



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 June 2015 (“2Q15”), the Group posted revenue of RM47.0 million, representing a 7% growth from RM43.8 million reported in the previous corresponding period (“2Q14”). Revenue for the six months ended 30 June 2015 (“1H15”) rose 10% to RM94.6 million from RM85.7 million recorded for the same period in 2014 (“1H14”). The growth was mainly due to higher sales achievement in the consumer electrical and electronic as well as data storage segments.

The Group recorded a net loss after tax of RM2.0 million in 2Q15, compared to a net loss after tax of RM4.1 million in 2Q14. Net loss after tax for 1H15 was RM3.6 million, compared to RM8.3 million in 1H14.

Cash used in operating and investing activities stood at RM94,000 and RM627,000 respectively for the three months ended 30 June 2015. After accounting for cash generating from financing activities of RM216,000, the cash and cash equivalents at end of the period stood at RM664,000.

As at 30 June 2015, the Group reported a negative working capital position of RM30.8 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 (“TRB”), is also committed to providing financial support for the Group should the needs arise.

2. Material Development and Future Direction

The Group continues to grow its traditional HDD segment by capturing new programs. This has positioned it well to increase its market share while enhancing its retail packaging business which has experienced positive continuous growth in prior quarters.

Meanwhile, the Group is looking forward to tapping new business opportunities in the thick gauge thermoforming business and medical/life science business. Several new projects and businesses with both existing and new customers are expected to materialize in the second half of 2015.

The Group also continues to work hard at raising operational efficiency and optimizing its resources to improve its financial performance while being prudent in managing its capital expenditure.

The Company has on 2 April 2015 applied to the Singapore Exchange Securities Trading Limited ("SGX-ST") seeking a further extension for TRB to make a reasonable exit offer to the Company's shareholders. The SGX-ST has further extended the timeline to 7 August 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 July 2015