-	-	-	21,911	21,911	2,460	24,371
<b>Total comprehensive income for the period</b>	-	-	-	<b>963</b>	<b>21,911</b>	<b>22,874</b>	<b>1,841</b>	<b>24,715</b>
Purchase of own shares	-	(5,099)	-	-	-	(5,099)	-	(5,099)
Share-based payment transactions	-	-	9,446	-	-	9,446	-	9,446
Share options exercised	8,186	-	(2,616)	-	-	5,570	-	5,570
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	(91,099)	(91,099)	(11,101)	(102,200)
Issuance of shares to non-controlling interests	-	-	-	-	-	-	3,514	3,514
Dividends paid to owners of the Company	-	-	-	-	(21,211)	(21,211)	-	(21,211)
<b>Total transactions with owners of the Company</b>	<b>8,186</b>	<b>(5,099)</b>	<b>6,830</b>	-	<b>(112,310)</b>	<b>(102,393)</b>	<b>(7,587)</b>	<b>(109,980)</b>
<b>At 31 December 2022</b>	<b>157,853</b>	<b>(9,999)</b>	<b>6,830</b>	<b>18,536</b>	<b>18,084</b>	<b>191,304</b>	<b>23,210</b>	<b>214,514</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 2022 and the accompanying explanatory notes attached to this interim financial report.

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the twelve months ended 31 DECEMBER 2023

	Note	12 months ended	
		31 December	
		2023	2022
		RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>(Loss)/ Profit before tax</b>		(2,433)	39,013
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment		22,229	21,002
Depreciation of right-of-use assets		31,734	30,318
Provision for Directors' retirement/ resignation benefits		530	636
Property, plant and equipment written off		633	417
Impairment loss on property, plant and equipment		192	240
Impairment loss on right-of-use assets		116	17
Gain on disposal of property, plant and equipment		(8)	(834)
Gain on termination of lease		(144)	(486)
Gain on deconsolidation of a subsidiary	B	-	(1,579)
Gain on disposal of an associate		(2,488)	-
Interest income		(906)	(493)
Interest expense		18,848	15,321
Share-based payments		2,979	9,446
Share of (profit)/ loss of equity accounted associates		(979)	874
		<u>72,736</u>	<u>74,879</u>
Operating profit before changes in working capital		70,303	113,892
Changes in working capital:			
Inventories		18,824	956
Trade and other receivables		12,485	32,543
Trade and other payables		(5,248)	(29,142)
Contract assets		(1,183)	(312)
Contract liabilities		389	1,123
		<u>95,570</u>	<u>119,060</u>
Cash generated from operations		95,570	119,060
Income tax paid		(12,957)	(13,651)
Directors' retirement/ resignation benefits paid		(484)	(100)
Restoration costs paid		(271)	(102)
		<u>81,858</u>	<u>105,207</u>
<b>Net cash from operating activities</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of property, plant and equipment		321	2,569
Purchase of property, plant and equipment		(15,800)	(23,126)
Interest received		906	493
Subscription of shares in an associate		(152)	-
Proceeds from disposal of an associate	C	98	-
Deconsolidation of a subsidiary, net of cash and cash equivalents	B	-	(293)
Acquisition of non-controlling interest in a subsidiary	D	(25,000)	(27,200)
		<u>(39,627)</u>	<u>(47,557)</u>
<b>Net cash used in investing activities</b>			

**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the twelve months ended 31 DECEMBER 2023 (Cont'd)

	Note	12 months ended 31 December	
		2023 RM'000	2022 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of term loans		16,082	10,000
Repayment of term loans		(4,712)	(2,946)
Repayment of hire purchase creditors		(4,539)	(5,492)
Drawdown/ (repayment) of other borrowings (net)		7,004	(9,751)
Repayment of lease liabilities		(30,712)	(28,579)
Interest paid		(18,848)	(15,321)
Dividends paid to owners of the Company	7	(5,855)	(21,211)
Dividends paid to non-controlling interests		(2,029)	-
Proceeds from issuance of shares to non-controlling interests		-	3,514
Purchase of own shares		(3,796)	(5,099)
Proceeds from exercise of Employees' Share Option Scheme		-	5,570
<b>Net cash used in financing activities</b>		<b>(47,405)</b>	<b>(69,315)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(5,174)</b>	<b>(11,665)</b>
Cash and cash equivalents at 1 January		84,928	95,387
Effects of exchange differences on cash and cash equivalents		1,402	1,206
<b>Cash and cash equivalents at 31 December</b>	A	<b>81,156</b>	<b>84,928</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:

	31 December 2023 RM'000	31 December 2022 RM'000
Short term deposits	8,925	5,500
Cash and bank balances	80,300	90,548
Bank overdrafts	(8,069)	(11,120)
	<u>81,156</u>	<u>84,928</u>



**TEXCHEM RESOURCES BHD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
for the twelve months ended 31 DECEMBER 2023 (Cont'd)

**Note B: Deconsolidation of a subsidiary**

During the financial year ended 31 December 2022, the Group's subsidiary, namely Sushi King Company Limited which were under the process of dissolution. Accordingly, the Group deconsolidated the subsidiary and derecognised its related assets and liabilities.

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

	<b>31 DECEMBER 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	(1,036)
Net identifiable liabilities	(661)
Transfer from foreign currency translation reserve	(918)
<b>Gain on deconsolidation of a subsidiary</b>	<u>(1,579)</u>
<b>Net cash outflow arising from deconsolidation of a subsidiary</b>	<u><u>(293)</u></u>

**Note C: Disposal of an associate**

On 29 September 2023, the Company had entered into a Share Sale Agreement with ALS Technichem (Malaysia) Sdn. Bhd. ("ALS") to dispose of 49% equity interest in Merieux Nutrisciences Malaysia Sdn. Bhd. ("MNM") for a total consideration of RM3.39 million.

On the completion date of the disposal, ALS has paid RM98,000 being part of the consideration to the Company. The balance of the consideration as shown below to be paid in January 2024 subject to a 5% retention sum to be released in September 2024.

	<b>31 DECEMBER 2023 RM'000</b>
Proceeds from disposal of MNM	3,390
Payment received on completion date	(98)
Balance	<u><u>3,292</u></u>

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

for the twelve months ended 31 DECEMBER 2023 (Cont'd)

**Note D: Accretion of interest in an existing subsidiary**

On 19 January 2022, Sushi King Holdings Sdn. Bhd. ("SKHSB"), a wholly-owned subsidiary of the Company had entered into a Share Transfer Agreement with Asia Yoshinoya International Sdn. Bhd. ("AYI") to acquire an additional 28% equity interest in Sushi King Sdn. Bhd. ("SKSB") for a total purchase consideration of RM102.20 million. Prior to the acquisition, SKSB was a 70.35% owned subsidiary of SKHSB, which in turn is a subsidiary of the Company. Consequent to the acquisition, SKSB became a 98.35% owned subsidiary of SKHSB, which in turn is a subsidiary of the Company. The acquisition was completed on 18 April 2022.

Subsequently on 6 July 2022, SKHSB, a wholly-owned subsidiary of the Company acquired an additional 1.65% equity interest in SKSB for a total consideration of RM6.02 million by way of share exchange in SKHSB. The purchase consideration was satisfied in full by issuance of 3,009,498 SKHSB RM1.00 ordinary shares, to Inspire Investment Corporation ("IIC") and Inspire Corporation ("IC") respectively. Prior to the acquisition, SKSB was a 98.35% owned subsidiary of SKHSB. Consequent to the acquisition, SKSB became a wholly-owned subsidiary of SKHSB. Subsequent to the share exchange, SKHSB became a 97.80% owned subsidiary of the Company.

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

	<b>31 December 2022</b>
	<b>RM'000</b>
<b><u>Acquisition of non-controlling interests from AYI</u></b>	
Total purchase consideration	102,200
Carrying amount of non-controlling interests acquired	<u>(17,294)</u>
A surplus of total purchase consideration against the carrying amount of non-controlling interests acquired	84,906
<b><u>Acquisition of non-controlling interests from IIC and IC</u></b>	
Issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to IIC	3,009
Issuance of 3,009,498 new ordinary shares at the issue price of RM1.00 per share in the capital SKHSB to IC	3,010
Consideration paid via shares exchange in SKHSB	6,019
Dilution of interest in subsidiaries held by SKHSB during the shares exchanged with IIC and IC	<u>1,242</u>
Total consideration via shares exchange in SKHSB	7,261
Carrying amount of non-controlling interests in the shares exchange	<u>(1,068)</u>
Net changes of non-controlling interests in the shares exchange in SKHSB	<u>6,193</u>
<b>Total decrease in equity reserve attributable to owners of the Group</b>	<b><u>91,099</u></b>

**Amount owing to AYI**

	<b>2023</b>	<b>2022</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	75,000	-
Total purchase consideration	-	102,200
Payment	<u>(25,000)</u>	<u>(27,200)</u>
As at 31 December	<b><u>50,000</u></b>	<b><u>75,000</u></b>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022. 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 2022.

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 2022 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 2023**

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts – Initial Application of MFRS 17 and 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

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 2024**

Amendments to MFRS 16	Leases – Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current
Amendments to MFRS 107	Statement of Cash Flows – Supplier Finance Arrangements
Amendments to MFRS 7	Finance Instruments: Disclosures – Supplier Finance Arrangements

**MFRSs and amendments effective for annual periods beginning on or after 1 January 2025**

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability
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**1. Basis of preparation (Cont'd)****MFRSs and amendments effective for annual periods 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 of 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 2022 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 twelve months ended 31 December 2023, other than gain on disposal of 49% equity interest in Merieux Nutrisciences Malaysia Sdn. Bhd. amounting to RM2.5 million.

**5. Changes in estimates**

There were no changes in estimates that have a material effect during the quarter and twelve months ended 31 December 2023.

**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 31 December 2023 save for 2,053,400 of ordinary shares repurchased from the open market at an average price of RM1.85 per share for the twelve months ended 31 December 2023.

**7. Dividend paid**

On 24 March 2023, the Company paid a second interim single tier dividend of RM0.05 per share amounting to RM5,855,000 for the financial year ended 31 December 2022.

**TEXCHEM RESOURCES BHD**  
**PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134**
**8. Operating segments**

	Industrial		Polymer Engineering		Food *		Restaurant *		Venture Business		Others		Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>3 months ended 31 December</b>																
Revenue from external customers	93,646	95,828	49,739	49,618	30,033	31,115	66,656	74,524	729	279	482	400	-	-	241,285	251,764
Inter-segment revenue	778	2,082	324	428	15,181	14,996	313	367	766	815	3,108	3,213	(20,470)	(21,901)	-	-
<b>Total revenue</b>	<b>94,424</b>	<b>97,910</b>	<b>50,063</b>	<b>50,046</b>	<b>45,214</b>	<b>46,111</b>	<b>66,969</b>	<b>74,891</b>	<b>1,495</b>	<b>1,094</b>	<b>3,590</b>	<b>3,613</b>	<b>(20,470)</b>	<b>(21,901)</b>	<b>241,285</b>	<b>251,764</b>
Profit/ (loss) before share of profit/ (loss) of equity accounted associates, net of tax	48	1,408	2,722	1,558	(1,232)	(650)	(1,727)	3,347	(621)	(986)	(1,249)	(2,610)	-	-	(2,059)	2,067
Share of (loss)/ profit of equity accounted associates, net of tax	-	-	-	-	(23)	-	(17)	77	-	-	-	(466)	-	-	(40)	(389)
<b>Profit/ (loss) before tax</b>	<b>48</b>	<b>1,408</b>	<b>2,722</b>	<b>1,558</b>	<b>(1,255)</b>	<b>(650)</b>	<b>(1,744)</b>	<b>3,424</b>	<b>(621)</b>	<b>(986)</b>	<b>(1,249)</b>	<b>(3,076)</b>	<b>-</b>	<b>-</b>	<b>(2,099)</b>	<b>1,678</b>

\* With effect from 1 January 2023, the results of Wilpack Food Services Sdn. Bhd. ("WFS") and Sea Master Food Sdn. Bhd. ("SMF") were reported under the Food Division segment to reflect similar operational and marketing strategies in that strategic business unit.

The comparative figures for same reporting period in FY 2022 have been reclassified accordingly.

**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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>12 months ended</b>																
<b>31 December</b>																
Revenue from external customers	417,770	483,194	183,984	240,101	126,894	132,333	261,756	284,192	939	1,450	2,182	2,036	-	-	993,525	1,143,306
Inter-segment revenue	4,295	9,756	1,359	1,885	50,068	73,301	1,029	1,486	3,918	6,151	12,157	12,474	(72,826)	(105,053)	-	-
<b>Total revenue</b>	<b>422,065</b>	<b>492,950</b>	<b>185,343</b>	<b>241,986</b>	<b>176,962</b>	<b>205,634</b>	<b>262,785</b>	<b>285,678</b>	<b>4,857</b>	<b>7,601</b>	<b>14,339</b>	<b>14,510</b>	<b>(72,826)</b>	<b>(105,053)</b>	<b>993,525</b>	<b>1,143,306</b>
Profit/ (loss) before share of profit/ (loss) of equity accounted associates, net of tax	2,663	10,773	2,345	13,988	2,204	12,640	(3,230)	12,080	(3,415)	(2,558)	(3,979)	(7,036)	-	-	(3,412)	39,887
Share of profit/ (loss) of equity accounted associates, net of tax	-	-	-	-	402	-	449	527	-	-	128	(1,401)	-	-	979	(874)
Profit/ (loss) before tax	2,663	10,773	2,345	13,988	2,606	12,640	(2,781)	12,607	(3,415)	(2,558)	(3,851)	(8,437)	-	-	(2,433)	39,013
<b>Segment assets</b>	<b>147,609</b>	<b>145,735</b>	<b>173,261</b>	<b>189,824</b>	<b>86,860</b>	<b>103,181</b>	<b>274,192</b>	<b>259,005</b>	<b>7,358</b>	<b>7,132</b>	<b>43,489</b>	<b>42,262</b>	<b>-</b>	<b>-</b>	<b>732,769</b>	<b>747,139</b>

\* With effect from 1 January 2023, the results of Wilpack Food Services Sdn. Bhd. ("WFS") and Sea Master Food Sdn. Bhd. ("SMF") were reported under the Food Division segment to reflect similar operational and marketing strategies in that strategic business unit.

The comparative figures for same reporting period in FY 2022 have been reclassified accordingly.

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


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**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 2022.

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

There were 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 twelve months ended 31 December 2023**

Other than disclosed below, there were no major changes in the composition of the Group for the financial year under review: -

- a. On 29 September 2023, the Company had entered into a Share Sale Agreement with ALS Technichem (Malaysia) Sdn. Bhd. (“ALS”) to dispose of 49% equity interest in Merieux Nutrisciences Malaysia Sdn. Bhd. (“MNM”) for a total consideration of RM3.39 million.
- b. On 2 October 2023, the Company announced that Sea Master International Sdn. Bhd., a wholly-owned subsidiary of Wilpack Food Services Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, has commenced winding up proceedings voluntarily in accordance with Section 439(1)(b) and Section 441 of the Companies Act, 2016 (“Member’s Voluntary Winding Up”).

The completion of the Member’s Voluntary Winding Up is pending as at todate.

**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 2022.

**13. Commitments**

	<b>31 December 2023 RM’000</b>	<b>31 December 2022 RM’000</b>
Property, plant and equipment	<u>9,366</u>	<u>7,762</u>

**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**
**(a) Overall review of Group's financial performance**

	3 months ended 31 December			12 months ended 31 December		
	2023 RM'000	2022 RM'000	Changes (%)	2023 RM'000	2022 RM'000	Changes (%)
Revenue	241,285	251,764	(4.16)	993,525	1,143,306	(13.10)
Operating profit	3,613	5,729	(36.93)	12,948	53,629	(75.86)
Profit before interest and tax	3,573	5,340	(33.09)	16,415	54,334	(69.79)
(Loss)/ Profit before tax	(2,099)	1,678	(225.09)	(2,433)	39,013	(106.24)
(Loss)/ Profit after tax	(3,424)	(627)	446.09	(10,575)	24,371	(143.39)
(Loss)/ Profit attributable to owners of the Company	(3,595)	(254)	1,315.35	(10,849)	21,911	(149.51)

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

The Group recorded lower revenue of RM993.5 million and pre-tax loss of RM2.4 million in YTD Q4 2023 compared to revenue of RM1,143.3 million and pre-tax profit of RM39.0 million in YTD Q4 2022. The variance in revenue and pre-tax profit or loss will be explained in the respective operating business segments in Note 14(b).

**(ii) Statement of Financial Position**

As at 31 December 2023, total equity attributable to owners of the Company reduced to RM178.2 million from RM191.3 million as at 31 December 2022 mainly due to loss after tax, purchase of own shares and dividends paid during the financial year ended 31 December 2023.

Total borrowings of the Group increased to RM180.3 million as at 31 December 2023 against RM160.1 million as at 31 December 2022 mainly due to drawdown of loans and borrowings to part finance the second consideration for the acquisition of 28% of the issued share capital of Sushi King Sdn. Bhd..

**(iii) Statement of Cash Flows**

The net cash generated from operating activities was lower at RM81.9 million for YTD Q4 2023 compared to RM105.2 million for YTD Q4 2022 mainly due to operating loss incurred.

The net cash used in investing activities of RM39.6 million for YTD Q4 2023 is less than YTD Q4 2022 of RM47.6 million mainly due to lower purchases of property, plant and equipment.

The net cash used in financing activities was lower at RM47.4 million for YTD Q4 2023 compared to RM69.3 million for YTD Q4 2022 mainly attributed to dividend paid of RM21.2 million in YTD Q4 2022.



**14. Group's Financial Performance Review and Segmental Analysis (Cont'd)****(b) Segmental analysis (Note 8)**

The global economic challenges and global inflationary pressure had affected the Group's performance in Q4 2023.

**(1) Current quarter compared with previous corresponding quarter**

In Q4 2023, the Group registered a lower revenue of RM241.3 million (Q4 2022: RM251.8 million). Excluding the share-based payments of RM0.7 million (Q4 2022: RM3.5 million), the Group recorded a pre-tax loss of RM1.4 million (Q4 2022: pre-tax profit of RM5.2 million) due to the various factors as explained in the respective operating business segments as follows:

**(i) Industrial Division**

The Industrial Division registered a lower revenue of RM94.4 million (Q4 2022: RM98.0 million) in Q4 2023. Excluding the share-based payments of RM0.1 million (Q4 2022: RM0.7 million), the Industrial Division reported a lower pre-tax profit of RM0.2 million (Q4 2022: RM2.1 million) in Q4 2023 mainly due to weak market demand and price dumping by China chemical and polymer producers.

**(ii) Polymer Engineering Division**

The Polymer Engineering Division registered revenue of RM50.1 million (Q4 2022: RM50.0 million) in Q4 2023. The Polymer Division reported pre-tax profit of RM2.9 million (Q4 2022: RM2.5 million) in Q4 2023, excluding the share-based payments of RM0.2 million (Q4 2022: RM0.9 million), mainly due to better gross profit margin.

**(iii) Food Division**

The Food Division recorded a lower revenue of RM45.2 million (Q4 2022: RM46.1 million) in Q4 2023. Excluding the share-based payments of RM0.1 million (Q4 2022: RM0.3 million), the Food Division reported a pre-tax loss of RM1.2 million (Q4 2022: RM0.4 million) in Q4 2023 mainly due to lower revenue and foreign exchange control.

**(iv) Restaurant Division**

The Restaurant Division recorded a lower revenue of RM67.0 million (Q4 2022: RM74.9 million) in Q4 2023. Excluding the share-based payments of RM0.1 million (Q4 2022: RM0.6 million), the Restaurant Division reported a pre-tax loss of RM1.6 million (Q4 2022: pre-tax profit of RM4.0 million) in Q4 2023 mainly impacted by lower revenue and higher operating costs.

**(v) Venture Business Division**

The Venture Business Division registered a higher revenue of RM1.5 million (Q4 2022: RM1.1 million) and a lower pre-tax loss of RM0.6 million (Q4 2022: pre-tax loss of RM1.0 million) in Q4 2023 mainly due to higher sales achieved.

**14. Group's Financial Performance Review and Segmental Analysis (Cont'd)****(b) Segmental analysis (Note 8) (Cont'd)**

(2) Current twelve (12) months financial year compared with previous corresponding financial year

The Group registered revenue of RM993.5 million (YTD Q4 2022: RM1,143.3 million) in YTD Q4 2023. Excluding the share-based payments of RM3.0 million (Q4 2022: RM9.4 million), the Group reported a pre-tax profit of RM0.6 million (YTD Q4 2022: RM48.4 million) in YTD Q4 2023 due to the various factors as explained in the respective operating business segments as follows:

(i) Industrial Division

The Industrial Division registered lower revenue of RM422.1 million (YTD Q4 2022: RM493.0 million) in YTD Q4 2023. Excluding the share-based payments of RM0.6 million (YTD Q4 2022: RM1.9 million), the Industrial Division recorded a lower pre-tax profit of RM3.3 million (YTD Q4 2022: RM12.7 million) in YTD Q4 2023 mainly due to weaker ASEAN manufacturing sector exacerbated by price dumping by China chemical and polymer producers.

(ii) Polymer Engineering Division

The Polymer Engineering Division registered lower revenue of RM185.3 million (YTD Q4 2022: RM242.0 million) in YTD Q4 2023. Excluding the share-based payments of RM0.7 million (YTD Q4 2022: RM2.3 million), the Polymer Engineering Division reported a lower pre-tax profit of RM3.0 million (YTD Q4 2022: RM16.3 million) in YTD Q4 2023 mainly impacted by downturn in hard disk drive and electrical & electronics industry.

(iii) Food Division

The Food Division recorded lower revenue of RM177.0 million (YTD Q4 2022: RM205.6 million) in YTD Q4 2023. Excluding the share-based payments of RM0.3 million (YTD Q4 2022: RM0.9 million), the Food Division reported a lower pre-tax profit of RM2.9 million (YTD Q4 2022: RM13.5 million) in YTD Q4 2023 mainly due to lower revenue and foreign exchange control.

(iv) Restaurant Division

The Restaurant Division recorded a lower revenue of RM262.8 million (YTD Q4 2022: RM285.7 million) in YTD Q4 2023. Excluding the share-based payments of RM0.5 million (YTD Q4 2022: RM1.5 million), the Restaurant Division reported a pre-tax loss of RM2.3 million (YTD Q4 2022: pre-tax profit of RM14.1 million) in YTD Q4 2023 mainly attributed by lower revenue and higher operating costs.

(v) Venture Business Division

The Venture Business Division registered a lower revenue of RM4.9 million (YTD Q4 2022: RM7.6 million) and higher pre-tax loss of RM3.4 million (YTD Q4 2022: pre-tax loss of RM2.6 million) in YTD Q4 2023 mainly due to lower revenue from conductive sheet business affected by electrical & electronics industry downturn.

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

The comparison of the Group's revenue and loss or profit for the current and the immediate preceding quarter are as follows:

	Quarter 4	Quarter 3	Changes
	2023	2023	
	RM'000	RM'000	%
Revenue	241,285	243,288	(0.82)
Operating profit	3,613	1,746	106.93
Profit before interest and tax	3,573	5,361	(33.35)
(Loss)/ Profit before tax	(2,099)	1,010	(307.82)
Loss after tax	(3,424)	(477)	(618.10)
Loss attributable to owners of the Company	(3,595)	(750)	(379.33)

The Group achieved a revenue of RM241.3 million in the current quarter, representing a slight decrease of 0.82% compared to the preceding quarter. The Group recorded a pre-tax loss of RM2.1 million in the current quarter against pre-tax profit of RM1.0 million in the preceding quarter mainly due to gain on disposal of investment in associate has been recognised in the preceding quarter.

**16. Prospects for 2024**

The 2024 global economy is expected to grow moderately with the easing of global interest rates in major markets. The outlook on Malaysia remains optimistic benefiting from trade activities and technology upcycles.

While we see encouraging recovery momentum from the semiconductor industry and continue with the implementation of our strategic transformation plan, the Board is cautiously optimistic that the Group will remain resilient as we continue to focus on improving our performance in 2024.

**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		12 months ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<b>Current tax expense</b>				
- current period/ year	2,448	2,759	9,568	12,641
- prior period / year	(938)	(288)	(561)	389
	<u>1,510</u>	<u>2,471</u>	<u>9,007</u>	<u>13,030</u>
<b>Deferred tax (income)/ expense</b>				
- current period/ year	(444)	312	(1,030)	2,028
- prior period / year	259	(478)	165	(416)
<b>Tax expense</b>	<u><b>1,325</b></u>	<u><b>2,305</b></u>	<u><b>8,142</b></u>	<u><b>14,642</b></u>

The effective tax rates were higher than the statutory tax rate 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.

**19. (Loss)/ Profit for the period/ year**

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

	3 months ended		12 months ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income	(235)	(125)	(906)	(493)
Interest expense on loans and borrowings	3,754	1,889	12,048	8,875
Interest expense on lease liabilities	1,918	1,773	6,800	6,446
Depreciation of property, plant and equipment	5,534	5,255	22,229	21,002
Depreciation of right-of-use assets	8,665	8,609	31,734	30,318
Impairment loss on property, plant and equipment	196	241	192	240
Impairment loss on right-of-use assets	116	17	116	17
Reversal of impairment loss on trade receivables	(60)	(5)	(2)	(102)
Inventories written down	570	1,865	795	1,206
Loss/ (Gain) on disposal of property, plant and equipment	19	42	(8)	(834)
Gain on termination of leases	(6)	(472)	(144)	(486)
Property, plant and equipment written off	304	158	633	417
Loss/ (Gain) on foreign exchange	280	(6,700)	226	(12,106)
Provision for Directors' retirement/ resignation benefits	128	52	530	636
Gain on deconsolidation of a subsidiary	-	-	-	(1,579)
Gain on disposal of an associate	-	-	(2,488)	-

**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 20 February 2024, 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 31 December 2023	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	-	-	700	3,217	700	3,217
Trade financing	-	-	194	892	194	892
<b><u>Denominated in SGD</u></b>						
Bank overdrafts	-	-	131	457	131	457
<b><u>Denominated in THB</u></b>						
Trade financing	-	-	53,379	7,180	53,379	7,180
Hire purchase creditors	-	-	155	21	155	21
Term loans	4,996	672	5,004	673	10,000	1,345
<b><u>Denominated in VND</u></b>						
Trade financing	-	-	30,532,054	5,771	30,532,054	5,771
Term loans	1,985,264	375	768,490	145	2,753,754	520
<b><u>Denominated in RM</u></b>						
Bank overdrafts	-	-	-	7,612	-	7,612
Revolving credits	-	12,133	-	56,900	-	69,033
Trade financing	-	-	-	49,517	-	49,517
Term loans	-	19,689	-	6,364	-	26,053
Hire purchase creditors	-	5,324	-	3,337	-	8,661
<b>Total</b>		<b>38,193</b>		<b>142,086</b>		<b>180,279</b>

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

At 31 December 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	-	-	700	3,073	700	3,073
Trade financing	-	-	1,276	5,599	1,276	5,599
Term loans	3	15	41	181	44	196
<b><u>Denominated in THB</u></b>						
Trade financing	-	-	71,778	9,130	71,778	9,130
Hire purchase creditors	161	19	468	60	629	79
Term loans	-	-	1,500	191	1,500	191
<b><u>Denominated in VND</u></b>						
Trade financing	-	-	19,756,316	3,675	19,756,316	3,675
Term loans	15,210	3	182,516	34	197,726	37
<b><u>Denominated in RM</u></b>						
Bank overdrafts	-	-	-	11,120	-	11,120
Revolving credits	-	8,200	-	48,400	-	56,600
Trade financing	-	-	-	49,793	-	49,793
Term loans	-	8,846	-	2,692	-	11,538
Hire purchase creditors	-	4,943	-	4,126	-	9,069
<b>Total</b>		<b>22,026</b>		<b>138,074</b>		<b>160,100</b>

**Exchange rates applied**

	<b>At 31 December 2023</b>	<b>At 31 December 2022</b>
USD/ RM	4.5950	4.3900
THB/ RM	0.1345	0.1272
VND/ RM	0.000189	0.000186
SGD/ RM	3.4856	3.2740

**22. Derivative financial instruments**

As at 31 December 2023, 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	8,432	8,433	1
			<u>1</u>

For the twelve months ended 31 December 2023, 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.

**TEXCHEM RESOURCES BHD**
**PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**
**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 20 February 2024, 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 financial year ended 31 December 2023.

**27. Basic / Diluted (loss)/ earnings per share**

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

	3 months ended		12 months ended	
	31 December		31 December	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period attributable to owners of the Company	(3,595)	(254)	(10,849)	21,911
Weighted average number of ordinary shares for computing basic (loss)/earnings per share*	117,369	118,507	117,369	118,507
Basic (loss)/earnings per share (sen)	(3.06)	(0.21)	(9.24)	18.49
Weighted average number of ordinary shares for computing diluted (loss)/earnings per share*	117,369	118,507	117,369	118,507
Diluted (loss)/ earnings per share (sen)	(3.06)	(0.21)	(9.24)	18.49

**27. Basic / Diluted (loss)/ earnings per share (Cont'd)**

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

<b>In thousands of shares</b>	<b>31 December 2023</b>	<b>31 December 2022</b>
Issued ordinary shares at 1 January	126,373	124,099
Effect of shares issued pursuant to ESOS	-	1,149
Effect of treasury shares held	(9,004)	(6,741)
Weighted average number of ordinary shares for computing basic earnings per share	117,369	118,507
Effect of exercise of ESOS	**	**
Weighted average number of ordinary shares for computing diluted earnings per share	117,369	118,507

\*\* The Group's diluted loss or earnings per share is assumed to be the same as basic loss or earnings per share as the assumed potential new ordinary shares are anti-dilutive since the market share price is lower than the ESOS's exercise price. The Group has no dilution in its earnings per share in the financial year ended 31 December 2023 and 2022 as there were no dilutive potential ordinary shares.

**BY ORDER OF THE BOARD**

**LOH SAU MUN**  
**GROUP CHIEF FINANCIAL OFFICER**  
**Date: 27 February 2024**