



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 2015 ("4Q15"), the Group recorded a 7% increase in revenue to RM52.8 million, from RM49.2 million reported in the previous corresponding quarter ("4Q14"). Revenue for the full year ended 31 December 2015 ("FY15") rose 8% to RM197.2 million, from RM182.3 million reported in the previous financial year ("FY14"). The growth was mainly attributable to the growth in the data storage segment and medical/ life science segment.

The Group recorded a net profit after tax of RM489,000 in 4Q15, compared to a net loss after tax of RM3.0 million in 4Q14. Net loss after tax for FY15 was RM3.1 million, compared to RM14.1 million in FY14.

The Group has reported a cash inflow of RM7.8 million from operating activities in 4Q15. After accounting for the cash used in investing activities and financing activities of RM907,000 and RM4.6 million respectively, the Group's cash and cash equivalents at the end of the period stood at RM5.1 million.

As at 31 December 2015, the Group reported a negative working capital position of RM27.4 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 the midst of soft demand for hard disk-drives (“HDD”), the Group continues to focus on growing its retail packaging business in the HDD segment. With the thick gauge thermoforming facilities being put in place, the Group is also intensifying its effort to expand its customer and activity base for this business segment. Along with this, the Group is working on new customers and higher volume in the medical/life science business.

Apart from growing its revenue, the Group will continue to enhance its operational efficiency and be prudent in managing its costs and capital expenditure.

On 28 January 2016, the Company and the Texchem Resources Bhd (the “Offeror”) jointly announced that the exit offer letter (the “Exit Offer Letter”) dated 28 January 2016 for the exit cash offer (the “Exit Offer”), together with the Form of Acceptance and Authorisation and/or the Form of Acceptance and Transfer, have been despatched to the Shareholders. The Exit Offer was opened for acceptance by Shareholders from the date of despatch of the Exit Offer Letter up to and including the date falling 28 days after the date of despatch of the Exit Offer Letter. Accordingly, the Exit Offer closed at 5.30 p.m. on 25 February 2016 (“Close of Exit Offer”).

As at the Close of Exit Offer, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with it, and (b) valid acceptances of the Exit Offer, amount to an aggregate of 135,533,562 Shares, representing approximately 97.71% of the total number of issued Shares. As such, the Offeror has received valid acceptances in excess of the threshold required for the Offeror to be entitled to compulsorily acquire all the Shares of the Shareholders who have not accepted the Exit Offer (the “Dissenting Shareholders”) at a price equal to the offer price of S\$0.105 in cash for each ordinary share.

The Offeror will, in due course, despatch to the Dissenting Shareholders the relevant documentation together with the prescribed notice under the Companies Act in relation to the exercise of its right of compulsory acquisition.

Subsequent to such compulsory acquisition, the Company will be delisted from the Mainboard of the Singapore Exchange Securities Trading Limited.

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
29 February 2016