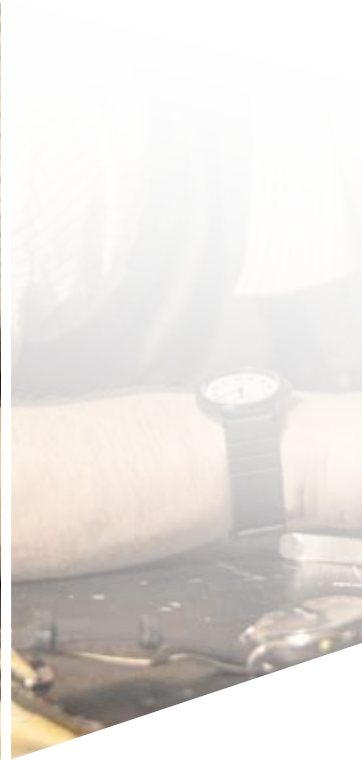




TEXCHEM RESOURCES BHD

Company Registration No. 197301002868 (16318-K)



A reflection of
PASSION & PERSEVERANCE

2020
annual report

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CORPORATE STRUCTURE



INDUSTRIAL DIVISION

Texchem Materials Sdn. Bhd.

- Texchem Malaysia Sdn. Berhad
- New Material (Malaysia) Sdn. Bhd.
- PT. Texchem Indonesia
- Texchem Materials (Thailand) Ltd.
- Texchem Materials (Vietnam) Co., Ltd.
- Texchem Singapore Private Limited
- Lifeon Asia Sdn. Bhd.

POLYMER ENGINEERING DIVISION

Texchem Polymer Engineering Sdn. Bhd.

- Texchem-Pack (M) Sdn. Bhd.
- Texchem-Pack (Johor) Sdn. Bhd.
- Texchem-Pack (PP) Sdn. Bhd.
 - Texchem Advanced Products Incorporated Sdn. Bhd.
- Texchem-Pack (Thailand) Co., Ltd.
- Texchem-Pack (Vietnam) Co., Ltd.
- Texchem Life Sciences Sdn. Bhd.
- Eye Graphic Sdn. Bhd.

FOOD DIVISION

Texchem Food Sdn. Bhd.

- A.S.K Andaman Limited
- Texchem Food (Myanmar) Limited
- Texchem Marine Labutta Limited
- Texchem Aquaculture (Myanmar) Limited
- Sea Master Products Sdn. Bhd.

RESTAURANT DIVISION

Sushi King Holdings Sdn. Bhd.

- Sushi King Sdn. Bhd.
 - Sushi King (East Malaysia) Sdn. Bhd.
- Miraku Sdn. Bhd.
- Kokubu Food Logistics Malaysia Sdn. Bhd.

D&N Coffee and Restaurant Malaysia Sdn. Bhd.

Wilpack Food Services Sdn. Bhd.

- Sea Master Food Sdn. Bhd.

CORPORATE SERVICES DIVISION

Texchem Corporation Sdn. Bhd.

- Texchem Risk Management Sdn. Bhd.

VENTURE BUSINESS DIVISION

Texchem Polymers Sdn. Bhd.

ASSOCIATES

Merieux Nutrisciences Malaysia Sdn. Bhd. (formerly known as Acumen Scientific Sdn. Bhd.)

Otafuku Sauce Malaysia Sdn. Bhd.

Notes:

- 1) The above companies are operating subsidiaries and associates of Texchem Resources Bhd. Group.
- 2) The complete list of Texchem Resources Bhd. Group as at 31 December 2020 is disclosed in Note 5 to the Financial Statements of this Annual Report.

PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Group's Business and Operations

Texchem Resources Bhd (“TRB”) Group (“the Group”) is a Malaysian multinational conglomerate that comprises five diverse business Divisions (Industrial, Polymer Engineering, Restaurant, Food and Venture Business) with operations that span across the ASEAN region.



Industrial Division provides integrated distribution solutions for polymer, industrial chemicals, food additives, dyestuff and textile chemicals with strong partnerships with world leading producers.

Polymer Engineering Division is a leading polymer engineering solutions provider focusing on Hard Disk Drives (HDD), Medical Life Sciences (MLS) and Consumer E&E business segments.

Food Division is a fully integrated seafood operation encompassing upstream and downstream activities with emphasis on food safety standards.

Restaurant Division comprises a fully integrated supply chain from source to consumer comprising procurement, food processing services, logistics and restaurant outlets. The Division operates Japanese cuisine restaurants focusing on the quality of our ingredients and dining experience at affordable prices and owns Sushi King, the largest Halal Japanese restaurant chain in Malaysia.

Venture Business Division initiates and nurture new businesses which are synergistic with our existing core businesses, thus enabling us to maintain our focus and capitalize on our strengths. The company under this Division is involved in the manufacturing and sale of extruded plastic sheet and biopolymer resin as well as related product research and development activities.

Financial Review

The Covid-19 pandemic dominated the global landscape in 2020 that impacted socio-economic developments, production and trade activities. The first Movement Control Order (18 March 2020 to 3 May 2020) announced by the Malaysian Government helped to stabilize the Covid-19 situation from a national health standpoint at that time, disrupted the Group's business activities. Our operations had to be stopped or reduced during that period and gradually restarted following the new standard operating procedures recommended by the Government which adversely impacted our Restaurant Division.

Nonetheless, I am delighted that the Group was able to remain profitable during the financial year ended 31 December 2020 (FY 2020). The Group's resilience and swift actions to conserve cash, rethink our cost structures, embrace and adapt to the new realities and dramatic shifts in trends resulted in total revenue of RM1.0 billion (FY 2019: RM1.1 billion) and a pre-tax profit of RM1.4 million (FY 2019: 0.8 million) in FY 2020.

PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

a) Revenue and Pre-Tax Profits

Since the start of 2020, even before the first Movement Control Order (18 March 2020 to 3 May 2020) was announced by the Government, the business community especially the retail and food and beverage sectors in Malaysia, have been hit by the Covid-19 pandemic. We were observing falling customer numbers across all our restaurants as news of the pandemic started to gain traction. We took swift action to close a total of 30 non-performing restaurants in Malaysia and Indonesia as well as implementing cost control measures. Our network now comprises 122 restaurants in Malaysia under the Sushi King (117), Hoshino (4) and Miraku (1) brands.

Due to the impairment loss and closure expenses arising from Covid-19, which amounted to RM7.0 million, and restriction of dine-in facilities, the Restaurant Division recorded lower revenue of RM224.2 million (FY 2019: RM297.7 million) and pre-tax loss of RM15.0 million (FY 2019: pre-tax profit RM3.4 million) in FY 2020.

Despite the restrictive conditions, Restaurant Division adapted to the changing landscape through delivery sales and our Sushi King membership apps with targeted marketing activities and promotions. We are pleased to announce that we have a registered membership of 706,377 on our Sushi King apps as at 31 December 2020.

Tenacity and diversification underscored the significant improvements in the performance of our Industrial and Polymer Engineering Divisions.

Amid uncertainties from the US-China trade war, disruption in global supply chain and logistic challenges, our Industrial Division saw the positive progress and fruition in its tenacity to pursue diversification of product mix and better margins resulting in revenue of RM446.5 million (FY 2019: RM442.0 million) and pre-tax profit of RM9.2 million (FY 2019: RM4.6 million) in FY 2020. Our progress in the manufacturing and distribution of latex glove chemicals remain on track.

Polymer Engineering Division recorded revenue of RM214.9 million (FY 2019: RM203.8 million) and pre-tax profit of RM12.3 million (FY 2019: RM0.2 million) in FY 2020. The Division's tenacity towards global leadership in our polymer engineering solutions saw double digit revenue growth in the HDD and Telecommunication business segments. The Division's venture into the Personal Protective Equipment ("PPE") sector, provided us with a more diversified income stream for future growth in the MLS business segment.

Food Division's change management strategies continued to yield positive results recording revenue of RM142.9 million (FY 2019: RM187.5 million) and pre-tax profit of RM2.3 million (FY 2019: RM0.3 million) in FY 2020. The Division will continue to transform its operations through supply chain management and effective cost management.

Venture Division's FY 2019 results include revenue of RM50.0 million and pre-tax profit of RM1.0 million relating to subsidiaries which have reclassified to Restaurant Division and as an associate. Excluding these from FY2019 comparatives, Venture Division recorded revenue of RM6.7 million (FY 2019: RM6.1 million) and a lower pre-tax loss of RM2.8 million (FY 2019: RM5.0 million) mainly due to cost management measures. The industrial trials with customers looking for green solution products were delayed due to restrictive movement controls.

b) Gross Profit Margin

The Group's gross profit decreased from 25.2% in FY 2019 to 22.9% in FY 2020, adversely impacted by lower dine-in revenues from our Restaurant Division due to the various movement control measures to curb the spread of Covid-19.

Cash Flows And Liquidity

The Group's cash and cash equivalent, as at 31 December 2020 is a healthy RM79.0 million, representing an increase of RM5.4 million against RM73.6 million as at 31 December 2019.

The Group's borrowings decreased from RM180.7 million as at 31 December 2019 to RM156.7 million as at 31 December 2020, which lowered our gearing from 0.33 to 0.25. In line with our strategy to conserve cash, we scaled back on our capital expenditure plan and invested RM18.1 million in FY 2020 against RM33.9 million in FY 2019.

PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Way Forward

With various financial stimulus measures by governments and the current global race to deliver the Covid-19 vaccines, there is optimism that the global economy will get better albeit slowly. Moreover, we have learnt from and adapted to the changing business landscapes to remain resilient in FY 2020 despite the business challenges.

The Restaurant Division will continue to tap on our Sushi King membership apps to engage with our customers and beef up our delivery offerings to drive revenue growth. We will maintain an efficient and lean cost structure leveraging on technology and fundamentals built over the years.

The Industrial Division will pursue a transformation roadmap on selective product segments while driving research and development activities to intensify diversification into latex glove chemicals.

Polymer Engineering Division will continue to grow our MLS segment, which had provided us the opportunity to easily diversify into the PPE sector in FY 2020. Our MLS segment growth is on track and HDD will remain a core segment for the Division.

The Food Division will chart a course to move up the value chain leveraging on its network of suppliers and customers while it continues to focus on operational and cost efficiencies. At the time of writing, while our companies in Myanmar continue to operate, these may be impacted by the disruptions caused by Myanmar's current political situation which we are closely monitoring.

Our Venture Business Division will resume collaboration with their customers to commercialize our biopolymer as green solution product as earlier progresses were hindered by the Covid-19 pandemic.

Moving forward, we expect things to be different in the way we operate our business although we will retain the principles that have always guided us and remain confident in our fundamentals. There will always be opportunities in every situation and our diversity will remain our strength to seize such opportunities to strengthen and grow our businesses to deliver long-term value for our valued stakeholders.

Dividend

The Group's ability to pay dividend is subject to our financial performance and position as well as operational requirements. As such the Board of Directors does not recommend any dividend for the current financial year to conserve cash to strengthen the business.

Recognition and Appreciation

On behalf of the Executive Chairman and the Board, we would like to thank our loyal shareholders, financiers, customers, business partners and regulatory authorities for your continued support and confidence in TRB, alongside the hard work and dedicated efforts of our employees and management.



Yap Kee Keong
President & Group CEO

BOARD OF DIRECTORS



TAN SRI DATO' SERI (DR.) FUMIHIKO KONISHI
Executive Chairman

Gender/Age/Nationality

- Male, 77, Japanese

Date of appointment to the Board

- 20 February 1974

Membership of Board Committees

- Chairman of Executive Committee

Working experience/Occupation

- Founder of Texchem Resources Bhd. Group ("TRB Group")
- He is responsible for the overall business strategy for TRB Group from its humble beginnings in 1973 to a diversified manufacturing, services and trading group
- Instrumental in bringing and promoting many other Japanese joint venture groups to Penang and Malaysia
- Executive Chairman of Restaurant Division, Food Division and Industrial Division of TRB Group
- President and Chief Executive Officer of Restaurant Division of TRB Group

Academic/Professional Qualification/Membership(s)

- Bachelor of Pharmacy Degree from Tokyo University of Pharmacy and Life Science
- Bestowed an Honorary Fellowship by the Limkokwing University College of Creative Technology in 2001
- Conferred the Honorary Degree of Doctor Of Science by the Universiti Sains Malaysia in 2013

Directorship in other listed issuers/public companies

- None

Accolades/Recognition

- Granted permanent residency status by the Malaysian Government in 1990
- Bestowed the following honorary titles
 - Darjah Johan Negeri (D.J.N.) by the Governor of Penang in 1991
 - Darjah Setia Pangkuan Negeri (D.S.P.N.) in 1994
 - Darjah Gemilang Pangkuan Negeri (D.G.P.N.) in 2000
 - Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) in 2007
- Awarded Certificate of Commendation from the Minister of Foreign Affairs, Japan in 2007
- Conferred the award "The Order Of The Rising Sun, Gold and Silver Rays" by His Majesty, the Emperor of Japan in 2017
- Minister's Award by the Japan Ministry of Agriculture, Forestry and Fisheries (MAFF) in Tokyo in 2019

Any family relationship with any director and/or major shareholder of the listed issuer

- Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is the father of Dr Yuma Konishi, the Executive Director of TRB
- Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is deemed a major shareholder of TRB and his interest in TRB is set out in the Analysis of Shareholdings section of this Annual Report
- Save as disclosed herein, Tan Sri Dato' Seri (Dr.) Fumihiko Konishi does not have any family relationship with any other director or any major shareholder of TRB

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

Number of board meetings attended in the financial year

- 5/5

BOARD OF DIRECTORS (CONT'D)



MR YAP KEE KEONG

President and Group Chief Executive Officer

Gender/Age/Nationality

- Male, 57, Malaysian

Date of appointment to the Board

- 1 January 2006

Membership of Board Committees

- Member of Executive Committee

Working experience/Occupation

- Joined Texchem Resources Bhd. Group of Companies ("TRB Group") in 1988. Mr Yap Kee Keong has more than 32 years of experience in the sales, marketing and distribution of industrial raw materials as well as manufacturing experience in the polymer manufacturing industry specialising in the electronic and medical devices sectors
- Executive Chairman of Polymer Engineering Division of TRB Group
- President and Chief Executive Officer of Industrial Division of TRB Group
- President and Chief Executive Officer of Corporate Services Division of TRB Group

Academic/Professional Qualification/Membership(s)

- Bachelor of Science (Honours) Degree in Physics from the University of Malaya
- Masters in Business Administration from the University of Portsmouth, United Kingdom

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

Number of board meetings attended in the financial year

- 5/5



DR YUMA KONISHI

Executive Director

Gender/Age/Nationality

- Male, 43, Japanese

Date of appointment to the Board

- 1 January 2020

Membership of Board Committees

- Member of Executive Committee

Working experience/Occupation

- Joined Texchem Resources Bhd. Group of Companies ("TRB Group") in 2005. Dr Yuma Konishi has more than 16 years of experience in the plastics industries and almost a decade spearheading Texchem's venture into medical life sciences industry
- President and Chief Executive Officer of Polymer Engineering Division of TRB Group

Academic/Professional Qualification/Membership(s)

- Bachelor of Science in Industrial Engineering from Nihon University, Chiba, Japan
- Master of Science in Polymer Engineering from The University of Akron, Ohio, USA
- Doctor of Engineering in Chemistry and Materials Science from Tokyo Institute of Technology, Tokyo, Japan
- Member of Penang Strategic Investment Advisory Council (PSIAC)
- Member of the Board of Directors of Association of Malaysian Medical Industries (AMMI), Leader of Membership & Industry Development Committee and Member of Government Affairs Committee of AMMI

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- Dr Yuma Konishi is the son of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, the Executive Chairman and deemed a major shareholder of TRB. The interest of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi is set out in the Analysis of Shareholdings section of this Annual Report

Any conflict of interests that the person has with the listed issuer

- None

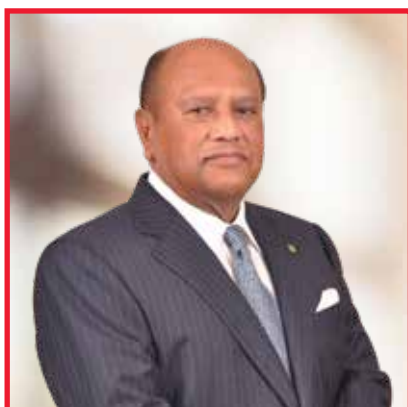
Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

Number of board meetings attended in the financial year

- 5/5

BOARD OF DIRECTORS (CONT'D)



DATO' SERI NAZIR ARIFF BIN MUSHIR ARIFF

Independent Non-Executive Director

Gender/Age/Nationality

- Male, 75, Malaysian

Date of appointment to the Board

- 12 March 2003

Membership of Board Committees

- Nomination Committee (Chairman)
- Audit Committee (Member)
- Remuneration Committee (Member)

Working experience/Occupation

- More than 43 years of business experience in the commodities sector and property development industry
- Holds various directorships, presidentship and committee member of many voluntary organisations in the State of Penang

Academic/Professional Qualification/Membership(s)

- Fellow of the British Institute of Management
- Attended management development programmes in United Kingdom, United States of America and Manila
- Intensive training at the London Metals Exchange in London

Directorship in other listed issuers/public companies

- Executive Deputy Chairman of Aspen (Group) Holdings Limited
- Non-Executive Chairman of Small Medium Enterprise Development Bank Malaysia Berhad

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

Number of board meetings attended in the financial year

- 5/5



CIK ZARIZANA @ IZANA BINTI ABDUL AZIZ

Independent Non-Executive Director

Gender/Age/Nationality

- Female, 55, Malaysian

Date of appointment to the Board

- 18 April 2012

Membership of Board Committees

- Remuneration Committee (Chairman)
- Audit Committee (Member)

Working experience/Occupation

- Partner in Messrs K. Ahmad & Yong from 1996 to 2016, specialising in company incorporation, mergers and acquisition and intellectual property, manufacturing, employment, banking and finance (including Islamic banking and finance), conveyancing construction and development
- Served as an international consultant on legislative reform in Afghanistan, Indonesia (Aceh), Maldives, Myanmar and Timor Leste and judicial trainer in Pakistan and Afghanistan
- Adjunct professor at George Washington University, Washington DC

Academic/Professional Qualification/Membership(s)

- Bachelor of Laws Degree from the University of Sydney Law School, Sydney Australia
- Masters of Laws from Columbia University Law School, New York, United States of America

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

Number of board meetings attended in the financial year

- 5/5

BOARD OF DIRECTORS (CONT'D)



MR JONY RAW

Independent Non-Executive Director

Gender/Age/Nationality

- Male, 65, Malaysian

Date of appointment to the Board

- 2 May 2019

Membership of Board Committees

- Audit Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)

Working experience/Occupation

- More than 45 years of experience in the areas of audit, financial management, corporate finance and corporate secretarial
- Worked with KPMG, Kuala Lumpur before moving on to hold senior positions in several public listed companies
- Joined Texchem Resources Bhd. ("TRB") from 1988 to 2011 and rose to the position of Group Chief Financial Officer
- Appointed as Joint Company Secretary of TRB from 1999 to 2013

Academic/Professional Qualification/Membership(s)

- Member of the Malaysian Institute of Certified Public Accountants (Certified Public Accountant)
- Member of the Malaysian Institute of Accountants (Chartered Accountant)

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

Number of board meetings attended in the financial year

- 5/5

KEY SENIOR MANAGEMENT

MR MASAYUKI SUGINO

*President and Chief Operating Officer
Food Division*

Gender/Age/Nationality

- Male, 64, Japanese

Date of appointment to the key senior management position

- 17 July 2018

Membership of Board Committees

- Member of Executive Committee

Working experience/Occupation

- More than 39 years of experience in fishery, food manufacturing and seafood processing industry involving production, research & development, quality assurance and management

Academic/Professional Qualification/Membership(s)

- Bachelor of Science Degree in Marine Biology & Oceanology from the University of Kyushu, Japan

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

MR YUTO TAGO

*Executive Director
Restaurant Division*

Gender/Age/Nationality

- Male, 41, Japanese

Date of appointment to the key senior management position

- 1 July 2020

Membership of Board Committees

- Member of Executive Committee

Working experience/Occupation

- More than 13 years of experience in investment management, international trading and advisory on business strategy and 5 years of experience in food and beverages industry, food manufacturing industry and food retail industry
- Worked at Mitsubishi Corporation and Dream Incubator Inc. before joining Texchem Resources Bhd. Group in year 2016

Academic/Professional Qualification/Membership(s)

- Bachelor of Commerce and Management from the Hitotsubashi University, Tokyo Japan
- Masters in Business Administration from the Tuck School of Business at Dartmouth New Hampshire, United States of America

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

MISS CATHERINE SIEW SEEN WA

*Group Finance Director and
Joint Company Secretary*

Gender/Age/Nationality

- Female, 55, Malaysian

Date of appointment to the key senior management position

- 29 May 2020

Membership of Board Committees

- None

Working experience/Occupation

- More than 31 years of experience in the areas of audit, taxation, finance and management
- Started her career with Kassim Chan & Co (now known as Deloitte PLT) in 1986
- Over the years, she has held several senior managerial positions in finance in various industries for both private and public companies before joining Texchem Resources Bhd. Group in year 1999

Academic/Professional Qualification/Membership(s)

- Masters in Business Administration from the Southern Cross University
- Member of the Malaysian Institute of Certified Public Accountants (MICPA)

Directorship in other listed issuers/public companies

- None

Any family relationship with any director and/or major shareholder of the listed issuer

- None

Any conflict of interests that the person has with the listed issuer

- None

Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any

- None

GROUP FINANCIAL HIGHLIGHTS

	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue	1,035,299	1,135,966	1,131,481	1,134,298	1,017,748
Profit Before Tax	13,598 ^{<}	6,836 ^{>}	4,698 [^]	815 ^{&}	1,356 [*]
Net Profit/(Loss) Attributable to Owners of the Company	3,213	(3,640)	(6,099)	(6,898)	(2,359)
Total Equity Attributable to Owners of the Company/Net Assets [@]	297,971	272,396	255,420	249,132	247,151
Net Tangible Assets [@]	237,941	213,587	199,538	193,250	191,269
No. of Ordinary Shares Issued ('000)	124,099	124,099	124,099	124,099	124,099
No. of Ordinary Shares Issued Less Treasury Shares ('000)	121,667	121,508	121,508	120,571	120,571
Dividends Paid	10,234	10,055	10,076	-	-
Dividends (%)	10	10	10	-	-
Earnings/(Loss) Per Share (Sen)	2.64	(2.99)	(5.02)	(5.70)	(1.96)
Net Assets Per Share (RM/Share) ^{#@}	2.45	2.24	2.10	2.07	2.05
Net Tangible Assets Per Share (RM/Share) ^{#@}	1.96	1.76	1.64	1.60	1.59
Gearing Ratio (Times) ^{^^}	0.14	0.25	0.33	0.33	0.25

[<] Includes gain on disposal of associates of RM18.70 million, closure costs of RM6.49 million arising from cessation of business by a subsidiary and impairment loss on goodwill of RM2.50 million

[>] Includes gain on deconsolidation of subsidiaries of RM4.83 million, gain on disposal of property, plant and equipment of RM2.42 million, impairment loss on property, plant and equipment of RM2.12 million and closure costs of RM6.21 million arising from cessation of business by subsidiaries

[@] Adjusted for the Company's shares held by a subsidiary of RM3.25 million (2019: RM13.97 million) (2018 and 2017: RM14.32 million) (2016: RM14.60 million) included in capital reserve

[#] Divided by number of ordinary shares issued less treasury shares

^{^^} Gearing ratio is defined as net borrowings (total loans and borrowings less cash and cash equivalents) divided by total equity adjusted for the Company's shares held by a subsidiary of RM3.25 million (2019: RM13.97 million) (2018 and 2017: RM14.32 million) (2016: RM14.60 million) included in capital reserve

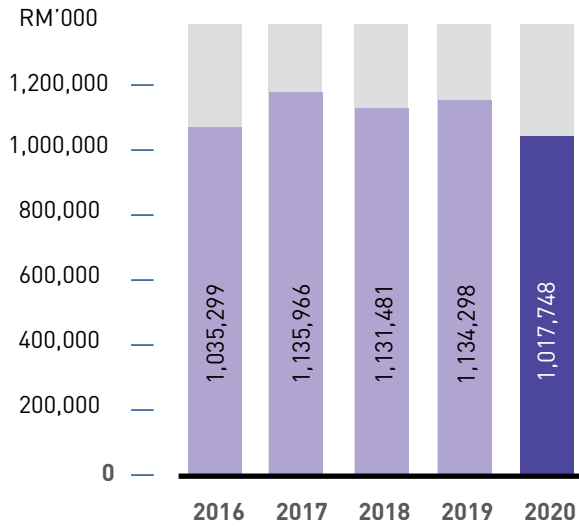
[^] Includes gain on disposal of an associate of RM2.04 million and impairment loss on goodwill of RM2.93 million

[&] Includes gain on disposal of a subsidiary of RM2.32 million and gain on re-measurement of retained interest in an associate of RM2.23 million

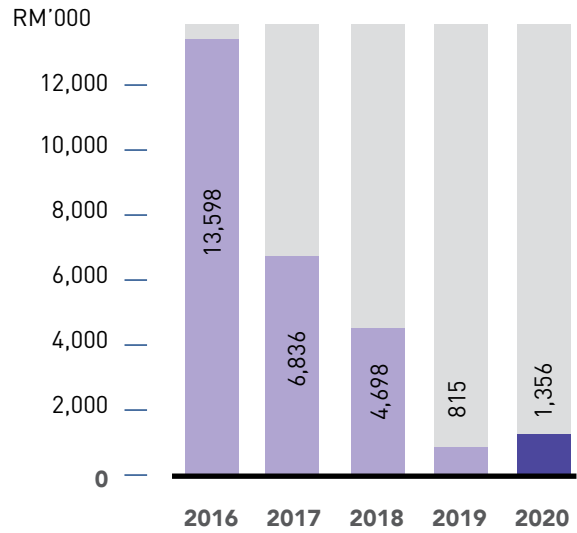
^{*} Includes gain on deconsolidation of subsidiaries of RM0.80 million and impairment loss on property, plant and equipment of RM2.55 million

GROUP FINANCIAL HIGHLIGHTS (CONT'D)

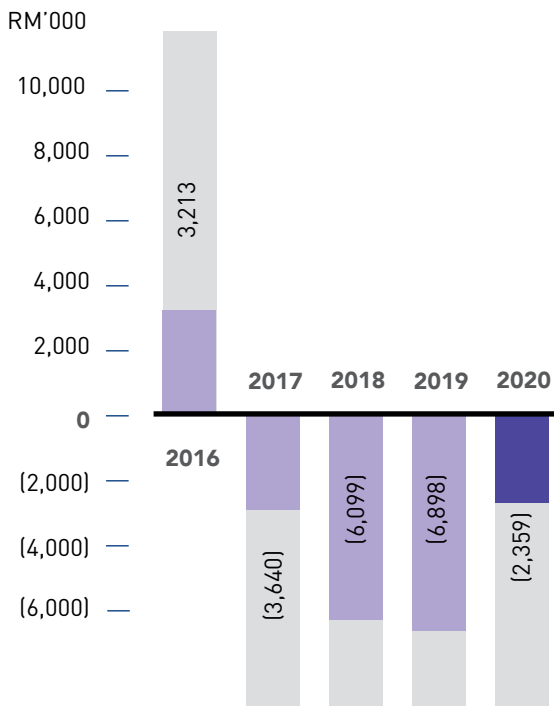
Revenue



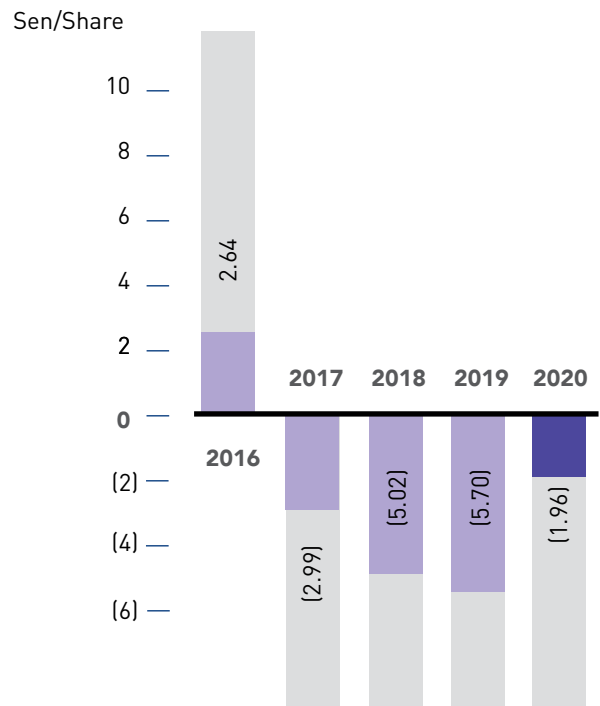
Profit Before Tax



Net Profit/(Loss) Attributable to Owners of the Company



Earnings/(Loss) Per Share (sen)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

President and Group Chief Executive Officer

Yap Kee Keong

Executive Director

Dr Yuma Konishi

Independent Non-Executive Directors

Dato' Seri Nazir Ariff Bin Mushir Ariff

Zarizana @ Izana Binti Abdul Aziz

Jony Raw

EXECUTIVE COMMITTEE

Chairman

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

Members

Yap Kee Keong

Dr Yuma Konishi

Masayuki Sugino

Yuto Tago

AUDIT COMMITTEE

Chairman

Jony Raw

Members

Dato' Seri Nazir Ariff Bin Mushir Ariff

Zarizana @ Izana Binti Abdul Aziz

NOMINATION COMMITTEE

Chairman

Dato' Seri Nazir Ariff Bin Mushir Ariff

Member

Jony Raw

REMUNERATION COMMITTEE

Chairman

Zarizana @ Izana Binti Abdul Aziz

Members

Dato' Seri Nazir Ariff Bin Mushir Ariff

Jony Raw

COMPANY SECRETARIES

Lee Puay Img @ Eng Puay Img

Licence No.: LS 0009427

SSM PC No.: 202008001167

Catherine Siew Seen Wa

MICPA No.: 3318

SSM PC No.: 202108000044

REGISTERED OFFICE

Level 18, Menara Boustead Penang

39 Jalan Sultan Ahmad Shah

10050 Penang

Tel: 604-2296000

Fax: 604-2291430

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd. (Penang)

Suite 18.05, MWE Plaza

No. 8 Lebuhr Farquhar

10200 Georgetown

Pulau Pinang

Tel: 604-2631966

Fax: 604-2628544

AUDITORS

KPMG PLT

LLP0010081-LCA & AF 0758

Chartered Accountants

Penang

Tel: 604-2382288

Fax: 604-2382222

PRINCIPAL BANKERS

Malayan Banking Berhad

HSBC Bank Malaysia Berhad

Hong Leong Bank Berhad

CIMB Bank Berhad

RHB Bank Berhad

AmBank (M) Berhad

SOLICITORS

Presgrave & Matthews

Zaid Ibrahim & Co.

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock name: TEXCHEM

Stock code: 8702

Listing date: 17 May 1993

SUBSIDIARIES

Please refer to the Corporate Structure section of this Annual Report for the list of subsidiaries of the Company

WEBSITE

www.texchemgroup.com

E-MAIL ADDRESS

trb@texchemgroup.com

EXECUTIVE COMMITTEE

TERMS OF REFERENCE

To assist the Board of Directors ("Board") in decision-making by undertaking the necessary business deliberations and operational activities necessary for the day-to-day running of the organisation and to seek necessary Board approvals where applicable.

AUDIT COMMITTEE

TERMS OF REFERENCE

Objective

1. The principal objective of the Audit Committee (AC) is to assist the Board in fulfilling its oversight responsibilities of the Group's financial reporting process and internal control system.

Membership

2. The AC shall be appointed by the Board from among its members and shall consist of no fewer than three (3) non-executive directors. All AC members should be non-executive directors, with a majority of them being independent directors.
All members of the AC shall be financially literate and at least one (1) member should be a member of an accountancy association or body.
3. The AC shall elect a Chairman from among its members who shall be an Independent Non-Executive Director. In the absence of the Chairman, the remaining members present shall among themselves elect a Chairman who must be an independent director to chair the meeting.
4. In the event of any vacancy in the AC resulting in the non-compliance with 2 above, the Board of Directors shall fill the vacancy within three months.

Authority

5. The AC is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.
6. The AC is authorised by the Board to obtain external, legal or independent professional advice and to secure the attendance of such external advisors with relevant experience in meetings, if considered necessary.
7. The AC is authorised to convene meetings with the external auditors, internal auditors or both, without the presence of Management, other directors and employees, whenever deemed necessary.
8. The AC is authorised to have direct communication channels with the external auditors, internal auditors or both.

Duties

9. The duties of the AC shall be
 - (a) Oversight of financial reporting and its process:
 - (i) Review the quarterly unaudited financial statements of the Group with Management and recommend to the Board of Directors for consideration and approval;
 - (ii) Review the annual audited financial statements of the Company and the Group with Management and the external auditors and recommend to the Board of Directors for consideration and approval and;
 - (iii) Review the Group's Statement on Risk Management and Internal Control with Management and the external auditors and presenting to the Board for consideration and approval for inclusion in the Annual Report.

AUDIT COMMITTEE (CONT'D)

9. The duties of the AC shall be (cont'd)
- (b) Oversight of external auditors and evaluation of the external audit process:
 - (i) Review with them, their audit plan, scope and areas of audit;
 - (ii) Review with them, their understanding of the internal control environment and systems obtained in the course of designing their audit procedures;
 - (iii) Review with them, their audit report;
 - (iv) Review with them, their management letters and management responses;
 - (v) Review with them, the adequacy of the co-operation given by the Company's officers in the course of audit; and
 - (vi) Review with Management, the performance, competency, independence and suitability of the external auditors for recommendation to the Board for reappointment, the audit fee and any matter of their resignation or dismissal.
 - (c) Oversight of internal auditors and evaluation of the internal audit process:
 - (i) Review the adequacy of the scope, functions, competency and resources of the Internal Audit function, and that it has the necessary authority to carry out its work;
 - (ii) Review the annual Internal Audit plan, process and results of the Internal Audit activities including investigation and their evaluation of the Group's governance, risk management and internal control environment, systems and processes, and where necessary, ensure that appropriate actions are taken by Management on the recommendations of the Internal Audit function;
 - (iii) Review annually the performance of the Internal Audit function;
 - (iv) Review the annual performance appraisal or assessment of the Internal Audit staff including the adequacy of Internal Audit resources;
 - (v) Approve any appointment or termination of senior staff members of the Internal Audit function; and
 - (vi) Take cognizance of resignation of Internal Audit staff members and provide the resigning staff members an opportunity to submit their reasons for resigning.
 - (d) Sustainability Reporting
 - (i) Review the Group's Sustainability Statement with Management and presenting to the Board for consideration and approval for inclusion in the Annual Report.
 - (e) Corporate Governance Reporting
 - (i) Review the Group's Corporate Governance Overview Statement and Corporate Governance Report with Management and presenting to the Board for consideration and approval for inclusion in the Annual Report and Company's website respectively.
 - (f) Related Party Transactions and Share Buy-back Statement
 - (i) Review with Management the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and statement for the proposed renewal of existing share buy-back authority and presenting to the Board for consideration;
 - (ii) Review and approve the inclusion of the AC statements on the procedures for Recurrent Related Party Transactions in the said Circular;
 - (iii) Review with Management to ensure actual related party transactions are within limits approved by shareholders;
 - (iv) Review with Management any related party transactions or conflict of interest situations that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
 - (g) To consider any other functions as may be agreed between the AC and the Board of Directors.

Attendance, Quorum and Frequency of Meeting

10. The Chairman of the AC should engage on a continuous basis with senior Management, such as the Chairman, Group Chief Executive Officer, Group Chief Financial Officer / Group Finance Director, Chief Audit Executive and the external auditors in order to be kept informed of matters affecting the Company and the Group.
11. The Group Chief Financial Officer / Group Finance Director, Chief Audit Executive, and representatives of the external auditors shall normally attend meetings. Other Board members and employees may attend meetings upon invitation of the AC. However, the AC shall meet with the external and internal auditors without the presence of Executive Board members and Management at least twice a year and whenever necessary.
12. In order to form a quorum in the AC meeting, the majority of members present must be Independent Directors.
13. The Committee shall meet not less than 4 times a year. The external auditors may request for a meeting if they consider necessary.
14. Questions arising at any meeting of the AC shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the AC shall have a second or casting vote.

Minutes

15. The Chief Audit Executive shall act as Secretary to the AC. The Minutes of each AC meeting shall be kept at the registered office and distributed to each member of the AC and other members of the Board. The AC Chairman shall report on each meeting to the Board.
16. The minutes of the AC meetings shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

REMUNERATION COMMITTEE

TERMS OF REFERENCE

Objective

In accordance with the Malaysian Code on Corporate Governance, the Remuneration Committee is set up to provide recommendations to the Board of Directors ("Board") on:

- a) A formal and transparent procedure for developing the remuneration policy that meets the Company's business strategies and long-term objectives.
- b) The remuneration of the Executive Directors and senior management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine. The individuals concerned should abstain from discussion of and voting on his or her own remuneration.

Size and Composition

The Remuneration Committee shall consist wholly of Non-Executive Directors and a majority of them must be independent Directors. The members of the Remuneration Committee shall elect a Chairman from amongst its members.

Meetings

The Remuneration Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

Secretaries

The Company Secretaries shall act as Secretaries of the Remuneration Committee and shall be responsible for keeping minutes of meetings of the Remuneration Committee and circulating them to the Remuneration Committee members.

Duties and Responsibilities

- 1) To determine and recommend to the Board the framework or broad policy for the remuneration, in all forms, of the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board, having regard to the Company's operating results, individual performance, comparable market statistics and drawing from outside advice as necessary.
- 2) To determine and recommend to the Board the remuneration packages and any performance related pay schemes for the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board.
- 3) To determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments.
- 4) To report to the Board any matters that the Remuneration Committee considers should be brought to the attention of the Board and to provide sufficient information to the Board to ensure that the Board makes an informed decision in relation to the Remuneration Committee's recommendations.
- 5) To produce any required reports as may be required from time to time.
- 6) To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.
- 7) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.
- 8) The Chairman shall attend the Annual General Meetings to answer any questions relating to the Remuneration Committee's activities.

NOMINATION COMMITTEE

TERMS OF REFERENCE

Objective

In accordance with the Malaysian Code on Corporate Governance, the Nomination Committee is set up to provide recommendations to the Board of Directors ("Board") on the candidates for all directorships of Texchem Resources Bhd. ("TRB"). Final decision on the appointment of any directors of TRB shall be made by the Board.

The Nomination Committee shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of skills, knowledge, experience, independence and diversity (diversity in gender, ethnicity and age). An annual review of the mix of skills, knowledge, experience and other core competencies of the Board shall be made by the Nomination Committee.

Size and Composition

The composition of Nomination Committee must not be less than (2) members. The Nomination Committee shall comprise wholly of Non-Executive Directors, the majority of whom are independent. The members of the Nomination Committee shall elect a Chairman from amongst any of its members who shall be an Independent Director. The Chairman shall attend the Annual General Meetings and provide response to questions addressed to the Chairman.

Meetings

The Nomination Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

The Nomination Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing in lieu of formally convening a meeting. The Circular Resolution shall be as valid and effectual as if it has been passed by a meeting of the Nomination Committee duly convened.

Notice

The Company Secretaries shall issue and circulate the notice for the Nomination Committee's meetings at least five (5) working days before each meeting to the members and invitees.

Secretaries

The Company Secretaries shall act as Secretaries to the Nomination Committee and shall be responsible for keeping minutes of meetings of the Nomination Committee and circulating them to the Nomination Committee members.

NOMINATION COMMITTEE (CONT'D)

Duties and Responsibilities

- 1) To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments thereof and/or the appointment of Directors as the Nomination Committee deems necessary.
- 2) To consider, in making its recommendations, candidates for directorships proposed by the President/Managing Director/Chief Executive Officer of TRB, any other senior executive or any other Director or shareholder of TRB or identified via independent sources, as well as make recommendations to put in place the plans for succession, in particular for the Chairman/President and the Managing Director/Chief Executive Officer. Factors to be taken into consideration when considering any candidates are as follows:
 - (a) skills, knowledge, expertise and experience;
 - (b) character, professionalism and integrity;
 - (c) age, gender, background; and
 - (d) in the case of candidates for the position of independent non-executive directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive directors.
- 3) To conduct a performance evaluation annually in order to assist the Board to review the required mix of skills, knowledge, experience, independence, diversity (diversity in gender, ethnicity and age) and other qualities including core competencies which Directors should bring to the Board and to assess the effectiveness of the Board as a whole and any other committees of the Board and the contributions of each individual Director of TRB based on the process and procedures laid out by the Board.
- 4) To review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee.
- 5) To review the induction and training needs of Directors under the continuing education programmes.
- 6) To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director.
- 7) To recommend Directors who are retiring by rotation to be put forward for re-election.
- 8) To recommend to the Board the Directors to fill the seats on any committees of the Board.
- 9) To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities.
- 10) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

Review of the Terms of Reference

The Terms of Reference shall be reviewed and updated as and when necessary and the Nomination Committee shall recommend any change to its Terms of Reference as the Nomination Committee deems appropriate to the Board for approval.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Seventh Annual General Meeting (“47th AGM”) of the Company will be held on a fully virtual basis through live streaming from the Broadcast Venue at Boardroom, Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang on Thursday, 27 May 2021 at 10.30 a.m. for transacting the following businesses:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon.*
2. To re-elect the following Directors who retire in accordance with Article 22.3 of the Company’s Constitution and who being eligible offer themselves for re-election:
 - (i) Dato’ Seri Nazir Ariff Bin Mushir Ariff; and
 - (ii) Cik Zarizana @ Izana Binti Abdul Aziz.
3. To approve the Directors’ Fees of RM740,000 for the financial year ended 31 December 2020 (2019: 560,000).
4. To approve the payment of Directors’ benefits of RM30,000 to the three (3) members of the Audit Committee for the financial year ended 31 December 2020 (2019: RM35,000).
5. To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2021 and to authorise the Directors to fix their remuneration.
6. SPECIAL BUSINESS
To consider and if deemed fit to pass the following Ordinary Resolutions:

(A) Continuing in office as Independent Non-Executive Directors

“**THAT** subject to the passing of Ordinary Resolution 1, authority be and is hereby given to Dato’ Seri Nazir Ariff Bin Mushir Ariff who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company.”

“**THAT** subject to the passing of Ordinary Resolution 2, authority be and is hereby given to Cik Zarizana @ Izana Binti Abdul Aziz who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company.”

(B) Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016

“**THAT** subject always to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 and Section 76 of the Act to allot and issue shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority as abovementioned shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

Ordinary Resolution 5

Ordinary Resolution 6

Ordinary Resolution 7

Ordinary Resolution 8

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(C) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

Ordinary Resolution 9

"**THAT** subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties as set out in Part A [section 2.4(A)] of the Circular to the Shareholders of the Company dated 26 April 2021 ("Proposed Mandate") which transactions are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and/or its subsidiaries on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company AND THAT such approval shall only continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the 47th AGM, at which time it will lapse unless such authority is renewed by a resolution passed at the next AGM of the Company;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company, whether solely or jointly, be and are hereby authorised to complete and do all such acts and things including executing such relevant documents as they may consider expedient or necessary to give effect to the Proposed Mandate."

(D) Proposed Renewal of Existing Share Buy-Back Authority

Ordinary Resolution 10

"**THAT** subject to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and other applicable laws, rules, regulations and guidelines of the relevant authorities, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares in the Company's total number of issued shares through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit subject to the following:

- (a) the aggregate number of shares which may be purchased and/or held by the Company shall not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being ("Texchem Shares");
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing the Texchem Shares shall not exceed the total retained profits of the Company;
- (c) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the 47th AGM in which the resolution is passed at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM is required by law to be held; or
- (iii) revoked or varied by ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earlier, but so as not to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and in any event, in accordance with the Main Market Listing Requirements of Bursa Securities or any other relevant authorities;

- (d) upon completion of the purchase(s) of the Texchem Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Texchem Shares in the following manner:
 - (i) to cancel the Texchem Shares so purchased; and/or
 - (ii) to retain the Texchem Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or for cancellation subsequently; and/or
 - (iii) to retain part of the Texchem Shares so purchased as treasury shares and cancel the remainder; and/or
 - (iv) to transfer the Texchem Shares or any of the Texchem Shares for the purpose of or under an employees' share scheme; and/or
 - (v) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities or as may be deemed necessary by the Directors and to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company."

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 47th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 19.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 20 May 2021. Only a depositor whose name appears on the Record of Depositors as at 20 May 2021 shall be entitled to attend the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

BY ORDER OF THE BOARD

LEE PUAY IMG @ ENG PUAY IMG (Licence No.: LS 0009427) (SSM PC No.: 202008001167)
 CATHERINE SIEW SEEN WA (MICPA No.: 3318) (SSM PC No.: 202108000044)
 Company Secretaries

Penang
 Date: 26 April 2021

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:

- * This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 ("Act") does not require approval of the shareholders and hence, is not put forward for voting.
- 1. The 47th AGM will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting Facilities ("RPV Facilities") which are available on Securities Services e-Portal ("SSeP") at <https://www.sshsb.net.my/>. Please follow the procedures provided in the Administrative Guide for the 47th AGM in order to register, participate and vote remotely via RPV Facilities.
- 2. The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Act which stipulates that the Chairman of the meeting shall be present at the main venue of the 47th AGM and in accordance with Article 19.4 of the Company's Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the Members of the Company to participate and to exercise the Members' right to speak and vote at the general meeting. The Members or their proxies may submit questions to the Company at trb@texchemgroup.com no later than **21 May 2021, 5.00 p.m.** or via real time submission of typed texts through a text box within SSeP's platform during live streaming of the 47th AGM as the primary mode of communication. In the event of any technical glitch in the primary mode of communication, shareholders and proxies may email their questions to eservices@sshsb.com.my during the 47th AGM. Relevant questions and/or remarks submitted by the shareholders and/or proxies will be broadcasted and responded by the Chairman/Board/relevant adviser.
- 3. Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") and Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the Annual General Meeting ("AGM") and that such proxy need not be a Member.
- 4. Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 5. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director or its attorney duly authorised in writing. The instrument appointing a proxy authorises the proxy(ies) to demand or join in demanding a poll.
- 6. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly notarised certified copy of that power or authority may be made in hardcopy form or by electronic means in the following manner and shall be received by the Company not less than forty-eight (48) hours before the time for holding the meeting or adjournment thereof:
 - a) In Hardcopy Form

The proxy form shall be deposited at the Company's Registered Office at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 Penang, Malaysia.
 - b) By Electronic Means

The proxy form shall be electronically lodged via SSeP's platform at <https://www.sshsb.net.my/> or by email to eservices@sshsb.com.my.
- 7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 47th AGM of the Company shall be put to vote by way of poll.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES:

(i) Ordinary Resolutions 3 and 4

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this AGM on the Directors' fees for the financial year ended 31 December 2020 and Directors' benefits for the three (3) members of the Audit Committee, all of whom are Independent Non-Executive Directors, for the financial year ended 31 December 2020.

The Directors' benefits is RM10,000 per annum for each member of the Audit Committee.

(ii) Ordinary Resolution 6

The proposed Ordinary Resolution 6 is to seek shareholders' approval to allow Dato' Seri Nazir Ariff Bin Mushir Ariff to continue to act as an Independent Non-Executive Director until the conclusion of the next AGM of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Board has vide its Nomination Committee conducted an assessment and reviewed the independence of Dato' Seri Nazir Ariff Bin Mushir Ariff who has served as an Independent Non-Executive Director for a cumulative term of more than twelve (12) years. The Board is satisfied with the results and recommended that the resolution be put up for shareholders' approval through a two-tier voting process for Dato' Seri Nazir Ariff Bin Mushir Ariff to remain as an Independent Non-Executive Director based on the following justifications:

The Board is of the view that Dato' Seri Nazir Ariff's expertise, broad international experience and vast experience in various industries provide the Board with a diverse set of experience and expertise which enhances the skills and experience profile of the Board. The Board is confident that his length of service on the Board does not in any way interfere with his duties as an Independent Non-Executive Director of the Company.

(iii) Ordinary Resolution 7

Cik Zarizana @ Izana Binti Abdul Aziz, who was appointed as an Independent Non-Executive Director on 18 April 2012, has served the Board for more than nine (9) years.

The proposed Ordinary Resolution 7, if passed, will allow Cik Zarizana @ Izana Binti Abdul Aziz to continue to act as an Independent Non-Executive Director until the conclusion of the next AGM of the Company.

Pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance, the Board has vide its Nomination Committee conducted an assessment and reviewed the independence of Cik Zarizana @ Izana Binti Abdul Aziz. The Board is satisfied with the results and recommended that the resolution be put up for shareholders' approval to allow Cik Zarizana @ Izana Binti Abdul Aziz to continue as an Independent Non-Executive Director based on the following justifications:

The Board believed that with Cik Zarizana's legal background and qualifications, expertise and extensive legal knowledge and experience in the international legal arena, she has made and continues to make valuable contribution through her role as Chairman of Remuneration Committee and a member of Audit Committee. The Board is confident that Cik Zarizana is capable of carrying out her duties and responsibilities independently and objectively notwithstanding her tenure on the Board.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(iv) Ordinary Resolution 8

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 25 June 2020 and the said mandate will lapse at the conclusion of this 47th AGM.

This Ordinary Resolution, if passed, will give the Directors of the Company from the date of this 47th AGM, the authority to allot and issue ordinary shares in the Company up to an aggregate of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being pursuant to Section 75 and Section 76 of the Act ("Renewed Mandate"). This Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for purposes of funding future investment project(s), working capital and/or acquisitions without any delay and without incurring additional expenses in convening a general meeting to approve the issuance of such shares.

(v) Ordinary Resolution 9

This Ordinary Resolution, if passed, will empower the Company and/or its subsidiaries to enter into the recurrent related party transactions of a revenue or trading nature which are necessary for the Company and/or its subsidiaries' day-to-day operations provided that such transactions are being carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those available to the public and are not to the detriment of the minority shareholders of the Company.

This authority, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part A of the Circular to the Shareholders of the Company dated 26 April 2021.

(vi) Ordinary Resolution 10

This Ordinary Resolution, if passed, will enable the Company to purchase its own shares up to 10% of the total number of issued shares of the Company (inclusive of shares that have been purchased and/or retained as treasury shares). This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part B of the Circular to the Shareholders of the Company dated 26 April 2021.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements)

1. Details of individuals who are standing for election as Directors

No individual is seeking election as a Director (excluding Directors standing for re-election) at the Forty-Seventh (47th) Annual General Meeting of the Company.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 1 to 2 of the Notice of 47th Annual General Meeting are stated in the section on the Profile of Directors in this Annual Report.

2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the general mandate to allot securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are stated in the Explanatory Note (iv) of the Notice of the 47th Annual General Meeting as set out in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Texchem Resources Bhd. (“Company”) is entirely committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles, practices and guidances set out in the Malaysian Code on Corporate Governance (“Code”) issued by the Securities Commission Malaysia on 26 April 2017 to enhance its accountability, transparency and sustainability. In addition, the Board follows global developments of internationally recognised corporate governance practices and though the Board is already in compliance with many respects, it continually reviews the corporate governance processes adopted by the Company and its subsidiaries (collectively “the Group”) and strives to make appropriate adjustments to reflect its position as a good corporate citizen. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring Board effectiveness in enhancing shareholder value.

The Board presents this statement to provide shareholders with an overview of the corporate governance (“CG”) practices of the Company which were based on the principles and best practices as set out in the Code, the governance standards prescribed in the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the requirements under the Companies Act 2016 and applied under the leadership of the Board during the financial year ended 31 December 2020.

This overview statement is to be read together with the CG Report 2020 (“CG Report”) of the Company which is available on the Company’s website at www.texchemgroup.com. The detailed explanation on the application of the corporate governance practices are reported under the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Responsibilities

The Board acknowledges its pivotal role in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and the Board oversees the establishment of goals for Management and monitors the achievement of these goals. Operational effectiveness, cost rationalisation and human capital management continue to be the key areas of focus for the Group.

The Board is led by the Executive Chairman and the Group Chief Executive Officer (“CEO”) whose roles are separated. The Executive Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions; and the Executive Chairman works with the Board and the Group CEO to develop strategies for the Group’s future growth whereas the Group CEO is responsible for the day to day management of the business as well as the implementation of Board policies and decisions.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has set up various Board Committees to assist the Board. The Board Committees set up by the Board are:-

- (a) Executive Committee (“EXCO”)
- (b) Audit Committee (“AC”)
- (c) Nomination Committee (“NC”)
- (d) Remuneration Committee (“RC”)

The EXCO, AC, RC and NC play a pivotal role in channeling pertinent operational and assurance related issues to the Board. The Board Committees partly function as a filter to ensure that only pertinent matters are tabled at the Board level. All Board Committees have written Terms of Reference which can be found at the Company’s website www.texchemgroup.com and in this Annual Report. There is also a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, for Directors to obtain independent professional advice at the Company’s expense.

The prime objective of the Company’s Board Charter is to set out the principles governing the Board of the Company and adopts the principles and practices of good corporate governance in the management of the Company. The Board is guided by the Board Charter which outlines, *inter alia*, the duties and responsibilities of the Board, Board Committees, Chairman, CEO, Individual Directors and Management, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, CEO and Management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board has also formalised a Code of Conduct and Ethics (“CoCE”) to govern the conduct of the Directors, Management and employees in the operation of the Company. The CoCE includes mechanism amongst others, a whistleblower policy for the Company’s Directors and employees as well as external parties to report genuine suspicions of non-compliance without fear of retribution or retaliation.

With the introduction of the new corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board established the Anti-Corruption Policy and Procedures (“ACPP”) which were formulated based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister’s Department. The ACPP including the revised CoCE and the Vendor Code of Conduct were approved by the Board on 15 May 2020. The ACPP was designed to assist Directors and employees to identify and avoid corrupt acts and to provide guidance on the standards of behaviour which all Directors and employees must adhere to. Further details pertaining to the Board Charter, CoCE, ACPP and Vendor Code of Conduct are set out in the CG Report. The Board Charter, CoCE and Vendor Code of Conduct can be found at the Company’s website, www.texchemgroup.com.

The Group is committed towards sustainable development and believes that sustainable corporate success requires the highest standard of corporate behavior including measuring up to public expectations on its economic, environmental, social and corporate governance responsibilities. As a socially responsible citizen, the Company shall approach the process of addressing higher expectations of economic, environmental, social and corporate governance responsibilities as part of how the Company normally works and thinks. The Group’s effort in this regard including the corporate responsibility activities in the financial year under review have been set out in the Sustainability Statement in this Annual Report. A copy of the Sustainability Policy is available on the Company’s website at www.texchemgroup.com.

Every Director has unhindered access to the advice and services of the Company Secretaries. The Company Secretaries are accountable directly to the Board on all matters to do with the proper functioning of the Board and provide unimpeded advice and services to the Company’s Director, as and when the need arises. The Company Secretaries also ensure that the Board Committees function effectively based on the respective Terms of Reference.

The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and/or the Group. The Directors are provided with relevant and timely information on matters to be discussed or considered at meetings of the Board and Board Committees.

II Board Composition

The NC comprised the following members during the financial year under review:

Members	
Dato’ Seri Nazir Ariff Bin Mushir Ariff	Chairman, Independent Non-Executive Director
Jony Raw ⁽¹⁾	Independent Non-Executive Director
<u>Former member</u>	
Dato’ Danny Goon Siew Cheang ⁽²⁾	Independent Non-Executive Director

Notes:

⁽¹⁾ Appointed as a member of NC on 25 June 2020.

⁽²⁾ Resigned as a member of NC on 25 June 2020.

The NC met one (1) time on 16 December 2020. The meeting was attended by all members of the NC. Tan Sri Dato’ Seri (Dr.) Fumihiko Konishi and Cik Zarizana @ Izana Binti Abdul Aziz were invited by the Chairman of the NC to attend the meeting.

The NC consists entirely of Non-Executive Directors, all of whom are independent.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The NC is empowered by the Board and its Terms of Reference to bring to the Board recommendations as to the appointment of new Directors and appointment of Directors to Board Committees. The NC also keeps under review the Board structure, size and composition, the Board succession planning as well as training programmes. The changes made to the Board composition during the financial year under review until the date of this statement are as follows:

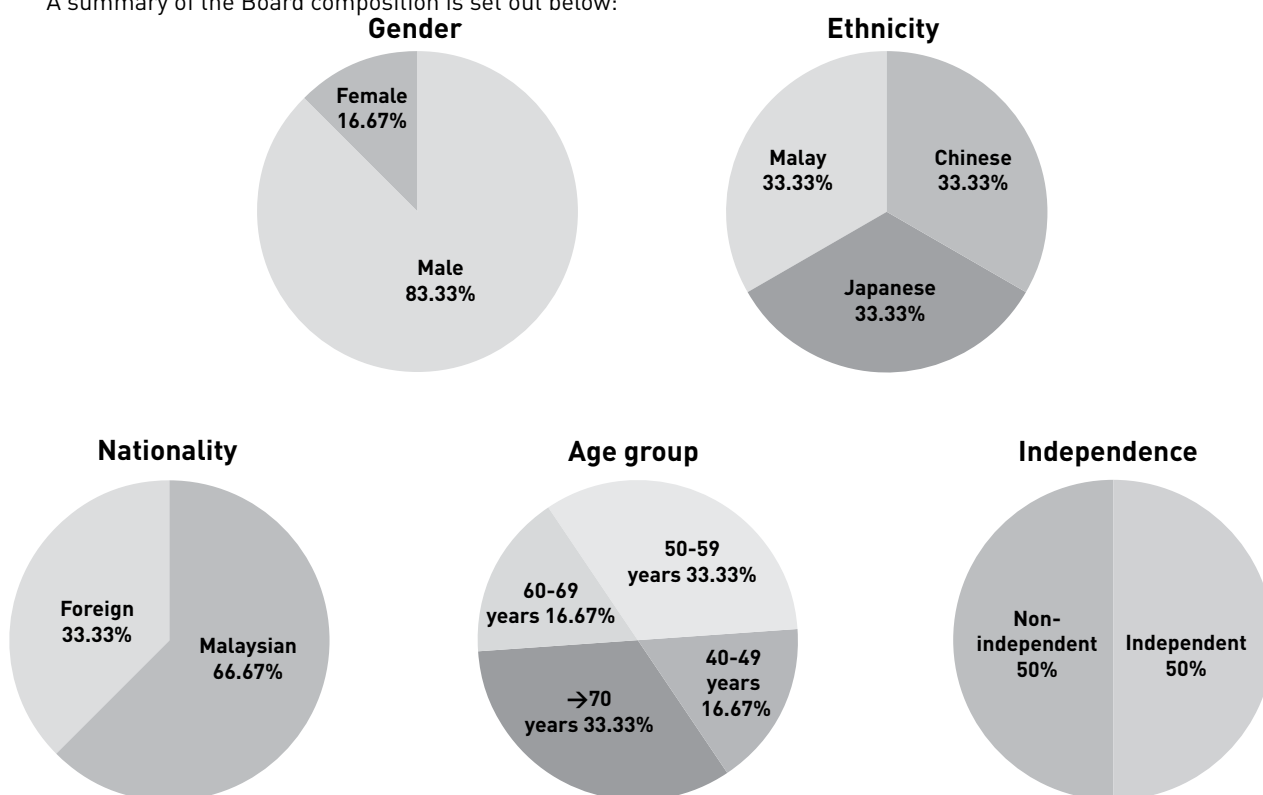
1. Resignation of Dato' Danny Goon Siew Cheang as Independent Non-Executive Director of the Company on 25 June 2020.
2. Resignation of Mr Akihiko Hijioaka as a Non-Independent Non-Executive Director of the Company on 1 January 2021.

The activities undertaken by the NC for the financial year ended 31 December 2020 were as follows:

1. Reviewed the overall composition of the Board and Board Committees.
2. Conducted the annual assessment and the performance evaluation of the individual Directors and the Board as a whole; summarised the results of the annual assessment and the performance evaluation and reported to the Board on the outcome of such assessment.
3. Reviewed the succession planning of Directors and Senior Management.
4. Reviewed the independence of the Directors.
5. Conducted the assessment on the AC and each of its members.
6. Made recommendation to the Board for the re-election of the Directors who are subject to retirement at the forthcoming Annual General Meeting ("AGM").
7. Made recommendation to the Board for the adoption of the amended Terms of Reference of the NC.

As at the date of this statement, the Board consists of six (6) members; comprising three (3) Independent Non-Executive Directors and three (3) Executive Directors. The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, legal, marketing and operations. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

A summary of the Board composition is set out below:



The Board has achieved the recommendation in Practice 4.1 of the Code by having Board composition where half of the Board comprises independent directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Board takes note that Practice 4.2 of the Code provides that the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Based on the review of the Board's composition and assessment of individual Directors, the Board is of the view that the independence of the Independent Non-Executive Directors of the Company should not be determined solely or arbitrary by their tenure of service. The Board is confident that the current Board is able to exercise objective judgment on business and corporate affairs in the presence of the Independent Non-Executive Directors. As at the date of this Statement, Dato' Seri Nazir Ariff has served the Board for more than twelve (12) years while Cik Zarizana has served the Board for more than nine (9) years. They have retained independence of character and judgement, and are able to express their views without any constraint.

The Board ordinarily meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be made in between the scheduled meetings. During the financial year under review, the Board met five (5) times on 26 February 2020, 26 June 2020, 30 July 2020, 23 October 2020 and 16 December 2020 where it deliberated upon and considered various matters.

Details of each Director's meeting attendance during the financial year are as follows:

Meetings Attended (Out of 5)		
Current Directors		
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	Executive Chairman	5/5
Yap Kee Keong	President and Group CEO	5/5
Dr Yuma Konishi	Executive Director	5/5
Dato' Seri Nazir Ariff Bin Mushir Ariff	Independent Non-Executive Director	5/5
Zarizana @ Izana Binti Abdul Aziz	Independent Non-Executive Director	5/5
Jony Raw	Independent Non-Executive Director	5/5
Former Directors		
Akihiko Hijioka ⁽¹⁾	Non-Independent Non-Executive Director	5/5
Dato' Danny Goon Siew Cheang ⁽²⁾	Independent Non-Executive Director	1/1

Notes:

⁽¹⁾ Resigned as Non-Independent Non-Executive Director on 1 January 2021

⁽²⁾ Resigned as Independent Non-Executive Director on 25 June 2020

Based on the level of time commitment demonstrated by individual Directors in attending Board meetings, Board Committee meetings and AGMs, the Board is confident that the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company.

All Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) conducted by Bursatra Sdn Bhd.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During the financial year under review, all Directors have attended various training programmes and seminars, details as set out below, to enhance their knowledge and expertise:

Directors	Training/ Seminars/ Conferences
Current Directors	
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	<ul style="list-style-type: none"> Leading a People - First Future in a Resilient World
Yap Kee Keong	<ul style="list-style-type: none"> Leading a People - First Future in a Resilient World
Dr. Yuma Konishi	<ul style="list-style-type: none"> Mandatory Accreditation Programme for Directors of Public Listed Company Leading a People - First Future in a Resilient World
Dato' Seri Nazir Ariff Bin Mushir Ariff	<ul style="list-style-type: none"> Directors' Education Programme Leading a People - First Future in a Resilient World
Zarizana @ Izana Binti Abdul Aziz	<ul style="list-style-type: none"> Fraud Risk Management workshop Leading a People - First Future in a Resilient World
Jony Raw	<ul style="list-style-type: none"> Leading a People - First Future in a Resilient World
Former Directors	
Akihiko Hijioka ⁽¹⁾	<ul style="list-style-type: none"> Leading a People - First Future in a Resilient World
Dato' Danny Goon Siew Cheang ⁽²⁾	<ul style="list-style-type: none"> Not applicable

Notes:

⁽¹⁾ Resigned as Non-Independent Non-Executive Director on 1 January 2021.

⁽²⁾ Resigned as Independent Non-Executive Director on 25 June 2020.

The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

III Remuneration

The RC comprised the following members during the year under review:

Members	
Zarizana @ Izana Binti Abdul Aziz	Chairman, Independent Non-Executive Director
Dato' Seri Nazir Ariff Bin Mushir Ariff	Independent Non-Executive Director
Jony Raw ⁽¹⁾	Independent Non-Executive Director
<u>Former member</u>	
Dato' Danny Goon Siew Cheang ⁽²⁾	Independent Non-Executive Director

Notes:

⁽¹⁾ Appointed as a member of RC on 25 June 2020.

⁽²⁾ Resigned as a member of RC on 25 June 2020.

During the financial year under review, the RC met two (2) times on 22 January 2020 and 26 February 2020. The meetings were attended by all the members of the RC.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The RC consists of Non-Executive Directors, all of whom are independent.

The RC is responsible for, *inter alia*, recommending to the Board the remuneration of the Executive Directors and Senior Management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

The Board has in place a Remuneration Policy and Procedures, which is designed to:-

- (a) provide an overall remuneration package for Directors and Senior Management which is able to attract, engage and retain the right talent and to motivate Directors and Senior Management to drive the Company's long term objectives and to ensure business sustainability and growth; and
- (b) ensure that the Directors and Senior Management are offered an appropriate level of remuneration which is in line with the Company's strategic objectives and corporate value and which will not give rise to conflicts between the objectives and interests of the Company and the interests of individual Directors and Senior Management.

The RC assisted the Board to set up and implement the Remuneration Policy and Procedures by developing and administering fair and transparent procedures relating to determining, reviewing, assessing and recommending the remuneration packages for the Directors and Senior Management.

The Board will recommend the Director's fees and other benefits payable to Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016. Details of the remuneration of Directors and Senior Management for the year under review are provided in the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The AC of the Company comprised 3 Independent Non-Executive Directors and was chaired by Mr. Jony Raw during the year ended 31 December 2020.

All AC members are financially literate and the AC's composition and performance are reviewed by the NC annually and recommended to the Board for its approval.

In order to maintain an independent and effective AC, the NC ensures that all AC members appointed are Independent Non-Executive Directors who are financially literate with an appropriate level of expertise and experience and a strong understanding of the Company and Group's business. Further details on the AC are set out in the AC Statement of this Annual Report.

II Risk Management and Internal Control Framework

The Board fulfills its responsibilities in risk governance by providing oversight of the Group's overall risk management process and risk exposure.

The Divisional Management and the Chief Risk Officer assessed and monitored the suitability and effectiveness of the risk management controls and measures taken whilst the adequacy and compliance of these and related internal controls were reviewed by the AC in conjunction with the activities and reports of the Internal Audit.

The Board is of the view that the system of risk management and internal control in place during the year was sound and sufficient to safeguard the Group's assets, shareholders' investments and the interests of customers, employees and other stakeholders. Details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with stakeholders

The Company acknowledges the importance of transparent, timely and equal dissemination of quality material information to shareholders, investors and public at large. As such, the Board observed the Corporate Disclosure Guide issued by Bursa Malaysia Berhad which can be viewed from Bursa Securities' website at www.bursamalaysia.com as well as adhering to and complying with the disclosure requirements of the Listing Requirements.

The Company reaches out to its shareholders through the distribution of its annual report, quarterly financial results announcements, circulars to shareholders, press release and the various disclosures and announcements made to Bursa Securities.

In addition, the Company maintains a corporate website with links to Bursa Securities' website, through which shareholders may access for among others the latest information on the Company, the Board Charter and Terms of Reference of Board Committees.

II. Conduct of General Meetings

The Company's AGM is an important means of communication with shareholders. The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the AGM. Shareholders will be accorded ample opportunity and time to raise questions and concerns, and the Board and Senior Management will provide appropriate answers and clarifications. The key element of the Company's dialogue with its shareholders at the AGM is the opportunity to gather views of, and answer questions from, both individual and institutional shareholders on all issues relevant to the Company.

In view of the outbreak of COVID-19 and the guidance issued by the Securities Commission Malaysia and standard operating procedure regarding physical distancing issued by the Ministry of Health, the Company's Forty Sixth AGM ("46th AGM") in 2020 was held as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting Facilities ("RPV"). The Notice of the 46th AGM was issued twenty-eight (28) days before the AGM date.

To ensure effective participation of and engagement with shareholders, the Company encouraged the shareholders and proxies to submit their questions electronically to the Company before and during the AGM. Members of the Board, Senior Management and external auditors were present at the broadcast venue of the 46th AGM to respond to questions raised by the shareholders or proxies.

The Company had conducted poll voting via RPV for all resolutions set out in the Notice of the 46th AGM. The shareholders were provided with the Administrative Guide which sets out the guidelines for shareholders and proxies on the conduct and voting procedures in a fully virtual meeting together with the Notice of the 46th AGM. The results of the poll were verified by the independent scrutineer, Commercial Quest Sdn Bhd. The Company continues to explore on ways to leverage on technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company.

This CG Overview Statement was approved by the Board of the Company on 12 April 2021.

AUDIT COMMITTEE STATEMENT

MEMBERSHIP

The composition of the Audit Committee during the year was as follows:

Mr. Jony Raw, Chairman, Independent Non-Executive Director
 Dato' Seri Nazir Ariff Bin Mushir Ariff, Independent Non-Executive Director,
 Cik Zarizana @ Izana Binti Abdul Aziz, Independent Non-Executive Director.

On 25 June 2020, Dato' Danny Goon Siew Cheang retired and ceased to be a member of the Audit Committee.

MEETINGS

During the year, the Audit Committee (AC) convened a total of seven (7) meetings, of which two (2) meetings were with the external and internal auditors without the presence of Management. The AC meetings were held on 25 February, 20 May, 25 June, 29 July and 22 October 2020.

All meetings were held with sufficient notification and with agenda being distributed to the members. The AC members attended all the meetings.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the AC discharged its duties in accordance with its terms of reference as follows:

Oversight of Financial Reporting and its process

- Reviewed with Management before recommending to the Board for consideration, the quarterly unaudited financial statements of the Group and ensured that they were in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Bursa's Malaysia Main Market Listing Requirements (MMLR)
- Reviewed with Management and external auditors before recommending to the Board for consideration, the annual audited financial statements of the Company and the Group and ensured that they were in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Bursa Malaysia's Main Market Listing Requirements (MMLR)
- Reviewed with Management and external auditors on changes in or implementation of major accounting policy changes, if any and significant matters relating to financial reporting, significant judgements made by Management, significant and unusual events or transactions and resolution of these matters
- Reviewed with Management and external auditors before presenting to the Board for consideration, the Group's Statement on Risk Management and Internal Control for inclusion in the Annual Report.

Oversight of External Auditors and evaluation of the external audit process

- Reviewed with them, their annual Audit Plan and strategy, scope of work and reporting requirements for the year
- Reviewed with them, their understanding of the system of internal controls obtained in the course of designing their audit procedures, recommendations for improvement, management letters and management responses thereon
- Reviewed with them, their audit report
- Confirmed with them, their audit independence
- Reviewed with them without the presence of Management, matters arising from the external audit or any other issues, of which there were no significant issues that should be brought to the AC and Board's attention
- Reviewed with them without the presence of Management, and confirmed that the cooperation given by the Company's officers during the audit was adequate
- Reviewed with Management, their audit fees and annual evaluation of their performance, technical competency, audit independence and suitability before recommending to the Board their reappointment. Further information on the assessment of the external auditors by the AC is provided in the Corporate Governance Report in accordance with Practice 8.3 of the Malaysian Code of Corporate Governance. In 2020, the non-audit fees incurred amounted to RM21,000 and RM438,000 for the Company and Group constituting approximately 30% and 35% of the total fees of RM71,000 and RM1,240,000 respectively. The non-audit fees were mainly for tax compliance and transfer pricing documentation.

AUDIT COMMITTEE STATEMENT (CONT'D)

Oversight of Internal Auditors and evaluation of the internal audit process

- Reviewed and approved the annual risk based Internal Audit Plan on the audit frequency and timing, work scope, areas of audit focus and adequacy of resources
- Reviewed and approved the annual Internal Audit cost budget
- Reviewed the quarterly Internal Audit Departmental reports and audit progress with Plan
- Reviewed the Internal Audit Reports, audit findings, recommendations for improvement and management's responses to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system
- Reviewed with them without the presence of Management, matters arising from the internal audit or any other issues, of which there were no significant issues that should be brought to the AC and Board's attention
- Conducted an annual evaluation of the performance of the Internal Audit function
- Reviewed the annual performance appraisal and assessment of the Internal Audit staff.

Sustainability Reporting

- Reviewed with Management the Group's Sustainability Statement with Management and presented to the Board for consideration and approval for inclusion in the Annual Report.

Corporate Governance Reporting

- Reviewed with Management the Group's Corporate Governance Overview Statement and Corporate Governance Report and presented to the Board for consideration and approval for inclusion in the Annual Report and Company's website respectively.

Related Party Transactions and Share Buy-back

- Reviewed with Management the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and Statement for the proposed renewal of existing share buy-back authority and presented to the Board for consideration
- Reviewed and approved the inclusion of the AC statements on the procedures for Recurrent Related Party Transactions in the said Circular
- Reviewed with Management to ensure actual related party transactions were within limits approved by shareholders.

INTERNAL AUDIT FUNCTION

The Internal Audit function is established to add value and improve the Group's operations by conducting independent and objective assurance and consulting activities to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system in achieving corporate objectives.

The in-house Internal Audit function reports administratively to the Group Chief Executive Officer and functionally to the AC which reviews the adequacy of the scope and resources of the Internal Audit function as well as the competency and experience of the internal auditors. Further information on the resources, objectivity and independence of the Chief Audit Executive and internal auditors is set out in the Corporate Governance Report in accordance with Practice 10.2 of the Malaysian Code of Corporate Governance.

During the year, the Internal Audit conducted assurance assignments in accordance with the annual risk based plan. The AC reviewed with Management the audit findings, management's responses and their action plans. Follow-up reviews were also conducted by the Internal Audit function to ensure that audit matters were adequately addressed by Management. More information on the Internal Audit function is set out in the Corporate Governance Report in accordance with Practice 10.1 of the Malaysian Code of Corporate Governance.

In 2020, the total cost of the Internal Audit function comprising staff payroll and benefits, staff training, office rental, travelling and incidental costs amounted to approximately RM508,000. (2019:RM547,000).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD'S RESPONSIBILITY

The Board of Directors ("Board") affirms its responsibility for the integrity, adequacy and effectiveness of Texchem Resources Bhd Group's (the "Group") risk management and internal control system. This system covers governance, enterprise risk management, strategic, organisational, financial, operational, regulatory and compliance controls.

The Board recognises that the system is an ongoing process designed to manage, rather than eliminate the risk of not complying with the Group's policies and achieving its long-term strategic objectives. Therefore, the system provides reasonable, but not absolute assurance against the occurrence of any material misstatement of information, loss or fraud.

During the year, Management has assisted the Board in implementing the Board's policies and procedures on risks and control by:

- Identifying, analysing and evaluating risks
- Designing, executing and monitoring of suitable controls to manage key risks
- Identifying emerging risks or changes in risks, taking appropriate remedial action and highlighting for the Board's attention.

KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES AND PROCESSES

The key features and processes that have been established to ensure the adequacy and effectiveness of the Group's governance, risk management and internal control system are as follows:

a) Organisational and Reporting Structure

- The Group has an organisational structure with clearly defined lines of responsibility and delegation of authority. A hierarchical reporting system is in place with appropriate authority limits, proper segregation of duties, annual budgeting, monthly reporting of variances between the actual and budgeted results for corrective action to be taken and human resource management policies. Policies and procedures to ensure compliance with risk management, internal controls and relevant laws and regulations are set out in the standard operating procedures of the individual companies.

b) Strategic Plan

- The Group has a 5 year strategic plan approved by the Board. This long-term plan is reviewed and updated every 5 years or earlier in tandem with changes in the market and business environment. A review of the achievement of these plans is conducted for further management remedial action, as and when required.

c) Executive Committee

- An Executive Committee ("EXCO") was established by the Board to manage the Group's key risks and operations in accordance with its annual budget and long-term strategic objectives and strategies as well as the policies and business directions as approved by the Board. The EXCO executes the strategies approved by the Board and addresses issues arising from changes in the external environment and internal operating conditions.

d) Risk Management Framework

- The Group has an Enterprise Risk Management ("ERM") framework in line with ISO31000 aligned with corporate objectives and embedded in the daily operations of individual companies. The ERM system is an ongoing and systematic process to identify, analyse, evaluate, respond, monitor and report on risks.
- The Group has a Risk Management Policy which is a statement of its overall intention and commitment to adopt and use enterprise risk management to achieve corporate objectives. The policy which is available on the Company's website applies to the Company and its subsidiaries excluding associates.
- The current risk governance structure comprises the following namely:
 - i) Individual companies' management and risk owners who perform and monitor day-to-day risk management activities and controls.
 - ii) Risk and compliance oversight in which the Group Chief Risk Officer and Divisional Management and their risk officers are responsible for designing, reviewing and improving the risk management framework and process to ensure effective risk management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

d) Risk Management Framework (cont'd)

- The current risk governance structure comprises the following namely: (cont'd)
 - iii) The provision of independent assurance by the Internal Audit function on the adequacy and effectiveness of risk management and internal control system.
 - iv) Board oversight and monitoring of the effectiveness of the Group's risk management activities and internal controls.

e) Risk Management Process

- At individual company level, risks were identified, analysed and evaluated using risk (heat) maps currently based on their likelihood of occurrence and severity of consequence expressed as financial impact on their cash flows and profits. Risks were rated as critical, high, moderate and low in which key risks identified would comprise mainly critical, high and moderate risks. Risk controls were delegated to risk owners for execution, monitoring and improving their effectiveness.
- Every six (6) months, the Management of individual companies will review the relevance of existing risks and assess new ones. The respective company's own risk profile is updated after assessing the suitability and effectiveness of the risk controls.
- The Divisional President/CEO then reviews the divisional risks and their control effectiveness with individual companies' Management. The Risk Report by each Divisional President/CEO is then submitted to the Chief Risk Officer at the corporate headquarters for review.
- The Chief Risk Officer who is also the Group Chief Human Resources Officer has reviewed and presented the Group's Risk Report and updated the Board every six (6) months on the status of the Group's enterprise risk management process, changes in risk profiles and their controls in place.

f) Group's Anti-Corruption Policy and Procedures

- Since June 2020, the Group has implemented its Anti-Corruption Policy and Procedures based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister's Department pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The Anti-Corruption Policy and Procedures were designed to assist Directors and employees to identify and avoid corrupt acts and provide guidance on the standards of behaviour which all Directors and employees must adhere to. The Anti-Corruption Policy and Procedures including the revised Code of Conduct and Ethics and the Vendor Code of Conduct were approved by the Board on 15 May 2020. Formal trainings for Directors and employees were conducted in 2019 and during the year. The Group shall continue with its effort in strengthening the measures put in place in relation to its Anti-Corruption Policy and Procedures.

g) Risk Management Assurance

- The Group's in-house Internal Audit function has conducted independent audits on major subsidiaries on the adequacy and effectiveness of their governance, enterprise risk management and internal control systems, operational effectiveness, compliance with policies and procedures and highlighted findings of non-compliance, control deficiencies and recommendation for improvement.
- An enterprise risk based annual audit plan setting out the audit frequency, areas of audit focus and scope of work has been approved by the Audit Committee at the beginning of the year.
- During the year, the Internal Audit function has provided the Board, Audit Committee and Management with reports on the audit findings, recommendations for improvement and management's responses and action plans. The Internal Audit has also provided the Board and Audit Committee with updates on the subsequent execution of the management's action plans. Audit issues and action taken by Management were discussed and deliberated during the Audit Committee meetings. Minutes of the Audit Committee meetings which recorded these deliberations were tabled to the Board. A summary of these issues, if material and other matters highlighted by the Internal Audit for the year was also tabled for the Board's attention at year end.
- As part of its quality assurance and improvement programme, the Internal Audit function conducts an annual internal assessment of its conformance to the International Standards for the Professional Practice of Internal Auditing (the "Standards") and Code of Ethics of the Institute of Internal Auditors (US) and provides the assessment results to senior Management, Audit Committee and Board at year end. These assessment results are validated independently by an external assessor once every 5 years, the last being 2018 by the Institute of Internal Auditors Malaysia.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

g) Risk Management Assurance (cont'd)

- At year end, the Chief Audit Executive has provided assurance to senior Management, Audit Committee and the Board that during the year the Internal Audit function and activities were conducted in conformance to the Standards and Code of Ethics and the audit assignments were also undertaken objectively and independently, free from any conflicts of interest and relationships, and in accordance with the Group's Internal Audit Charter.

h) Assurance by President and Group Chief Executive Officer and Group Finance Director

- The Board has also received assurance from the President and Group Chief Executive Officer and Group Finance Director that the risk management and internal control systems of the Company and its subsidiaries were operating adequately and effectively, in all material aspects based on the risk management and internal control system adopted during the year.

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide ("AAPG") 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31 December 2020, and reported to the Board that nothing has come to their attention that caused them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issues, or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This Statement was approved by the Board on 19 April 2021.

This Statement on Risk Management and Internal Control does not cover the associates as disclosed in Note 5 to the financial statements.

CONCLUSION

The Board is of the view that the risk management and internal control system in place during the year under review and up to the date of approval of this Statement was sound and adequate to safeguard shareholders' investment, the interests of customers, regulators, employees and other stakeholders of the Group.

SUSTAINABILITY STATEMENT

Message From Chairman Of Sustainability Steering Committee

Dear Valued Stakeholders,

We are pleased to share with you our 2020 Sustainability Report which details Texchem Resources Bhd's ("TRB") initiatives to address sustainability related matters pertaining to our shareholders and other stakeholders. TRB aspires to achieve sustainability excellence in our business activities by integrating sustainability elements into our business and aligning them to our vision, core values and business philosophies. This sustainability reporting applies to TRB and all its subsidiaries and as in 2019, is based on three aspects; Economic, Environment and Social ("EES").

Year 2020 has been a challenging year for businesses and people around the world when COVID-19 started. At the onset of the pandemic, we tackled the situation with a 9-pronged strategic plan outlined under Economic sustainability in this report. However, despite these difficult conditions, we stayed true to our commitment and continued to place great emphasis to manage and oversee EES factors related to our business. We continued to drive sustainability in line with TRB's business values and philosophy which are represented by the 3 pillars of Sustainability, Green and Health and Safety. Our people, in whichever part of the world they were in, worked together, strongly embracing our core values of innovation, accountability, competency, empowerment and empathy. Together as one, we at Texchem, persevered and navigated through the challenges brought about by the COVID-19 pandemic and we kept the company resilient by quickly reacting to the ever changing and uncertain environment then.

In year 2020, we continued to place emphasis on our most important asset which is our employees. We upskilled our employees and organised activities to keep them engaged under the new normal. With the first detected outbreak of COVID-19 in Malaysia, trainings pertaining to this was given throughout the year. Advisory Booklets were also distributed as e-booklets to our employees to ensure they understood the SOP, stayed safe, engaged and motivated whether they were working from home or in the workplace during the various Movement Control Order (MCO).

Another important aspect for TRB is cultivating the value of empathy among our people. Despite all the adversity and personal challenges brought about by the pandemic, our people contributed generously to the "Back to School" campaign organised by our Cultural Ambassadors. Other CSR activities carried out in 2020 included the donation of our own produced face shields, hand sanitisers and surface disinfectants to various government organisations, government hospitals and some not-for-profit organisations.

At the juncture of this report, we are still in the midst of Covid-19 pandemic. We shall continue to strengthen our resilience by enhancing our sustainability and business practices to ensure that the strong foundation build over the last four decades progress well into the future.

I would like to end my statement by thanking our shareholders for placing their confidence in us. I would also like to express my appreciation to our employees around the world who helped steer TRB through times of uncertainty. We shall continue to fulfil the expectations of our various stakeholders through our passion and perseverance to keep striving and we shall continue to pursue our effort to deliver growth and ensure a sustainable future for all.

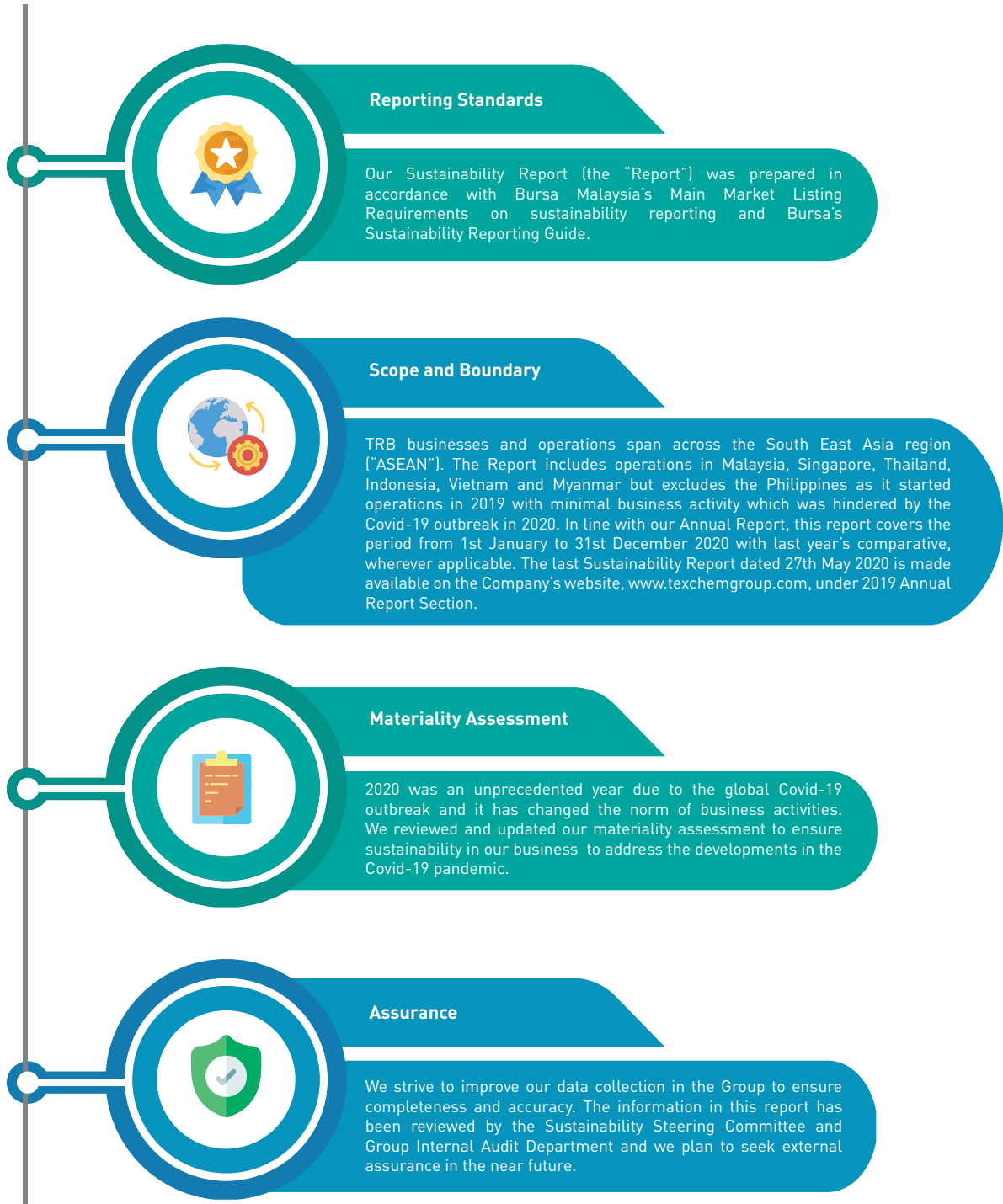
Thank you.

Yap Kee Keong

Chairman, Sustainability Steering Committee

SUSTAINABILITY STATEMENT (CONT'D)

1. Sustainability 2020



SUSTAINABILITY STATEMENT (CONT'D)

WE ARE STRATEGICALLY POISED FOR **GLOBAL SUCCESS**



2. Sustainability Policy

TRB's Sustainability Policy can be found in our website at www.texchemgroup.com

3. Sustainability Governance

For effective sustainability management, the Group has the following governance structure.

- a) **TRB Board**
TRB is governed by the Board of Directors which sets out and oversees the sustainability framework consisting of vision, mission and sustainability strategy based on Economic, Environment and Social ("EES") pillars. The Board has approved the Group's Sustainability Policy.
- b) **Sustainability Steering Committee**
The Board has delegated the Group's sustainability management to the Sustainability Steering Committee chaired by the President & Group Chief Executive Officer ("Group CEO"). The Sustainability Steering Committee comprises Heads of the respective Business Divisions and key corporate functional departments as set out below:

SUSTAINABILITY STATEMENT (CONT'D)

Board of Directors (Board)			
Sustainability Steering Committee Chairman President & Group CEO			
President & CEO Industrial Division	President & CEO Polymer Engineering	President & CEO Restaurant Division	President & COO Food Division
President & CEO Venture Business	Finance Director Group Finance Department	Chief HR Officer Group HR	Legal Director Corporate Legal & Secretarial
Sustainability Working Committee			
Economic Committee Corporate Finance	Environment Committee Presidential Office	Social Committee Group HR	Corporate Communications

The roles of Sustainability Steering Committee are as follows:

- Identify and recommend to the Board on the sustainability strategies for approval and adoption
- Ensure EES aspects are incorporated in sustainability strategies
- Monitor and provide timely updates to the Board on the diligence and timely implementation and execution of sustainability strategies
- To oversee the preparation of Sustainability Report in accordance with the Sustainability Reporting Guide of Bursa Malaysia.

c) Sustainability Working Committee

The Sustainability Working Committee reports to the Sustainability Steering Committee and is responsible for implementing and executing the strategies set by the Sustainability Steering Committee.

The Sustainability Working Committee’s roles and responsibilities are as follows:

- Conduct sustainability assessment with stakeholder engagement
- Responsible for drafting action plans on material sustainability matters to be tabled to the Sustainability Steering Committee for approval
- Implement and execute the approved action plans
- Monitor and report on a timely basis on the performance and results on the implementation of action plans.

During the year, the activities undertaken by the Working Committee are as follows:

Date	Activities
2-Mar-20	Reviewed Sustainability Report for 2019 Establish scope for 2020
18 Mar 20 – 8 May 20	During the Movement Control Order (“MCO”) in Malaysia: - Formed Covid-19 taskforce to ensure smooth continuity of the business operations - Strengthened cashflow management - Established new businesses and new norms in operations - Constant engagement with the employees and supply chain
10-Jun-20	1st Virtual Meeting Assessed the impact of Covid-19 pandemic to the business particularly on the implementation of sustainability strategies, review and update action plans to move forward.
30-Nov-20	2nd Virtual Meeting Final review of the action plans and outcomes Discussed and agreed on deadline to conclude the 2020 Report

SUSTAINABILITY STATEMENT (CONT'D)

4. Materiality Assessment

4.1 Sustainability assessment process

Steps	Processes
1. Identification	<ul style="list-style-type: none"> Assessing relevant topics that affect TRB & its stakeholders Assessing its current situation and impact
2. Materiality Assessment	<ul style="list-style-type: none"> Conduct a materiality assessment under the Sustainability Working Committee by taking into consideration EES impact on stakeholders as well as TRB The significance of the EES impacts are as follow: <ul style="list-style-type: none"> Economic Performance Regulatory Compliances Energy Efficient & Carbon Footprint Employee Wellness & Engagement Occupational Safety & Health Talent Management Local Community Food Safety
3. Management & Implementation	<ul style="list-style-type: none"> The topics identified were implemented across the 5 divisions with its operations in ASEAN The assessment will involve Sustainability Working Committee and validated by Sustainability Steering Committee and audited by Internal Audit Department
4. Review	<ul style="list-style-type: none"> Feedback from the divisional representative after consultation with their respective operations shall be taken into consideration for further improvements Input from Internal Audit Department, functional department, top management and external parties shall be taken into consideration for improvements Sustainability Working Committee meeting on a quarterly basis shall discuss and deliberate the feedback for execution

4.2 Relevant Sustainability Matters

Economic	Economic Performances & Business continuity	<ul style="list-style-type: none"> Generate sustainable financial performances to fulfill our obligation to our shareholders A stringent cash flow management process to enable the group to sustain the impact of Covid-19 pandemic
	Corporate Governance & Regulatory Compliances	<ul style="list-style-type: none"> Upholding integrity to preserve stakeholders' interest Complying to laws & regulations Implementation of MACC (Amendment) Act 2018 'Zero tolerance' to corruption and bribery
Environment	Energy Efficiency & Carbon Footprint	<ul style="list-style-type: none"> Efficient use of energy and contribute positively to GHG emission through the development of our bioplastic (TEXa)
Social	Employee Wellness & Engagement	<ul style="list-style-type: none"> Regular employees' engagement to attract and retain good employees To create conducive working environment Embrace diversity in the workplace
	Safety & Health	<ul style="list-style-type: none"> Maintain a safe and healthy work environment Covid-19 taskforce and SOPs
	Talent management	<ul style="list-style-type: none"> Training & Skills development to upgrade employees' performances
	Community Investment	<ul style="list-style-type: none"> Good corporate citizen Corporate Social Responsibility activities
	Food Safety	<ul style="list-style-type: none"> Minimize risks of negative impacts on safety and health for our customers Adhere to stringent international standards in food processing and handling

SUSTAINABILITY STATEMENT (CONT'D)

5. Stakeholder Engagement

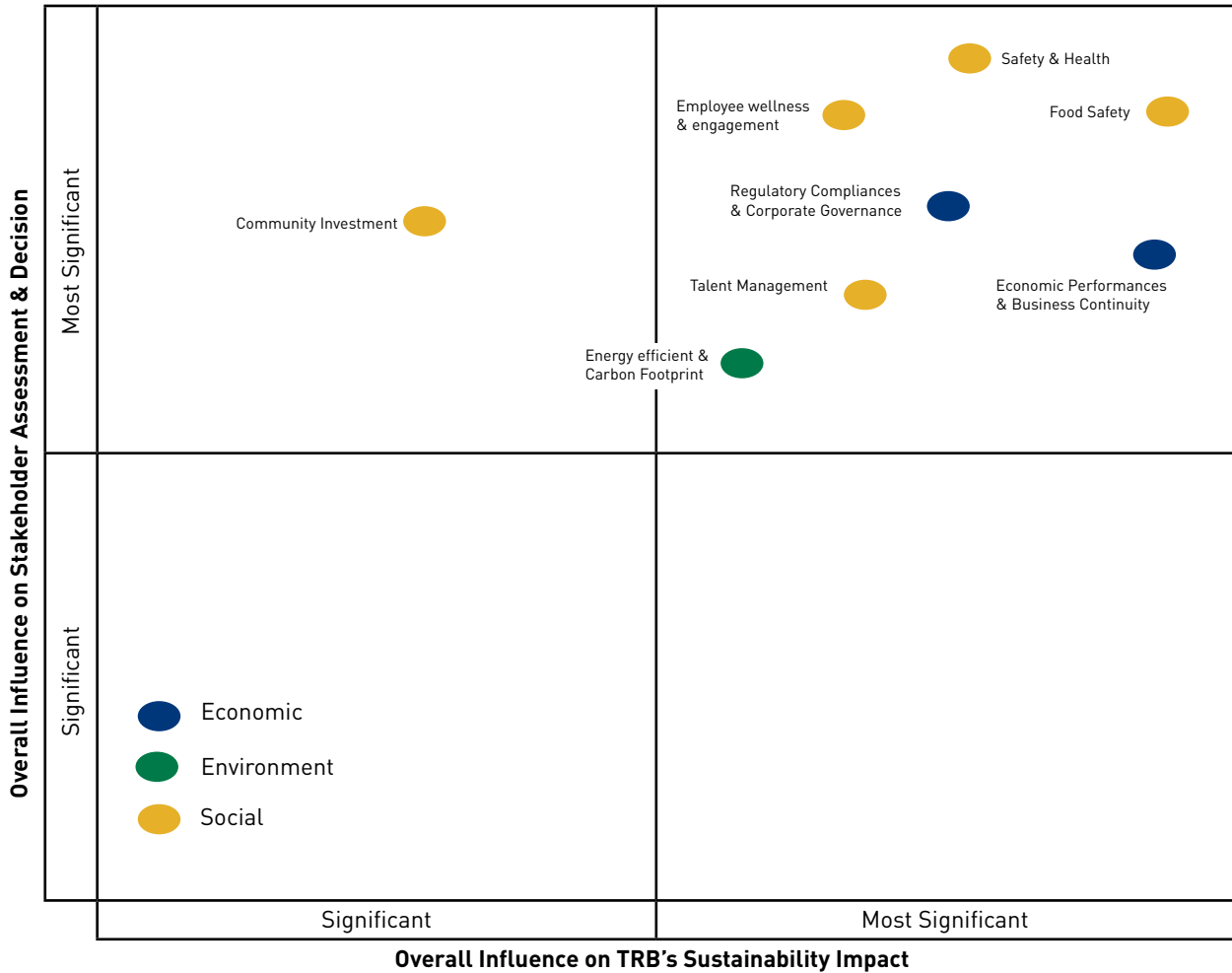
TRB continued to play a holistic role to support the divisional business with the various stakeholders as follows:

Stakeholders	Engagement Methods / Frequency	Areas of Interest
Shareholders & Investors	<ul style="list-style-type: none"> Annual General Meeting Quarterly financial results Press releases Corporate website 	<ul style="list-style-type: none"> Timely financial reporting & updates Business management & governance
Customers	<ul style="list-style-type: none"> Weekly / monthly customer engagement & interaction Annual customer satisfaction survey 	<ul style="list-style-type: none"> Safe & quality products Creating total solutions Timely delivery
Suppliers	<ul style="list-style-type: none"> Relationship management Engagement & meetings 	<ul style="list-style-type: none"> Sustainable and consistency in supply Quality of goods & services Fair and mutual agreements
Employees	<ul style="list-style-type: none"> Annual Performance Development Review Employee Satisfaction Survey (Restaurant Division) Education and training programs Volunteerism and internal engagement initiatives 	<ul style="list-style-type: none"> Employee engagement Employee long term development and career planning Building high performance culture Talent management Organisation development Healthy and safe work environment
Government & Regulators	<ul style="list-style-type: none"> Frequent meetings with government officials by Public Relation Director Consultative activities Industry events & seminars. 	<ul style="list-style-type: none"> Compliance with regulations, laws and by-laws Responsible corporate citizen
Media	<ul style="list-style-type: none"> Press releases Media interviews Advertisement 	<ul style="list-style-type: none"> Accuracy of information Business strategy and plans Corporate social responsibility related activities
Community	<ul style="list-style-type: none"> Corporate social responsibility program Corporate volunteering program 	<ul style="list-style-type: none"> Foster better relationship & partnership Uplifting the needy groups in society
Bankers	<ul style="list-style-type: none"> Timely updates of business developments Quarterly updates of the group financials Visit the key personnel of banks at least once a year Maintain transparency in dealing with bankers 	<ul style="list-style-type: none"> Maintain good relationship Procurement of banking facilities at competitive rates Timely updates of the economic outlook, foreign exchange rates and other related matters

SUSTAINABILITY STATEMENT (CONT'D)

6. Materiality Sustainability Matters

In 2020, the materiality Sustainability Matter remain unchanged and was reflected by the following matrix.



SUSTAINABILITY STATEMENT (CONT'D)

7. Managing Sustainability

Financial Highlights

We are committed to creating sustainable value for our customers, shareholders, employees and the local communities in which we operate. We maintain our positive economic performance in generating sustainable financial and economic returns for the Group's business continuity.

The Group generates economic value in a number of ways. Full information is included in our audited financial statements as part of our 2020 Annual Report, but a summary is provided below:

DIRECT ECONOMIC VALUE GENERATED	
Total Revenue	
2020: RM1.018 billion	
2019: RM1.134 billion	
ECONOMIC VALUE DISTRIBUTED	
Total Operating Costs (excluding depreciation, impairment, staff costs & benefits)	
2020: RM790.4 million	
2019: RM877.8 million	
Staff Costs & Benefits	
2020: RM165.4 million	
2019: RM188.3 million	
Income Tax Expenses	
2020: RM7.6 million	
2019: RM8.3 million	

SUSTAINABILITY STATEMENT (CONT'D)

Economic

1. Corporate Governance & Regulatory Compliance

We recognise that good corporate governance and ethical practices are essential to building and maintaining a sustainable business and earning the trust and confidence of our stakeholders. Therefore, we are committed to a high standard of ethical conduct and integrity in our business activities.

TRB’s Anti-Corruption Policy and Procedures (“ACPP”), which were formulated based on the Guidelines on Adequate Procedures issued by the Prime Minister’s Department, are designed to assist Directors and employees to identify and avoid corrupt acts and to provide guidance on the standards of behaviour to which all Directors and employees must adhere.

The ACPP including the revised Code of Conduct and Ethics (“CoCE”) and the Vendor Code of Conduct (“VCoC”) were approved by the Board on 15 May 2020. Our CoCE and VCoC are available on our website www.texchemgroup.com.

The following trainings were held to enhance employees’ awareness on the latest development of anti-corruption law in Malaysia and the Company’s policy:

No.	Date	Remarks
1	17 Jan 2020	MACC (Amendment) Act 2018 – Understanding Corporate Liabilities
2	13 Mar 2020	MACC Act (Penang Office)
3	6 Oct 2020	Enforcement of New Provision in MACC Act (at Wisma Texchem, KL)

We have in place a Whistleblower Policy which is embedded in the CoCE to provide an avenue for the employees and external parties to raise genuine concerns on any violations of our principles in CoCE.

2. Business during MCO

2020 was an unprecedented year following the global outbreak of the Covid-19 pandemic and TRB took prompt actions at the onset of MCO in Malaysia to tackle the crisis to ensure business sustainability as follows :

1. Frequent review and update of strategies, action plans and its related implementation as the Covid-19 crisis develops along with the resultant global MCOs.
2. A Covid-19 taskforce was established to ensure close monitoring on developments with government agencies, associations and our business operations. The taskforce also established and implemented necessary SOPs according to MOH guidelines.
3. Identified and established new businesses, from our existing facilities, to provide a more diversified income stream for future growth.

3. Business after MCO

The management adopted a 9-pronged approach, outlined as follows, to drive TRB’s business sustainability as we navigate the new normal arising from the Covid-19 pandemic.

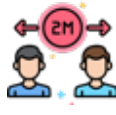
<p>1</p> <p>PREPARATION Prompt reaction to Covid-19 Pandemic</p>		<p>2</p> <p>ADHERENCE to Government SOPs</p>	<p>3</p> <p>PREVENTION Enforcing compliance to SOPs</p>		<p>4</p> <p>IDENTIFICATION Business continuity planning.</p>
<p>5</p> <p>TEAMWORK AND RESILIENCE</p>		<p>6</p> <p>CASHFLOW MANAGEMENT</p>	<p>7</p> <p>PLANNING Timely customer orders fulfillment</p>	<p>8</p> <p>RECOVERY Right sizing</p>	<p>9</p> <p>CONSTANT MONITORING</p>

SUSTAINABILITY STATEMENT (CONT'D)

Moving forward : Adopting New Norm



E-Learning



Proper Hygiene & social distancing



Video Conferencing



Work from Home

4. Accreditation & Certification

In order to achieve the highest standards of manufacturing and services rendered by our businesses, TRB continues to take steps to adopt the international standards for consistency and fulfilling industry requirements.

Division	Type of Certificate	Number
Industrial	ISO 9001:2015	4
	ISO14001:2015	1
Polymer Engineering	Certificate of Foreign Medical Device Manufacturer	1
	EN 9100:2018	1
	EN ISO 13485:2016	2
	IATF 16949:2016	1
	ISO 13485:2016	2
	ISO 14001:2015	6
	ISO 9001:2015	7
	Sony Green Partner	1
Food	Halal (Myanmar)	13
	HACCP	5
	USFDA	3
Restaurant	Halal (For Sushi King Outlets)	115
	ISO 9001:2015	1
	Halal (Factory)	1
	HACCP	2
	GMP	1
	MeSTI	1
Venture Business	ISO/IEC 17025: 2017	1
	ISO14001:2015	1
	ISO 9001:2015	1

SUSTAINABILITY STATEMENT (CONT'D)

Environment

1. TRB’s efforts in Energy Efficiency & Carbon Footprint Continues.

We remain committed in our efforts towards environmental sustainability through the development of our biopolymer, TEXa® which reduces Carbon Footprint and is energy saving.

a. More efficient use of Energy

Total Fossil Energy for Manufacturing (MJ)



In 2020 production of TEXa® has contributed to a reduction of around 1.9 million MJ of fossil energy consumption.

b. Contribute positively to reduce GHG emission.

Total GHG Emissions (kg CO2-eq)



In 2020 total production of TEXa® has contributed to a reduction of 37MT of GHG emission.

TEXa® products have been certified and complies to the various standards. Please refer to <https://www.texchem-polymers.com/> for details.

Social

Under the social framework, 2 key materiality matters remain the prime efforts in TRB in dealing with its stakeholders, namely:

- (1) Employee Wellness & Engagement
- (2) Safety & Health

1. Employee Wellness & Engagement

At TRB, we place great emphasis on social sustainability. We recognise that social sustainability is part of an organisation’s core business strategy as it affects the lives of our employees, communities and society. The key areas of social sustainability are:

- Employee Engagement
- Embracing Diversity
- Talent Management
- Covid-19 Prevention

SUSTAINABILITY STATEMENT (CONT'D)

a. Employee Engagement

The objectives are:

- (i) Raising internal morale and employee engagement
- (ii) Encouraging our employees to contribute to the community or be involved in volunteerism
- (iii) Increasing the physical and mental well-being of employees

The following committees are involved in promoting one or more of the above:

- 1) Texchem Cultural Ambassador Committee (“CA”)
- 2) Texchem Ladies’ Club (“TLC”)
- 3) Texchem Mount Kinabalu Club
- 4) Other activities organised by Corporate Communications Department, Group Human Resource Department and the respective companies.

1) Texchem Cultural Ambassador Committee (“CA”)

At TRB, CSR programmes are organised by the CA and funded jointly by the Company and our employees.

In December 2020, the CA’s organised the “Back to School” Fund Raising Program in which RM33,000 was successfully raised to sponsor meals for 50 students.

Activities carried out in 2020 :

February	Visit to Peace and Harmony Home	Distribution of “red packets” to the residents and the volunteer staff in conjunction with CNY
March to May	COVID-19 Advisory Booklets	Provide our employees necessary information on COVID-19
April	Contribution of face shields, face masks, hand sanitisers and surface disinfectants	TRB contributed these items which were produced by our subsidiaries to Penang General Hospital, Police Force, Customs Department, Mount Miriam Cancer Hospital, Penang Prison and Peace and Harmony Home
August	Hoshino Making Class	A coffee making class for our employees by our subsidiary company
December	Year End Walkabout by President and Group CEO and Lucky Draw	Distribution of goodies by our President and Group CEO and lucky draw session for employees with gifts sponsored by the senior management staff.
December	“Back to School” Fund Raising Campaign	To assist the school going children whose parents fall in the B40 category to ensure they have proper meals at school in year 2021.

2) Texchem Ladies’ Club (“TLC”)

TLC was established in 1989. The Club organises various types of activities that promote teamwork, fun, sisterhood and knowledge building. Activities organised for female employees are 80% to 90% sponsored by the Company. The following activities were carried out in 2020; Pottery Making Class, Baking Class and International Women’s Day photo contest.

3) Texchem Mount Kinabalu Club

The Mount Kinabalu Club was established in 1994 to promote the physical and mental well-being of our employees. Activities are 50% to 95% sponsored by the Company. Due to the COVID-19 pandemic, only one activity i.e., Broga Hill Hiking & Team Building was carried out in February 2020.

SUSTAINABILITY STATEMENT (CONT'D)

4) Other Activities

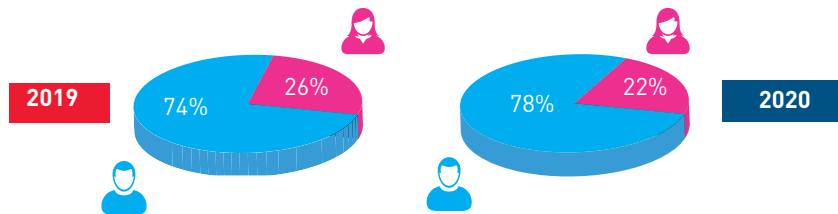
1. Texchem Group Managers' Conference
2. Bonding Trip to Pa Htaw Mountain for Myanmar employees and their family.
3. Covid-19 donations to the hospitals in Myeik by our staff in Myeik, Myanmar
4. Gotong Royong by Texchem-Pack (Johor) Sdn Bhd, Texchem-Pack (Vietnam) Co Ltd and Texchem-Pack (Thailand) Co Ltd to clean up their factory premises as well as the surrounding areas.
5. Christmas and New Year Celebration in Myanmar where employees received year end gifts as a token of appreciation.

b. Embracing Diversity

We embrace diversity at TRB by providing opportunities for staff of different cultural background, ethnicity and gender to interact in settings inside and outside of work. We encourage employees to get involved and find appropriate ways to celebrate different traditions, festivities and milestones. We provide time off for employees to observe their cultural and festive celebrations and religious practices.

• Gender Diversity

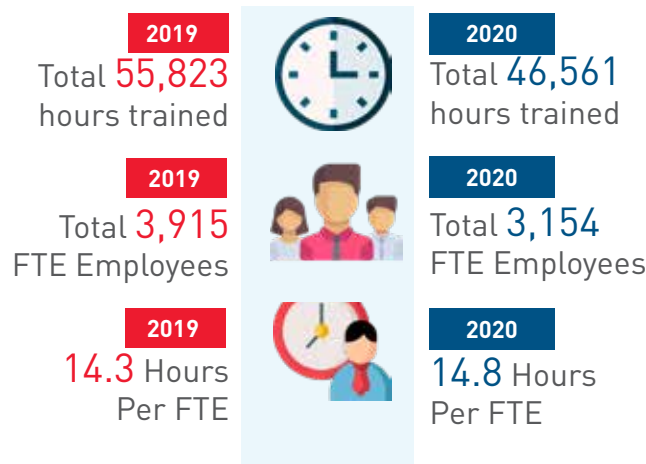
TRB's efforts in promoting gender diversity has continued in 2020 with the following outcome.



c. Talent Management

Talent management remains critical in the TRB Group as we have invested heavily in training our human resources in line with the Group's training policy.

Due the Covid-19 outbreak in 2020, many physical training activities have been stopped. However, TRB continued to provide necessary trainings to our employees virtually through some online platforms. We recorded a higher training hour per FTE (Full Time Employee) as compared to previous year.



SUSTAINABILITY STATEMENT (CONT'D)

5. Safety & Health

A safe, healthy and conducive working environment is important for the well-being of our employees and smooth operations. At the same time, ensuring customer health and safety is also a top priority in our operations. The 3 key areas in Safety & Health are namely:

- a. **Food Safety**
- b. **Halal**
- c. **Employee safety**

a. Food Safety

Food safety is one of the most important criteria in our business of food processing and preparation. In Restaurant Division, all restaurant employees have been properly trained in food handling and hygiene at the Sushi King Academy and on the job training at the outlets as well as complying strictly to Halal guidelines and HACCP. In our central kitchen and manufacturing facilities we adhere to high standards of HACCP, GMP, Halal & MeSTI guidelines. In 2020, we have achieved 'zero' food poisoning cases in our restaurant division and no food safety issues in these operations. Moving forward, we shall continue to monitor diligently, identify potential food safety issues and tighten our risk controls to maintain the status quo.

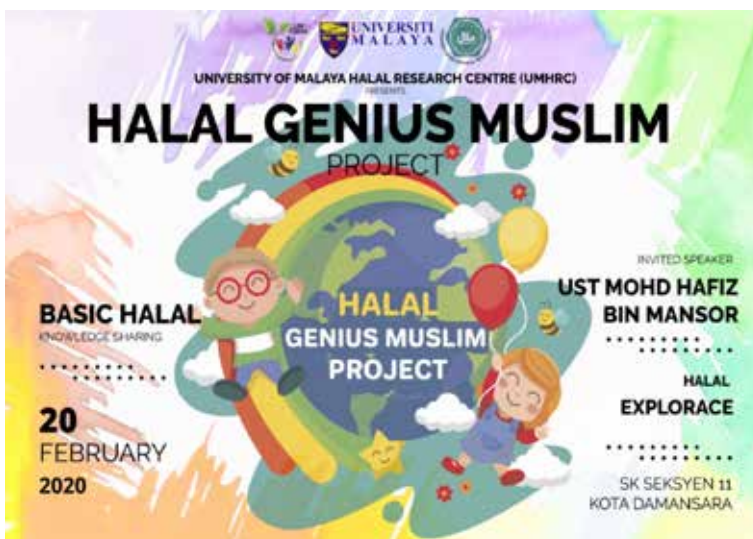
In the Food Division, the operations in Myanmar are guided by the stringent HACCP, Halal guidelines and 3 of our operations are USFDA certified.

b. Halal

Today, Halal food is no longer considered solely as religious requirement for the Muslims, but also sought by non-Muslim community because of cleanliness, safety and hygiene. Thus, TRB shall pursue our effort in sustaining consumer confidence. As to date, we have 115 Sushi King Restaurants which are certified Halal in their operations. On the other hand, 1 manufacturing facility in Malaysia is Halal certified as well.

• Halal Genius Muslim Project (HGMP)

University of Malaya Halal Research Centre (UMHRC), one of our higher-education partner organised Halal Genius Muslim Project (HGMP) at SK Seksyen 11, Kota Damansara on 20th February 2020. The objective of this program is to share knowledge and create awareness of basic Halal food to elementary students through fun activities such as Halal Explorace. As an industrial partner, Sushi King had contributed Karaage Don voucher to all 300 participants. This partnership program provided an important medium to promote Halal food at an early age in order to build confidence and trust that eventually lead to increase in market value in the future.



SUSTAINABILITY STATEMENT (CONT'D)

• **Online Halal Webinar (Forum)**

Ever since the pandemic and global shutdown of several activities including educational activities, a tremendous crisis-response migration of universities have materialised with online learning serving as the educational platform. Sushi King who is actively involved in Halal education and creating awareness of Halal food also had the opportunity to experience this.

On 23rd October 2020, Center for Halal Research, Training and Consultancy (HART), Academy of Contemporary Islamic Studies (ACIS), Universiti Teknologi MARA Shah Alam organised an Online Halal Webinar (Forum) via Zoom and Youtube Live. The main objective of the webinar was to create a platform for the industry players to share their invaluable experiences with others particularly on the tips of success in application of halal certification.

Sushi King was honoured to be invited as one of the panelists alongside with other guest speakers representative from Industries and Halal Authority. The Online Webinar managed to capture around 300 live viewers from a wide spectrum of communities such as universities, students and other parties or individuals of the public.



c. Employee safety

TRB is governed by its Occupational Safety, Health & Environment Policy which is available in our website www.texchemgroup.com.

TRB has extended safety & health management to all the countries we operate in since 2019. There were no reported cases of serious injuries and fatalities in 2020.



In order to create awareness on safety workplace and reduce accidents amongst employees, a total of 48 different trainings involving 637 employees from different sites had been conducted.





SUSTAINABILITY STATEMENT (CONT'D)

d. Covid-19 Prevention

At the onset of the Covid-19 outbreak, TRB took swift actions to organise seminars and trainings to create awareness among the employees as early as 31 Jan 2020. Throughout the year, 11 trainings were held at different locations with 223 employee participation outlined below:

No.	Date	Company	Description of Training	No. of participants	Total Hours
1	31-Jan-20	Texchem Pack (Johor) Sdn Bhd	Corona Virus and Prevention Measures 20 20	27	54
2	24-Feb-20	Texchem Pack (M) Sdn Bhd	Overview & update on Novel Coronavirus (2019ncov) for industrial	1	2
3	25-Mar-20	Texchem Life Sciences Sdn Bhd	Covid 19 Hygine Awareness and Prevention Training	70	35
4	26-Mar-20	Texchem Pack (Johor) Sdn Bhd	Covid 19 Awareness Training	27	9
5	03-Apr-20	Texchem Pack (Johor) Sdn Bhd	Refreshment Awareness Training on Covid19	30	22.5
6	04-May-20	Texchem Materials Sdn Bhd	Preventive of Covid-19	20	40
7	13-May-20	Texchem Materials Sdn Bhd	Back to work guide (Covid-19)	23	69
8	11-Jul-20	Eye Graphic Sdn Bhd	Covid 19, Effects on the Environment	1	4
9	29-Oct-20	ASK Andaman & TFML	Covid 19 safety for SME Training by ILO (zoom)	6	36
10	07-Nov-20	ASK Andaman & TFML	Covid 19 safety for SME Training by ILO (zoom)	11	66
11	10-Nov-20	ASK Andaman & TFML	Covid 19 safety for SME Training by ILO (zoom)	7	42
				223	379.5

Further to that, TRB also established the Covid-19 taskforce to tackle various operational issues which include:

COVID-19 Handbook	Implementing SOPs	Frequent sanitizing of office premise with checked duty roster	Posters to remind employees on SOP
			

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2020, and of their financial performance and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia have been complied with.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgement and estimates. The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

OTHER DISCLOSURES

PARTICULARS OF MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS' INTEREST DURING THE FINANCIAL YEAR

Save as disclosed below, there were no material contracts entered into by the Company and/or its subsidiaries involving directors and/or major shareholders' interest (not being contracts entered into in the ordinary course of business), either still subsisting at the end of the financial year ended 31 December 2020 or entered into since the end of the previous financial year.

On 25 September 2020, Texchem Corporation Sdn. Bhd. ("Texcorp"), a 73.94% owned subsidiary of the Company, has entered into an Agreement with Texchem Holdings Sdn. Bhd. ("THSB"), a major shareholder of the Company, to dispose of 2,400,000 ordinary shares in the Company, representing 1.99% of the total issued and paid-up share capital of the Company (excluding 3,528,400 treasury shares), to THSB at the total cash consideration of RM1,248,000 calculated at RM0.52 per share.

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE OR TRADING NATURE

Save as disclosed in the Circular to Shareholders (in relation to Part A - Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature) dated 26 April 2021, there was no other transaction conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2020.

ANALYSIS OF SHAREHOLDINGS

As at 12 April 2021

Issued Share Capital	-	RM149,667,010.00 comprising 124,099,235 ordinary shares
Class of Shares	-	Ordinary shares
Voting Rights	-	One vote per ordinary share
No. of Treasury Shares Held	-	3,528,400
No. of Voting Shares	-	120,570,835

SHAREHOLDINGS STATISTICS

Size of Holdings	No. of Shareholders	Total Holdings [#]	% [#]
Less than 100	233	9,509	0.01
100 - 1,000	532	314,922	0.26
1,001 - 10,000	2,039	9,236,909	7.66
10,001 - 100,000	690	21,012,733	17.43
100,001 to less than 5% of issued shares	98	36,676,790	30.42
5% and above of issued shares	1	53,319,972	44.22
Total	3,593	120,570,835	100

Note: [#] Excluding 3,528,400 Treasury Shares

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares Held in the Company			
		Direct	%	Indirect	%
1	Texchem Holdings Sdn. Bhd.	53,319,972	44.22	-	-
2	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	-	-	58,417,494	48.45 ^[a]

DIRECTORS' INTERESTS IN SHARES

No.	Name	No. of Shares Held in the Company			
		Direct	%	Indirect	%
1	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	-	-	58,417,494	48.45 ^[a]
2	Yap Kee Keong	8,250	0.01	-	-

Note:

^[a] Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in Texchem Holdings Sdn. Bhd. (a substantial shareholder of the Company) and via persons connected with him, ie. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company) and his daughters, Mika Konishi and Mari Konishi (both are shareholders of the Company) pursuant to Sections 8 and 59(11)(c) of the Companies Act 2016 respectively.

The details of the interests of the Directors who were or are directors during the financial year ended 31 December 2020 and the period commencing from 1 January 2021 until 12 April 2021 (including the interests of the spouses and/or children of the Directors) in the Company's related corporations as at 12 April 2021 are the same as the details set out in the section on Directors' Interests in the Directors' Report of this Annual Report.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 12 April 2021

THIRTY LARGEST SHAREHOLDERS (Excluding 3,528,400 Treasury Shares)

No.	Name	No. of Shares	%
1	TEXCHEM HOLDINGS SDN BHD	53,319,972	44.22
2	BLOOD PROTECTION (HOLDING) CO LTD	2,339,884	1.94
3	ATSUKO KONISHI	2,234,694	1.85
4	MAN BIN MAT	2,051,400	1.70
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI BOON HAN	1,675,000	1.39
6	MARI KONISHI	1,431,414	1.19
7	MIKA KONISHI	1,431,414	1.19
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ERWIN SELVARAJAH A/L PETER SELVARAJAH	1,150,000	0.95
9	EYE CORPORATE PLANNING CO LTD	943,000	0.78
10	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHUA CHEE WEI	921,000	0.76
11	TAN KAH HOCK	900,000	0.75
12	LEE KHEE CHEK	800,000	0.66
13	NG KENG KHOON	600,000	0.50
14	HSBC NOMINEES (ASING) SDN BHD J.P. MORGAN SECURITIES PLC	573,800	0.48
15	LIM HONG HOOI	530,000	0.44
16	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TAN BAK HONG	521,200	0.43
17	LAM KONG YEN	500,000	0.41
18	OOI ENG LEONG	450,000	0.37
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHIN HUAT	450,000	0.37
20	MOK TECK LIANG	430,100	0.36
21	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN MOOI KIM	404,000	0.34
22	DECLAN LEE ZHUAN RONG	400,000	0.33
23	YEW NIEN ZHENG	400,000	0.33
24	TAN AN HUAT	396,900	0.33
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHAI BENG	390,000	0.32
26	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHAI BENG	390,000	0.32
27	LIM HUCK BOON	380,200	0.32
28	UNITED FORMULA SDN BHD	369,300	0.31
29	THOMAS CHIN CHENG KEONG	368,600	0.31
30	YUTAKA YAMANAKA	359,893	0.30
TOTAL:		77,111,771	63.96

PARTICULARS OF PROPERTIES

Held as at 31 December 2020

Location	Tenure	Area	Description	Approximate Age of Building	Expiry Date	Date of Acquisition/ *Revaluation	Net Book Value (RM'000)
Texchem Materials Sdn. Bhd. No. 6 & 6A, Jalan Tampoi 7/4, Kawasan Perusahaan Tampoi, 81200 Johor Bahru, Johor Darul Takzim.	Freehold	2.54 acres	Office & Warehouse	32 years	N/A	2 September 1999	5,051
Texchem-Pack (M) Sdn. Bhd. No. 1465, Mukim 11, Lorong Perusahaan Maju 6, Fasa 4, Kawasan Perindustrian Perai, 13600 Perai, Penang.	Leasehold 60 years	3.96 acres	Office & Factory	Between 19 to 28 years	29 June 2052	*1 December 1994	5,346
Texchem-Pack (PP) Sdn. Bhd. Part of Lot 1241, Phase III, Bayan Lepas Free Industrial Zone, 11900 Penang.	Leasehold 60 years	3.78 acres	Office & Factory	Between 21 to 41 years	27 August 2041	*26 April 1983	5,917
Texchem-Pack (Johor) Sdn. Bhd. No. 3, Jalan Mutiara 7, Taman Perindustrian Plentong, 81750 Masai, Johor Darul Takzim.	Freehold	0.97 acre	Office & Factory	Between 24 to 25 years	N/A	21 October 1998	4,112
Eye Graphic Sdn. Bhd. No. 5, Lorong Perusahaan Maju 11, Taman Perusahaan Pelangi, 13600 Perai, Penang.	Freehold	0.27 acre	Office & Factory	24 years	N/A	16 April 1996	877
Texchem Life Sciences Sdn. Bhd. Lot 3, Jalan P/6, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	Leasehold 99 years	2.01 acres	Office, Factory & Store	29 years	29 September 2086	*7 September 2004	9,352
Texchem-Pack (Thailand) Co., Ltd. 234, Moo 2, Bangpa-in Industrial Estate, Udomsorayut Road, Tambol Klong-jig, Amphur Bangpa-in, Phranakorn Sri Ayutthaya Province, 13160 Thailand.	Freehold	8.56 acres	Office & Factory	27 years	N/A	3 May 2007	13,013
Wilpack Food Services Sdn. Bhd. No. 2446, Mk 1, Solok Perusahaan Satu, Kawasan Perindustrian Perai, 13600 Perai, Penang.	Leasehold 60 years	1 acre	Office & Factory	38 years	25 July 2042	15 July 1983	887
Plot 78(a), Perai Industrial Park, Daerah Seberang Perai Tengah, Penang.	Leasehold 60 years	0.19 acre	Factory	38 years	20 September 2070	7 May 2008	80
Texchem Corporation Sdn. Bhd. Lot Nos. 808 & 809, Jalan Subang 5, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan.	Freehold	5.01 acres	Office & Warehouse	27 years	N/A	28 October 2015	26,151