



TEXCHEM-PACK HOLDINGS (S) LTD.
Co. Reg. No. 200308296H
(the “Company”)

QUARTERLY UPDATE PURSUANT TO LISTING RULE 1313(2)

With effect from 5 March 2012, Texchem-Pack Holdings (S) Ltd. (the “Company”) has been included on the Watch-List pursuant to Listing Rule 1311.

Pursuant to Listing Rule 1313(2), the Board of Directors of the Company would like to provide the following quarterly update on the Company and its subsidiaries (collectively the “Group”).

1. Update on Financial Position and Outlook

For the quarter ended 31 December 2014 (“4Q14”), the Group recorded a 9% increase in revenue to RM49.2 million, from RM45.0 million reported in the previous corresponding quarter (“4Q13”). The increase was mainly attributable to growth in sales registered in the consumer electrical and electronics segment, HDD retail pack business and wafer shipper business. Revenue for the full year ended 31 December 2014 (“FY14”) grew by 9% to RM182.3 million, from RM167.0 million reported in the previous financial year (“FY13”). The growth was mainly contributed by consumer electrical and electronics segment, medical/ life science segment, wafer shipper business as well as HDD retail pack business.

The Group recorded a net loss after tax of RM3.0 million in 4Q14, compared to a net loss after tax of RM4.3 million in 4Q13. Net loss after tax for FY14 was RM14.1 million, compared to RM16.6 million in FY13.

The Group has reported a cash inflow of RM6.8 million from operating activities in 4Q14. After accounting for the cash generated from investing activities of RM11,000 and cash used in financing activities of RM1.3 million, the cash and cash equivalents at the end of the period stood at RM4.0 million.

As at 31 December 2014, the Group reported a negative working capital position of RM30.2 million. Nevertheless, the Group expects to be able to meet its financial obligations as and when they fall due, in view of the unutilized banking facilities that it has in place. The Group’s holding company, Texchem Resources Bhd, is also committed to providing financial support to the Group should the needs arise.

2. Material Development and Future Direction

In view of the continuous soft demand in the HDD segment due to declining PC demand, it is the strategy of the Group to grow its market share in this traditional core business by capturing more new programmes, as well as focus on growing its retail packaging business which exhibited impressive growth in FY14.

The Group's effort to diversify into the new market segments is bearing fruits. Growth momentum for its medical/life science businesses has been strong, particularly with its expanded customer base. The addition of new business opportunities such as thick gauge thermoforming, have further enhanced its growth momentum. Consequently, these new market segments are making up a greater increasing proportion of the Group's product/revenue mix. The Group is thus focusing more of its resources to cater for these new business segments. This should enable it to better capture the growth opportunities going forward.

Apart from growing its revenue, the Group will continue to improve its profit margin, enhance its operation efficiency, and be prudent in managing its costs and capital expenditure in order to improve its financial performance.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction at this time. The Group will make prompt announcements should there be any material developments going forward.

BY ORDER OF THE BOARD

Brian Tan Guan Hooi
Director
12 February 2015