



Texchem Resources Bhd

Registration no: 197301002868 (16318-K)

PRESS STATEMENT / SIARAN AKHBAR

(FOR IMMEDIATE RELEASE)

TEXCHEM CLOSES FY23 WITH A REVENUE OF RM993.5 MILLION

- Forging towards brighter times ahead

George Town, 27 February 2024 – Malaysian conglomerate and Main Market-listed company, Texchem Resources Bhd (“Texchem”) (“德健资源”) has announced its fourth quarter (“4QFY23”) and full year financial results for the period ended 31 December 2023 (“FY23”) 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 “FY23 was certainly an arduous year for the Group given the demanding business operating landscape arising from various macroeconomic headwinds. Nevertheless, we put forth our best effort to minimize the impact.”

“Moving forward, while we anticipate the market to remain volatile, but we are steadfast in our strategy to enhance our capacity and capabilities. This is to ready ourselves to seize the opportunities and ride on the recovery of the sectors we serve, especially for the Polymer Engineering Division which serves end-user international clients in the semiconductor, medical life sciences and memory storage solutions sectors. On that note, we are pleased to share that this Division had successfully commenced mass production in Q4 2023 for certain strategic projects which we had been pursuing since 2022.”

“On the other hand, we have continued to pursue our strategies for our Industrial Division, aimed at expanding market share and strengthening long-term relationships with our principals and customers while riding on the improvement of the petrochemical prices. In our Restaurant and Food Divisions, acknowledging the lower revenue, we continue to drive operational improvements and streamlining supply chain management to reduce costs and remain competitive. On balance, we maintain our cautious optimism for FY24 and focus on our execution of our key strategies as we forge ahead,” Tan Sri Dato’ Seri (Dr) Fumihiko Konishi concluded.

For the financial year under review, Texchem reported a revenue of RM993.5 million versus RM1,143.3 million a year ago. This was largely due to lower sales on the back of high interest rate and inflation coupled with the inventory adjustments in certain industries that we serve. The situation was further compounded by a rise in input, operating costs and tax expenses from profitable entities within the Group, which led to a net loss of RM10.8 million for FY23, which included share-based payments amounting to RM3.0 million.

Despite the difficult environment, Texchem generated yet another healthy net operating cash flow (“NOCF”) for FY23, amounting to RM81.9 million. The Group has consistently produced positive NOCF for over 20 years.

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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.

Texchem's Food Division is engaged in the food related business which includes processing and marketing of marine products, production for food service sector, trading and aquaculture. The Division's management of food safety and hygiene is in line with stringent international regulations and our processing facilities are HACCP certified

Under the Restaurant Division, Texchem is the founder and operator of Sushi King, Malaysia's largest Halal Japanese chain of restaurants with 130 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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