



TEXCHEM RESOURCES BHD

(16318-K)

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

for the period ended 30 September 2004

	Note	3 months ended 30 September		9 months ended 30 September	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue		<u>277,693</u>	<u>209,205</u>	<u>780,738</u>	<u>587,109</u>
Operating profit		9,616	5,752	16,306	17,453
Interest expense		(3,501)	(2,592)	(9,838)	(7,860)
Share of results of associates		<u>(531)</u>	<u>(1,106)</u>	<u>495</u>	<u>(4,497)</u>
Profit before taxation		5,584	2,054	6,963	5,096
Tax expense	18	<u>(2,720)</u>	<u>(1,292)</u>	<u>(5,345)</u>	<u>(3,212)</u>
Profit after taxation		2,864	762	1,618	1,884
Minority interests		<u>(91)</u>	<u>(353)</u>	<u>192</u>	<u>(603)</u>
Net profit for the period		<u>2,773</u>	<u>409</u>	<u>1,810</u>	<u>1,281</u>
Basic earnings per ordinary share (sen)	26	<u>2.28</u>	<u>0.34</u>	<u>1.50</u>	<u>1.07</u>

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to this interim financial report.



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CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

At 30 September 2004

		30 September 2004 (Unaudited) RM'000	31 December 2003 (Audited) RM'000
	Note		
Property, plant and equipment		185,164	168,080
Investments in associates		24,201	22,360
Other investments		966	966
Goodwill on consolidation		44,791	44,791
Trademarks, at cost		366	366
		<hr/>	<hr/>
		255,488	236,563
Current assets			
Inventories		84,880	82,153
Trade and other receivables		216,641	183,352
Cash and cash equivalents		26,504	35,395
		<hr/>	<hr/>
		328,025	300,900
Current liabilities			
Trade and other payables		132,725	104,273
Borrowings	22	184,319	171,595
Taxation		-	1,709
Dividend payable		-	3,930
		<hr/>	<hr/>
		317,044	281,507
Net current assets		<hr/>	<hr/>
		10,981	19,393
		<hr/>	<hr/>
		266,469	255,956
Financed by:			
Capital and reserves			
Share capital		124,099	109,181
Reserves		37,742	50,646
		<hr/>	<hr/>
Shareholders' funds		161,841	159,827
Minority shareholders' interests		15,111	15,770
Non-current liabilities			
Borrowings	22	77,755	68,930
Deferred taxation		8,099	7,811
Deferred liabilities		3,663	3,618
		<hr/>	<hr/>
		89,517	80,359
		<hr/>	<hr/>
		266,469	255,956
		<hr/>	<hr/>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to this interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) for the nine months ended 30 September 2004

	Share capital RM'000	Non- distributable reserves RM'000	Distributable reserves RM'000	Total RM'000
At 1 January 2004	109,181	56,257	(5,611)	159,827
Translation of the opening net investment in foreign subsidiaries at period end exchange rate	-	(1,202)	-	(1,202)
Bonus issue (1:10)	10,918	(10,918)	-	-
Special issue to Bumiputera investors	4,000	-	-	4,000
Net profit for the period	-	-	1,810	1,810
Dividends	-	-	(2,594)	(2,594)
Transfer to capital reserve	-	50	(50)	-
At 30 September 2004	124,099	44,187	(6,445)	161,841

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to this interim financial report.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) for the nine months ended 30 September 2003

	Share Capital RM'000	Non- distributable reserves RM'000	Distributable reserves RM'000	Total RM'000
At 1 January 2003				
- As previously reported	109,181	53,792	(1,678)	161,295
- Effect of adopting MASB 25	-	(2,083)	-	(2,083)
- Effect of adopting MASB 29	-	-	(484)	(484)
As restated at 1 January 2003	109,181	51,709	(2,162)	158,728
Transfer to capital reserve	-	34	(34)	-
Translation of the opening net investment in foreign subsidiaries at period end exchange rate	-	(552)	-	(552)
Net profit for the period	-	-	1,281	1,281
Dividends	-	-	(3,275)	(3,275)
At 30 September 2003	109,181	51,191	(4,190)	156,182

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to this interim financial report.



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) for the nine months ended 30 September 2004

	9 months ended 30 September	
	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,963	5,096
Adjustments for:		
Non-cash items	28,349	13,548
Operating profit before working capital changes	35,312	18,644
Net change in current assets	(39,427)	(65,184)
Net change in current liabilities	28,352	43,630
Cash generated from/(used in) operations	24,237	(2,910)
Non-operating items	(4,848)	13,302
Net cash generated from operating activities	19,389	10,392
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(35,029)	(44,361)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from financing activities	4,568	26,492
Net decrease in cash and cash equivalents	(11,072)	(7,477)
Effects of exchange differences on cash and cash equivalents	(43)	-
Cash and cash equivalents at 1 January	24,576	16,854
Cash and cash equivalents at 30 September	13,461	9,377



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CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) for the nine months ended 30 September 2004 (Cont'd)

Cash and cash equivalents included in condensed consolidated cash flow statement comprise the following balance sheet amounts:

	9 months ended 30 September	
	2004	2003
	RM'000	RM'000
Short term deposits with licensed banks	760	-
Cash and bank balances	25,744	18,356
Bank overdrafts	(13,043)	(8,979)
	<hr/>	<hr/>
	13,461	9,377

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2003 and the accompanying explanatory notes attached to this interim financial report.



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PART A – EXPLANATORY NOTES PURSUANT TO MASB 26

1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with MASB 26, Interim Financial Reporting and the disclosure requirements as in Part A of Appendix 9B of the revised Listing Requirements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2003. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2003.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 December 2003.

2. **Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 December 2003 was not qualified.

3. **Seasonality and cyclicity of interim operations**

The Group operations were not significantly affected by any unusual seasonality or cyclicity factors.

4. **Unusual items due to their nature, size or incidence**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows during the quarter ended 30 September 2004.

5. **Changes in estimates**

There were no changes in estimates that have had a material effect in the current quarter.



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6. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the current quarter except for the allotment of the Special Bumiputera Issue of the remaining 4,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per share to Bank Pembangunan Dan Infrastruktur Malaysia Berhad on 1 September 2004. The said shares were listed and quoted on the Main Board of Bursa Malaysia Securities Berhad on 7 September 2004.

7. Dividend paid

A first interim dividend of 3% per share less tax, totaling RM2,594,000 in respect of the financial year ending 31 December 2004 was paid on 25 August 2004.

8. Segment information

Segment information is presented in respect of the Group's business activities which is the enterprise's primary basis of segment reporting.

Inter-segment pricing is determined based on a negotiated basis.

Segment revenue

	3 months ended 30 September 2004 RM'000	9 months ended 30 September 2004 RM'000
Industrial Trading	150,406	423,670
Manufacturing	106,422	279,597
Consumer Products & Food Services	50,885	152,733
	<hr/>	<hr/>
	307,713	856,000
Eliminations	(30,020)	(75,262)
	<hr/>	<hr/>
Group revenue	277,693	780,738
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8. Segment information (Cont'd)

Segment results

	3 months ended 30 September 2004 RM'000	9 months ended 30 September 2004 RM'000
Industrial Trading	5,988	11,603
Manufacturing	6,644	8,545
Consumer Products & Food Services	812	2,316
Investment holding	7,331	5,045
Operating profit before eliminations	20,775	27,509
Eliminations	(11,159)	(11,203)
Operating profit	9,616	16,306
Finance costs	(3,501)	(9,838)
	6,115	6,468
Share of results of associates	(531)	495
Profit before taxation	5,584	6,963

9. Carrying amount of revalued assets

The valuations of property, plant and equipment have been brought forward without amendments from the financial statements for the year ended 31 December 2003.

10. Events subsequent to the balance sheet date

There were no material events which occurred subsequent to the balance sheet date until the date of this announcement save as disclosed in Note 21 of the Additional Information required by Bursa Malaysia Securities Berhad (formerly known as Malaysia Securities Exchange Berhad) Listing Requirements.



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11. Changes in composition of the Group for the third quarter ended 30 September 2004

(a) Texchem Consumers (S) Pte Ltd, a wholly-owned subsidiary of Texchem Consumers Sdn Bhd, which in turn is a wholly-owned subsidiary of TRB had been liquidated with effect from 20 July 2004.

(b) Since the last quarter, Texchem-Pack (M) Bhd, a subsidiary of TRB had increased further its total issued and paid-up capital by RM7,000,000 making a total of RM25,000,000. Effective from 6 September 2004, Texchem-Pack (M) Bhd and its subsidiary companies are directly owned by Texchem-Pack Holdings (S) Pte Ltd. Texchem-Pack Holdings (S) Pte Ltd., a subsidiary of TRB has increased further its total issued and paid-up capital from S\$2.00 to S\$7,500,000 on 6 September 2004. On 10 September 2004, Texchem-Pack Holdings (S) Pte Ltd had been converted to a public company and its new name is Texchem-Pack Holdings (S) Ltd.

Effective from 6 September 2004, Texchem-Pack (Penang) Sdn Bhd is owned directly by TRB.

12. Changes in contingent liabilities

As at 30 September 2004, the Company has issued corporate guarantees amounting to RM279.7 million (31.12.03 : RM230.1 million) as security for banking facilities granted to its subsidiaries of which RM157.8 million were utilised at 30 September 2004 (31.12.03 : RM110.0 million).

13. Commitments

	30 September 2004 RM'000
Capital commitments	
Property, plant and equipment	
Authorised but not contracted for	2,732
Contracted but not provided for in the financial statements	5,365
Investment commitments	
Contracted but not provided for in the financial statements	18,561
Total	<u>26,658</u>



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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

14. Review of performance for the Current Quarter and Year-to-date

For the nine months ended 30 September 2004, the revenue of the Group increased by RM193.6 million to RM780.7 million from RM587.1 million for the same period last year. On a quarterly basis, the Group's third quarter revenue also increased by 32.7% or RM68.5 million higher than the third quarter of 2003. The higher revenue was mainly contributed by the Industrial Trading and Manufacturing Divisions.

The strong rebound in the third quarter has resulted the Group profit before taxation achieved for the current quarter exceeded the preceding year corresponding quarter by RM3.5 million, from RM2.1 million to RM5.6 million.

Consequently, the Group reported a higher profit before taxation of RM7.0 million for the nine months ended 30 September 2004 as compared to RM5.1 million for the same period last year.

15. Variation of results against preceding quarter

The comparison of the revenue and profit before taxation for the current quarter and preceding quarter are as follows:

	← 2004 →		Variance	
	Quarter 3	Quarter 2	RM'000	%
	RM'000	RM'000		
Revenue	277,693	270,458	7,235	2.7
Profit before taxation	5,584	2,082	3,502	168.2

The revenue of the Group for the current quarter has increased by 2.7% to RM277.7 million from RM270.4 million in the immediate preceding quarter. However, the Group's profit before taxation has improved by 168.2%, from RM2.1 million in the previous quarter to RM5.6 million due to improved margins.

16. Prospects for 2004

Barring unforeseen circumstances, the Group's operating performance for the 4th quarter of 2004 is expected to remain positive.



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17. Profit forecast

Not applicable as no profit forecast was published.

18. Tax expense

	3 months ended 30 September 2004 RM'000	9 months ended 30 September 2004 RM'000
Current tax expenses		
Malaysian		
- current	2,438	5,212
- prior years	(73)	(202)
Foreign - current	188	456
	<hr/> 2,553	<hr/> 5,466
Deferred tax expense	444	288
Tax expenses on share of results in associates:		
- current	31	517
- prior years	(308)	(926)
	<hr/> 2,720	<hr/> 5,345

The effective tax rates for the periods presented above are higher than the statutory tax rate principally due to the losses of certain subsidiaries which cannot be set-off against taxable profits made by other subsidiaries, and certain expenses which are not deductible for tax purposes.

19. Unquoted investments and properties

There were no material purchases and disposals of unquoted investments and properties in the current quarter ended 30 September 2004 other than as disclosed in Note 11 to the Interim Financial Report.

20. Quoted investments

There were no purchases and disposals of quoted securities during the period under review.



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21. Status of corporate proposal announced

Status of Corporate Proposals

A. **Conditional Voluntary Take-Over Offer of Fumakilla Malaysia Berhad ("FMB") by Texchem Resources Bhd ("TRB")**

On 7 September 2004, CIMB had announced on behalf of TRB that the Special Bumiputera Issue was completed.

As such, on 7 September 2004, the above proposed corporate exercise had been completed.

B. **Proposed Restructuring ("Proposed Restructuring") and the Subsequent Listing of Texchem-Pack Holdings (S) Ltd on the Singapore Exchange Securities Trading Limited ("Proposed Listing") - (collectively known as "the Proposals")**

TRB had on 8 September 2003 made an announcement that TRB had inter-alia entered into the following agreements:

- (i) A conditional share sale agreement ("Texpack Penang SSA") between Texchem-Pack (M) Bhd ("Texpack") and TRB for the proposed acquisition by TRB of the entire equity interest in Texchem-Pack (Penang) Sdn Bhd ("Texpack Penang") comprising 10,000 ordinary shares of RM1.00 each ("Texpack Penang Shares") for a total cash consideration of RM15,035 ("Proposed Acquisition"); and
- (ii) A conditional reorganization agreement ("RA") for the proposed transfer of TRB's entire enlarged equity interest in Texpack after the issuance of 10,000,000 new ordinary shares of RM1.00 each in Texpack as a result of a proposed capitalisation of a loan amounting to RM10,000,000 ("Proposed Capitalisation") owed to TRB by Texpack, to Texchem-Pack Holdings (S) Pte Ltd ("Texpack Holdings") by way of a share exchange ratio of 28 Texpack Shares to 9 Texpack Holdings Shares resulting in a no gain no loss position for TRB under the merger accounting adopted. TRB's entire enlarged equity interest in Texpack after the Proposed Capitalisation will comprise of 28,000,000 ordinary shares of RM1.00 each in Texpack instead of 18,000,000 ordinary shares of RM1.00 each as announced earlier.

Texpack Shares means ordinary shares of RM1.00 each in the share capital of Texpack.

Texpack Holdings Shares means ordinary shares of S\$1.00 each in the share capital of Texpack Holdings.



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And TRB also proposes to undertake the Proposed Texpack Holdings Share Split, Proposed Texpack Holdings Issue and Proposed Listing, all as defined in the announcement made on 8 September 2003.

The above Proposals are inter-conditional and is conditional upon the following:

- (i) the approval of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the Proposed Listing;
- (ii) the approval of the shareholders of TRB which is to be obtained prior to the relevant application to the SGX-ST for the Proposed Listing; and
- (iii) the approval of any other relevant authorities or other persons (if required)

The Proposed Listing is further conditional upon the approval of the Monetary Authority of Singapore.

The approval from TRB shareholders had been obtained at an Extraordinary General Meeting held on 25 September 2003.

Subsequent to the above announcement made on 8th September 2003, TRB had on 20th October 2003 made a further announcement that:

- (a) the Proposed Restructuring as announced earlier has been revised ("Revised Proposed Restructuring"); and
- (b) TRB had entered into a Supplemental Reorganisation Agreement ("SRA") to reflect the said revision.

Details of the Revised Proposed Restructuring and the salient terms of the SRA are as follows :

- (i) After the completion of the Proposed Acquisition, Texpack will issue 7,000,000 new Texpack Shares to settle the loan of RM7,000,000 due and owing by Texpack to TRB ('Revised Proposed Capitalisation') instead of 10,000,000 new Texpack Shares as announced earlier. As a result the share capital of Texpack will increase from RM18,000,000 to RM25,000,000.
- (ii) The 7,000,000 new Texpack Shares will, upon issue and allotment, rank *pari passu* in all respects with the then existing ordinary shares of RM1.00 each in Texpack in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the Entitlement Date of which is prior to the date of allotment of the said new Texpack Shares.



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- (iii) 'Entitlement Date' wherever it appears in this announcement means the date at the close of business on which shareholders must be registered members in order to participate in any dividends, rights, allotment and/or other distributions.
2. Thereafter, TRB will transfer TRB's entire enlarged equity interest in Texpack after the Revised Proposed Capitalisation to Texpack Holdings by way of a share exchange of 25,000,000 Texpack Shares to 7,499,998 Texpack Holdings Shares resulting in a no gain no loss position for TRB under the merger accounting adopted ('Proposed Reorganisation'). TRB's entire enlarged equity interest in Texpack after the Revised Proposed Capitalisation will comprise 25,000,000 ordinary shares of RM1.00 each in Texpack ('Texpack Transfer Shares') instead of 28,000,000 ordinary shares of RM1.00 each in Texpack as announced on 8 September 2003.
 3. Apart from the above, all the proposals and information relating to the Proposed Restructuring and Proposed Listing as announced on 8 September 2003 remain unchanged.

On 18 August 2004, TRB had announced that Singapore Exchange Limited had via their letter dated 17 August 2004 granted a conditional eligibility-to-list ("ETL") on the Singapore Exchange Securities Trading Limited ("SGX-ST"), subject to inter alia the following conditions:

- a. written confirmation by Texpack Holdings that TRB has completed the special issue of the outstanding 4,000,000 ordinary shares of RM1.00 each in TRB, in accordance with the condition imposed by the Malaysian Ministry of International Trade and Industry (MITI) (unless otherwise waived by MITI), prior to the admission of Texpack Holdings to the Official List of SGX-ST; and
 - b. the ETL is valid for 3 calendar months from 17 August 2004.
4. Thereafter on 6 September 2004, TRB had announced that the Proposed Acquisition and Proposed Reorganisation as announced earlier on 8 September 2003 and 20 October 2003 have been completed on 6 September 2004.
 5. Subsequently on 14 September 2004, TRB had announced that due to unfavourable market conditions, the Board of Directors of TRB has decided to postpone the Proposed Listing to 2005.



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C. Proposed Acquisitions of Fresh Choice Seafood Trading Sdn Bhd and Edisi Gemilang (M) Sdn Bhd ("Proposed Acquisitions of Fresh Choice & Edisi Gemilang")

On 27 February 2004, Texchem Food Sdn Bhd ("TFSB"), a subsidiary of TRB had entered into a Memorandum of Understanding with Datuk Kong Fook Sang and Chua Hock Joo (collectively called "the Vendors"), both being the shareholders of Fresh Choice Seafood Trading Sdn Bhd ("FCST") and Edisi Gemilang (M) Sdn Bhd ("Edisi"), to acquire from the Vendors all the shares in FCST and Edisi respectively for a total purchase consideration of RM9 million which may be adjusted accordingly after a due diligence exercise and/or as mutually agreed upon. The purchase consideration will be satisfied via cash of RM3 million and issuance of 6,000,000 new ordinary shares of RM1.00 each in TFSB and/or as mutually agreed upon otherwise by TFSB and the Vendors.

The Proposed Acquisitions of Fresh Choice & Edisi Gemilang are still pending.

D. Proposed acquisition of up to 1,836,000 ordinary shares of RM1.00 each in Texchem Corporation Sdn. Bhd. ("Texcorp") from Texchem Holdings Sdn. Bhd. ("THSB") and/or Introplus Sdn Bhd [In Member's Voluntary Liquidation] ("ISB")

On 9 June 2004, it was announced that TRB proposes to acquire up to 1,836,000 ordinary shares of RM1.00 each in Texcorp from THSB and/or ISB at a purchase consideration per share which is equivalent to the Texcorp Group's net tangible assets ("NTA") per share based on Texcorp's latest available consolidated audited accounts at the time of acquisition ("Proposed Acquisition of Texcorp"). Based on Texcorp's latest consolidated audited accounts for the financial year ending 31 December 2003, Texcorp Group's NTA per share is RM2.91.

It was then further announced that the approvals of the shareholders of TRB, THSB and ISB with regards to the Proposed Acquisition of Texcorp were obtained on 17 August 2004. The Proposed Acquisition of Texcorp is subject to the approvals of Foreign Investment Committee (if required) and all other relevant authorities or other persons (if required).

Subsequent and pursuant to the above announcements, on 4 November 2004, it was announced that TRB had entered into a conditional Share Sale Agreement with ISB to acquire 350,000 ordinary shares of RM1.00 each in Texcorp at a cash purchase consideration of RM1,018,500 ("said Acquisition"). The said Acquisition is pending completion.



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E. Proposed Issuance of Private Debt Securities of up to RM100 million

On 11 October 2004, TRB had announced that it proposes to undertake an issuance of private debt securities of up to RM100 million ("Proposed PDS Programme"). The proceeds from the issuance of the Proposed PDS Programme will be utilised to refinance existing bank borrowings, finance acquisition of assets to be identified and for working capital.

An application to the Securities Commission in relation to the Proposed PDS Programme is expected to be made within 3 months from 11 October 2004.

F. Proposed acquisition of Sanko Kasei (M) Sdn Bhd ("SKSB"), Eye Graphic Sdn Bhd ("EGSB") and Texchem Malaysia Sdn Bhd ("TMSB") from Texchem Corporation Sdn Bhd ("TexCorp")

On 11 October 2004, TRB had announced the proposed acquisition of the following companies from Texcorp:

- (i) 5,737,500 ordinary shares of RM1.00 each in SKSB, representing 51% of the issued and paid-up share capital of SKSB for a total cash consideration of RM7.214 million ("Proposed Acquisition of SKSB");
- (ii) 1,020,000 ordinary shares of RM1.00 each in EGSB, representing 51% of the issued and paid-up share capital of EGSB, for a total cash consideration of RM3.274 million ("Proposed Acquisition of EGSB"); and
- (iii) 1,000,000 ordinary shares of RM1.00 each in TMSB, representing the entire issued and paid-up capital of TMSB for a total cash consideration of RM2.730 million by Texchem Materials Sdn Bhd, a wholly-owned subsidiary of TRB ("Proposed Acquisition of TMSB") (collectively called the "Proposals").

The abovesaid proposed acquisitions are still pending completion and are subject to the following approvals:

- (i) the Foreign Investment Committee for the Proposed Acquisition of EGSB;
- (ii) the MITI for the Proposed Acquisition of SKSB and the Proposed Acquisition of TMSB;
- (iii) the shareholders of Texcorp for the Proposals at an extraordinary general meeting ("EGM") to be convened;



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- (iv) the shareholders of TRB for the Proposals at an EGM to be convened; and
- (v) any other relevant authorities and/or parties, if required.

The Proposals are not inter-conditional upon each other.

22. Borrowings

	30 September 2004
	RM'000
Current:	
Unsecured	
Bank overdrafts	13,043
Bankers' acceptances	105,928
Revolving credit	37,280
Term loan	26,802
Promissory notes	428
Hire purchase obligations	838
	<hr/>
	184,319
Non-current:	
Unsecured	
Term loan	75,843
Hire purchase obligations	1,912
	<hr/>
	77,755
	<hr/>
Total	262,074

The above borrowings are denominated in Ringgit Malaysia, Thai Baht and US Dollar.



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22. Borrowings (Cont'd)

The breakdown of the borrowings denominated in each currency are highlighted as follows:

Current	RM'000
<u>Unsecured</u>	
Ringgit Malaysia	170,621
Thai Baht	5,114
US Dollar	8,584
	<hr/>
	184,319
	<hr/>
Non-current	RM'000
<u>Unsecured</u>	
Ringgit Malaysia	23,470
Thai Baht	30,843
US Dollar	23,442
	<hr/>
	77,755
	<hr/>

23. Off balance sheet financial instruments

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 30 September 2004 are:

	Fair Value RM'000	Contracted Amount RM'000
Forward foreign exchange contracts	15,057	15,064

The related accounting policies for the off balance sheet financial instruments are as disclosed in the financial statements for the year ended 31 December 2003.

24. Changes in material litigation

There is no material litigation by the Company or its subsidiaries.



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25. **Dividend**

A first interim dividend of 3% less 28% taxation in respect of the year ending 31 December 2004 (2003: 3% tax exempt) has been declared on 21 July 2004 and paid on 25 August 2004.

26. **Basic earnings per share**

Basic earnings per share of the Group is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period. The weighted average number of ordinary shares in issue for the comparatives has been adjusted for the issuance of ordinary shares pursuant to the bonus issue undertaken by the Company during the period.

	3 months ended 30 September		9 months ended 30 September	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Net profit for the period	2,773	409	1,810	1,281
Weighted average number of ordinary shares in issue	121,432	120,099	120,543	120,099
Basic earnings per share (sen)	2.28	0.34	1.50	1.07

BY ORDER OF THE BOARD

TAN PENG LAM
GROUP FINANCE DIRECTOR
Date: 4 November 2004