



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 2014 (“3Q14”), the Group reported a 6% increase in revenue to RM47.3 million, compared to RM44.6 million reported in the previous corresponding period (“3Q13”). Revenue for the nine months ended 30 September 2014 (“9M14”) grew 9% to RM133.0 million from RM122.0 million recorded for the same period in 2013 (“9M13”). The growth was mainly due to higher sales contribution from the medical/life sciences business, consumer electrical and electronic as well as semiconductor segments.

The Group recorded a net loss after tax of RM2.8 million in 3Q14, compared to a net loss after tax of RM3.5 million in 3Q13. Net loss after tax for 9M14 was RM11.1 million, compared to RM12.6 million in 9M13.

The Group has reported a cash outflow of RM1.3 million from operating activities in 3Q14. After accounting for the cash used in investing activities of RM2.6 million and cash generated from financing activities of RM4.4 million, the cash deficit at the end of the period stood at RM2.0 million.

As at 30 September 2014, the Group reported a negative working capital position of RM27.5 million. Nevertheless, the Group expects to be able to meet its short term 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

The Group is currently evaluating several new programmes in the hard disk drive (“HDD”) segment. Coupled with the continuous growth in the retail packaging business, these new programmes should be able to enhance the Group’s performance in the HDD segment. At the same time, the Group is continuously developing new models in the thick gauge thermoforming business, and the required technological know-how in this area.

The Group continues to make progress in the medical/life science segment. Two new machines that were recently installed to cater for new business opportunities in this business segment are expected to be fully operational by the close of 2014.

The Group continues to be prudent in managing its costs and capital expenditure. With its effort to increase sales, enhance operation efficiency and improve material yields, the Group is working towards achieving an improvement in its performance moving forward.

On 7 October 2014, the Company’s application to the SGX-ST seeking a further extension of time for its major shareholder, Texchem Resources Bhd, to make a reasonable exit offer to the Company’s shareholders has been conditionally approved. The SGX-ST has further extended the timeline to 7 April 2015 for the Company to submit a reasonable exit offer proposal to the SGX-ST.

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 2014