



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 three months ended 30 September 2015 (“3Q15”), the Group registered revenue of RM49.9 million, representing a 5% growth from RM47.3 million reported in the previous corresponding period (“3Q14”). Revenue for the nine months ended 30 September 2015 (“9M15”) rose 9% to RM144.4 million from RM133.0 million recorded for the same period in 2014 (“9M14”). The growth was mainly contributed by higher sales achievement in the data storage and medical/life science segments.

The Group recorded a net profit after tax of RM13,000 in 3Q15, compared to a net loss after tax of RM2.8 million in 3Q14. Net loss after tax for 9M15 was RM3.6 million, compared to RM11.1 million in 9M14.

Cash generated from operating activities were reported at RM3.1 million for the three months ended 30 September 2015. After accounting for cash used in investing and financing activities of RM444,000 and RM920,000 respectively, the cash and cash equivalents at end of the period stood at RM3.0 million.

As at 30 September 2015, the Group reported a negative working capital position of RM27.8 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 for the Group should the needs arise.

2. Material Development and Future Direction

Despite soft demand outlook for personal computers and hard disk-drives (“HDD”), the Group is developing new items in line with the existing customers’ plan, while continuously focusing on its retail packaging business in the HDD segment. At the same time, the Group is stepping up on its effort to develop businesses with high growth potential, namely thick gauge thermoforming business and medical/life science business.

Operationally, the Group continues to work hard to improve its production yield, optimization of its manpower as well as utilities utilization, while prudently managing its capital expenditure.

On 5 August 2015, the Company and the Texchem Resources Bhd (the “Offeror”) jointly announced that the Offeror presented to the directors of the Company a formal proposal (the “Proposal”) to make an exit offer to the shareholders of the Company pursuant to Rules 1306 and 1309 of the Listing Manual. Under the Proposal, the Offeror will make an exit cash offer (the “Exit Offer”) to acquire all issued ordinary shares in the capital of the Company (the “Shares”), other than those Shares already owned, controlled or agreed to be acquired by the Offeror as at the date of the Exit Offer.

As such, the Company is regarded to be in an “offer period” under the Singapore Code on Take-overs and Mergers (“Code”). In view of the Exit Offer, the results announcement for the nine-month period ended 30 September 2015 for the Group has been reported on in accordance with Rule 25 of the Code with the following Annexures:

Annexure I – Report dated 22 October 2015 from RT LLP, Public Accountants and Chartered Accountants of Singapore (“Independent Auditors of the Company”) on their review of the consolidated financial statements for the nine-month period ended 30 September 2015.

Annexure II – Report dated 30 October 2015 from Asian Corporate Advisors Pte. Ltd., the Independent Financial Adviser to the Directors of the Company who are considered independent for the purpose of making recommendation to the shareholders of the Company in respect of the Exit Offer, on their review of the unaudited consolidated financial statements for the nine-month period ended 30 September 2015.

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
30 October 2015