



TEXCHEM RESOURCES BHD (16318-K)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2008

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
for the quarter and nine months ended 30 September 2008

	Note	3 months ended 30 September		9 months ended 30 September	
		2008 RM'000	2007 RM'000	2008 RM'000	2007 RM'000
Revenue	8	406,259	320,222	1,139,698	931,375
Cost of sales		(346,080)	(263,736)	(959,436)	(754,216)
Gross profit		60,179	56,486	180,262	177,159
Distribution costs		(26,157)	(23,910)	(80,443)	(80,554)
Administrative and other operating expenses		(30,238)	(25,535)	(83,878)	(80,605)
Other operating income		4,707	3,234	11,033	9,993
Operating profit	8	8,491	10,275	26,974	25,993
Gain on disposal of a subsidiary		-	-	-	6,204
Finance costs		(4,738)	(4,067)	(13,086)	(13,157)
Share of profit/(loss) after tax and minority interest of equity accounted associates		(702)	484	(3,795)	(1,227)
Profit before taxation		3,051	6,692	10,093	17,813
Tax expense	18	(1,764)	(1,930)	(6,529)	(6,508)
Profit for the period		1,287	4,762	3,564	11,305
Attributable to:					
Shareholders of the Company		1,020	3,637	2,547	9,314
Minority interest		267	1,125	1,017	1,991
Profit for the period		1,287	4,762	3,564	11,305
Basic earnings per share attributable to shareholders of the Company (sen)	26	0.82	2.93	2.05	7.51

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

At 30 September 2008

	Note	30 September 2008 (Unaudited) RM'000	31 December 2007 (Audited) RM'000
ASSETS			
Property, plant and equipment		204,226	185,673
Prepaid land lease payments		18,011	14,846
Investments in associates		18,468	30,697
Other investments		3,500	3,508
Intangible assets		58,124	51,367
Deferred tax assets		1,521	93
Total non-current assets		303,850	286,184
Receivables, deposits and prepayments		312,842	268,076
Inventories		90,344	69,648
Current tax assets		6,646	8,713
Cash and cash equivalents		43,519	51,541
Total current assets		453,351	397,978
TOTAL ASSETS		757,201	684,162
EQUITY			
Share capital		124,099	124,099
Reserves		51,771	53,563
Total equity attributable to shareholders of the Company		175,870	177,662
Minority interest		41,134	44,878
TOTAL EQUITY		217,004	222,540
LIABILITIES			
Borrowings	22	121,107	124,991
Deferred tax liabilities		8,087	8,113
Deferred liability		4,781	4,276
Total non-current liabilities		133,975	137,380
Payables, accruals and provision		215,089	183,578
Borrowings	22	188,630	132,476
Current tax liabilities		2,503	2,678
Dividend payable		-	5,510
Total current liabilities		406,222	324,242
TOTAL LIABILITIES		540,197	461,622
TOTAL EQUITY AND LIABILITIES		757,201	684,162

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.



TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
for the nine months ended 30 September 2008

	<----- Attributable to shareholders of the Company ----->					
	<----- Non-distributable ----->		<- Distributable ->			
	Share Capital RM'000	Share premium & other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000	Minority interest RM'000	Total equity RM'000
At 1 January 2008	124,099	29,704	23,859	177,662	44,878	222,540
Foreign exchange translation differences	-	1,131	-	1,131	(142)	989
Profit for the period	-	-	2,547	2,547	1,017	3,564
Dividends	-	-	(5,510)	(5,510)	(1,889)	(7,399)
Effect of acquiring additional interest in subsidiaries	-	-	-	-	(2,730)	(2,730)
Transfer to capital reserves	-	81	(81)	-	-	-
Effect of change in statutory tax rate on revaluation reserve	-	40	-	40	-	40
At 30 September 2008	124,099	30,956	20,815	175,870	41,134	217,004

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.



TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
for the nine months ended 30 September 2007

	<----- Attributable to shareholders of the Company ----->					
	<----- Non-distributable ----->	Share premium & other capital reserves	Retained earnings	Sub-total	Minority interest	Total equity
	Share Capital RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2007	124,099	39,951	7,792	171,842	42,595	214,437
Foreign exchange translation differences	-	490	-	490	352	842
Profit for the period	-	-	9,314	9,314	1,991	11,305
Disposal of a subsidiary	-	(9,524)	9,524	-	-	-
Transfer to capital reserves	-	112	(112)	-	-	-
Dividends	-	-	(5,436)	(5,436)	(2,974)	(8,410)
Accretion arising from additional shares issued by a subsidiary	-	-	(22)	(22)	22	-
Dilution arising from additional shares issued by a subsidiary	-	-	159	159	1,375	1,534
At 30 September 2007	124,099	31,029	21,219	176,347	43,361	219,708

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
for the nine months ended 30 September 2008

	9 months ended 30 September	
	2008	2007
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	10,093	17,813
Adjustments for:		
Non-cash items	28,286	18,457
Operating profit before working capital changes	38,379	36,270
Net change in current assets	(53,987)	(32,928)
Net change in current liabilities	26,050	52,621
Cash generated from operations	10,442	55,963
Non-operating items	7,429	4,968
Net cash generated from operating activities	17,871	60,931
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash used in investing activities	(49,909)	(25,276)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash generated from/(used in) financing activities	24,285	(43,778)
Net decrease in cash and cash equivalents	(7,753)	(8,123)
Effects of exchange differences on cash and cash equivalents	189	(806)
Cash and cash equivalents at 1 January	46,001	53,534
Cash and cash equivalents at 30 September	38,437	44,605

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)
for the nine months ended 30 September 2008 (Cont'd)

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

	Note	9 months ended 30 September	
		2008	2007
		RM'000	RM'000
Short term deposits with licensed banks (excluding deposits pledged)		2,178	117
Cash and bank balances		40,135	45,133
Bank overdrafts	22	<u>(3,876)</u>	<u>(645)</u>
		<u>38,437</u>	<u>44,605</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

1. **Basis of preparation**

The interim financial report is unaudited and has been prepared in compliance with FRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2007. 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 2007.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 January 2008:

FRS 107, Cash Flow Statements

FRS 111, Construction Contracts

FRS 112, Income Taxes

FRS 118, Revenue

FRS 120, Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates – Net
Investment in a Foreign Operation

FRS 134, Interim Financial Reporting

FRS 137, Provisions, Contingent Liabilities and Contingent Assets

IC Interpretation 1, Changes in Existing Decommissioning, Restoration and Similar
Liabilities

IC Interpretation 2, Member’s Shares in Co-operative Entities and Similar Instruments

IC Interpretation 5, Rights to Interests arising from Decommissioning, Restoration and
Environmental Rehabilitation Funds

IC Interpretation 6, Liabilities arising from Participating in a Specific Market – Waste
Electrical and Electronic Equipment

IC Interpretation 7, Applying the Restatement Approach under FRS 129, Financial
Reporting in Hyperinflationary Economies

IC Interpretation 8, Scope of FRS 2

FRS 111, FRS 120 and the Interpretations listed above are not applicable to the Group.

The Group has not adopted FRS 139, Financial Instruments: Recognition and Measurement, which is effective from 1 January 2010. The Standard has exempted the Group from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS 139.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

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

The auditors’ report on the financial statements for the year ended 31 December 2007 was not qualified.

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

The Group’s operations were not significantly affected by any unusual seasonal or cyclical 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 and nine months ended 30 September 2008.

5. **Changes in estimates**

There were no changes in estimates that have had a material effect during the quarter and nine months ended 30 September 2008.

6. **Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities by the Company during the quarter and nine months ended 30 September 2008 save as disclosed in Note 21(A) of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements.

7. **Dividend paid**

During the nine months ended 30 September 2008, the Company had paid the following dividends:-

- i) the second interim dividend of 6 sen per share less 26% tax, amounting to RM5,510,000 in respect of the financial year ended 31 December 2007 on 10 January 2008; and
- ii) the first interim dividend of 6 sen per share less 26% tax, amounting to RM5,510,000 in respect of the financial year ending 31 December 2008 on 21 August 2008.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

8. **Segmental information**

Segment information is presented in respect of the Group’s business segments, which is based on the Company’s management and internal reporting structure. Inter-segment pricing is determined based on negotiated terms.

Segment revenue	3 months ended 30 September		9 months ended 30 September	
	2008	2007	2008	2007
	RM’000	RM’000	RM’000	RM’000
Industrial	224,902	155,616	620,292	429,941
Packaging	60,969	58,461	176,637	165,802
Family Care	36,531	29,494	103,166	128,279
Food	84,965	85,259	242,660	226,548
	<u>407,367</u>	<u>328,830</u>	<u>1,142,755</u>	<u>950,570</u>
Eliminations	(1,108)	(8,608)	(3,057)	(19,195)
Group revenue	<u>406,259</u>	<u>320,222</u>	<u>1,139,698</u>	<u>931,375</u>

Segment results

Industrial	5,711	3,905	14,592	10,436
Packaging	2,657	3,698	8,318	8,979
Family Care	1,388	2,955	4,980	8,688
Food	372	1,271	3,696	1,727
Investment Holding	(1,637)	(1,554)	(4,612)	(3,837)
Operating profit	<u>8,491</u>	<u>10,275</u>	<u>26,974</u>	<u>25,993</u>

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 2007.

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(D) of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING
STANDARDS (“FRS”) 134

11. **Changes in composition of the Group for the nine months ended 30 September 2008**

Save as disclosed in Note 21(B) and (C) of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements, there were no change in the composition of the Group since the last quarter.

12. **Changes in contingent liabilities**

As at 30 September 2008, the Company has issued corporate guarantees amounting to RM240.7 million (31.12.07 : RM262.8 million) as security for banking facilities granted to its subsidiaries of which RM73.0 million were utilised as at 30 September 2008 (31.12.07 : RM68.6 million).

The Group have issued corporate guarantees to certain suppliers for an amount of RM12.8 million (31.12.07: RM9.6 million).

13. **Commitments**

	30 September 2008 RM'000	31 December 2007 RM'000
Investment		
Contracted but not provided for in the financial statements	-	5,904
Property, plant and equipment		
Contracted but not provided for in the financial statements	7,349	5,117
Approved but not contracted for	1,880	951
	<u>9,229</u>	<u>11,972</u>

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

14. **Performance review**

- (a) Current quarter compared with previous corresponding quarter

The Group's revenue for the current quarter was RM406.3 million, an increase of 27% compared to RM320.2 million reported in corresponding quarter last year. The revenue increase was mainly contributed by Industrial, Packaging and Family Care Divisions.

Despite the increase in revenue, pre-tax profit decreased to RM3.1 million from RM6.7 million recorded for the same quarter last year. The lower pre-tax profit was mainly due to higher operating and material costs and the increase in share of net loss of an associate.

- (b) Current financial period compared with previous corresponding financial period

The Group recorded revenue of RM1.1 billion and pre-tax profit of RM10.1 million against the revenue of RM931.4 million and pre-tax profit of RM17.8 million recorded for the same period last year. The higher revenue of RM208.3 million was mainly generated by Industrial, Packaging and Food Divisions which was partially offset by the lower sales volume in Family Care Division. Despite the increase in revenue, the current year-to-date pre-tax profit was lower than the same period last year by RM1.5 million (after excluding the exceptional gain on disposal of Texchem Consumers Sdn Bhd in 2007). The lower pre-tax profit was mainly due to higher operating and material costs and the increase in share of net loss of an associate.

15. **Variation of results against preceding quarter**

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

	<-----2008----->			
	Quarter 3	Quarter 2	Variance	
	RM'000	RM'000	RM'000	%
Revenue	406,259	386,371	19,888	5.1
Profit before taxation	3,051	3,064	(13)	(0.4)

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

15. **Variation of results against preceding quarter (Cont'd)**

The revenue increased by 5.1% mainly attributed to higher sales recorded by Texchem Materials Sdn Bhd, New Material (Malaysia) Sdn Bhd and Texchem Materials (Thailand) Ltd in Industrial Division. There is no significant change in profit before tax compared to previous quarter.

16. **Prospects for 2008**

In view of the current global financial crisis which may trigger a significant economic downturn, the Group is cautious about the operating performance for the last quarter of 2008. The net profit after tax for 2008 is expected to be lower than that for 2007.

17. **Profit forecast**

Not applicable as no profit forecast was published.

18. **Tax expense**

	3 months ended 30 September		9 months ended 30 September	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current period	597	1,585	4,722	3,751
- prior period	199	348	240	348
Overseas				
- current period	911	198	1,857	871
- prior period	7	82	(42)	82
	1,714	2,213	6,777	5,052
Deferred tax expense	50	(283)	(248)	1,456
	1,764	1,930	6,529	6,508

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

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

19. **Unquoted investments and properties**

There were no disposals of unquoted investments and properties during the quarter and nine months ended 30 September 2008, save as disclosed in Note 21(B) of the Additional Information required by Bursa Malaysia Securities Berhad Listing Requirements.

20. **Quoted investments**

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

21. **Status of corporate proposals announced**

Status of Corporate Proposals

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

1. On 11 October 2004, Texchem Resources Bhd. (“TRB”) had announced that it proposes to undertake an issuance of private debt securities of up to RM100 million (“Proposed PDS Programme”) comprising RM60 million of Commercial Papers and up to RM100 million of Medium Term Notes. 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.
2. On 13 May 2005, TRB had completed the issuance of Commercial Papers of RM60 million under the Proposed PDS Programme.
3. On 16 October 2006, TRB had announced that an application to the Securities Commission (“SC”) has been submitted on 16 October 2006 for the approval to change the Commercial Papers’ sub-limit from RM60 million to RM100 million.
4. On 13 November 2006, TRB had announced that TRB had on 13 November 2006 received the approval of the SC vide its letter dated 10 November 2006 for the proposed change of Commercial Papers’ sub-limit from RM60 million to RM100 million.
5. On 18 January 2007, TRB had announced that TRB had on 18 January 2007, entered into the following agreements:-
 - i. Supplemental Commercial Papers and/or Medium Term Notes Programme Agreement executed amongst

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

21. **Status of corporate proposals announced (Cont'd)**

- a. TRB (as Issuer),
 - b. RHB Investment Bank Bhd (as Lead Arranger, Facility Agent, Issue Agent, Paying Agent and Underwriter), and
 - c. CIMB Bank Berhad, EON Bank Berhad, OCBC Bank (Malaysia) Berhad and Maybank Berhad (all as Underwriters); and
- ii. Supplemental Trust Deed executed between TRB (as Issuer) and Malaysian Trustees Berhad (as Trustee and Security Trustee).
6. On 3 April 2007, TRB had announced that TRB had on 3 April 2007 made an additional issuance of Commercial Papers of RM10 million under the Proposed Commercial Papers and/or Medium Term Notes Programme.
 7. On 2 June 2008, TRB had announced that TRB had recently made an additional issuance of Commercial Papers of RM10 million under the Proposed Commercial Papers and/or Medium Term Notes Programme. As such, the balance of the total Commercial Papers of RM85 million (being the Proposed Commercial Papers and/or Medium Term Notes Programme's latest maximum limit with effect from 31 March 2008) which is still unissued is RM5 million.

B. Member's Voluntary Winding-up of Zenith Enterprises Sdn Berhad, an indirect wholly-owned subsidiary of Fumakilla Malaysia Berhad which in turn is a subsidiary of Texchem Resources Bhd.

TRB had on 8 August 2006 announced that Zenith Enterprises Sdn Berhad ("Zenith"), an indirect wholly-owned subsidiary of Fumakilla Malaysia Berhad which in turn is a subsidiary of TRB had on 8 August 2006 commenced the Member's Voluntary Winding-up proceedings in accordance with Section 254 of the Companies Act, 1965.

On 13 August 2008, TRB further announced that the Liquidator of Zenith had convened Final Meeting to conclude the Member's Voluntary Winding-up of Zenith. Return by Liquidator relating to Final Meeting of Zenith was lodged with the Companies Commission of Malaysia on 13 May, 2008. Accordingly, Zenith was dissolved on 14 August, 2008 pursuant to Section 272(5) of the Companies Act, 1965.

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

21. **Status of corporate proposals announced (Cont'd)**

C. Negotiations on the proposed extension of the expiry date of the Option Period to exercise Call and/or Put Options as set out in the Shareholders' Agreement and Call and Put Options dated 29 January 2003 amongst TRB, Mr. Ng Bak Hwa, Mr. Ng Bak Kuang, Mr. Chan Tung Lion and Mr. Khor Cheng Thong ("SACPO") as announced on 29 January 2003

On 23 April 2008, TRB had announced that TRB was negotiating with Mr. Ng Bak Hwa, Mr. Ng Bak Kuang, Mr. Chan Tung Lion and Mr. Khor Cheng Thong (collectively referred to as "the Other Shareholders of Texchem Food Sdn. Bhd.") on the extension of the expiry date of the Option Period as defined in the announcement dated 29 January 2003.

It was further announced that should the negotiations on the extension of the expiry date of the Option Period as defined in the announcement dated 29 January 2003 not be resolved latest by 22 May 2008, the Call Option as defined in the announcement dated 29 January 2003 shall be automatically deemed to be exercised on 23 April 2008 in accordance with the SACPO. Thereafter, TRB will proceed accordingly in accordance with the SACPO.

On 22 May 2008, it was further announced that TRB and the Other Shareholders of Texchem Food Sdn. Bhd. have agreed on 22 May 2008 via a letter to extend the Option Period as defined in the announcement dated 29 January 2003 for approximately another five (5) years from 22 April 2008 ("Extended Option Period") and the Extended Option Period will expire on 23 April 2013 ("Extension Letter"). Save for the Extended Option Period, all other terms and conditions of the SACPO shall remain unchanged.

In addition, TRB had received on 22 May 2008 from each of the Other Shareholders of Texchem Food Sdn. Bhd. a letter exercising the Put Option in accordance with the SACPO read with the Extension Letter, for all the ordinary shares of RM1.00 each in Texchem Food Sdn. Bhd. held by them which totalled 5,824,171 shares. As such, the payment of the purchase price for the 5,824,171 ordinary shares of RM1.00 each in Texchem Food Sdn. Bhd. is to be made by 21 August, 2008 in accordance with the SACPO read with the Extension Letter. On 21 August 2008, TRB had announced that the exercise of the Put Option as mentioned above was completed on that day.

D. Incorporation of Texchem Materials (Vietnam) Co., Ltd.

On 22 October 2008, TRB had announced that Texchem Materials Sdn. Bhd., a wholly owned subsidiary of TRB, had on 21 October 2008 received the Investment Certificate from the Department of Planning and Investment of Ho Chi Minh City in relation to incorporation of its wholly owned subsidiary, namely Texchem Materials (Vietnam) Co., Ltd. in Vietnam on 16 October 2008.

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

22. **Borrowings**

	30 September 2008 RM'000	31 December 2007 RM'000
Current:		
Unsecured		
Bank overdrafts	3,876	4,547
Bankers' acceptances	82,914	62,463
Revolving credit	73,922	46,240
Term loans	8,441	13,332
Commercial papers *	10,000	-
Trust receipts	8,353	4,201
Promissory notes	-	436
Finance lease liabilities	1,124	1,257
Total	<u>188,630</u>	<u>132,476</u>
Non-current:		
Unsecured		
Commercial papers *	70,000	70,000
Term loans	14,629	18,371
Collateralised loan obligations	35,000	35,000
Finance lease liabilities	1,478	1,620
Total	<u>121,107</u>	<u>124,991</u>

* The commercial papers were issued under a 7-year underwriting programme and the amount will be fully redeemed upon maturity.

Borrowings denominated in foreign currencies are as follows:

	30 September 2008 RM'000	31 December 2007 RM'000
Current:		
Unsecured		
Thai Baht	3,076	3,058
Singapore Dollar	10,862	4,660
United States Dollar	11,256	3,838
Indonesian Rupiah	2,722	-
Vietnamese Dong	558	678
	<u>28,474</u>	<u>12,234</u>
Non-current:		
Unsecured		
Thai Baht	5,028	6,481
Singapore Dollar	3,193	11
United States Dollar	-	963
	<u>8,221</u>	<u>7,455</u>

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

23. **Off balance sheet financial instruments**

There were no off balance sheet financial instrument not recognised in the balance sheet as at 30 September 2008.

24. **Changes in material litigation**

There were no material litigation against the Group as at 30 September 2008.

25. **Dividend**

The first interim dividend of 6 sen per share less 26% tax in respect of the financial year ending 31 December 2008 (2007: 6 sen per share less 27% tax) was declared on 31 July 2008 and paid on 21 August 2008. The entitlement date was fixed on 14 August 2008.

26. **Basic earnings per share**

Basic earnings per share of the Group is calculated by dividing the profit for the period attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding.

	3 months ended 30 September		9 months ended 30 September	
	2008	2007	2008	2007
	RM'000	RM'000	RM'000	RM'000
Profit for the period attributable to shareholders of the Company	1,020	3,637	2,547	9,314
Weighted average number of ordinary shares in issue	124,099	124,099	124,099	124,099
Basic earnings per share (sen)	0.82	2.93	2.05	7.51

BY ORDER OF THE BOARD

JONY RAW
COMPANY SECRETARY/CHIEF FINANCIAL OFFICER
Date: 5 November 2008