



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2010

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
for the quarter and nine months ended 30 September 2010

	Note	3 months ended 30 September		9 months ended 30 September	
		2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
Revenue	8,27	268,633	274,275	793,243	763,794
Cost of sales	27	(208,296)	(214,445)	(609,247)	(598,893)
Gross profit		60,337	59,830	183,996	164,901
Distribution costs		(29,491)	(27,688)	(89,830)	(84,174)
Administrative expenses		(30,690)	(29,103)	(90,752)	(81,015)
Other income		2,597	3,647	8,224	8,323
Operating profit		2,753	6,686	11,638	8,035
Finance costs		(3,718)	(3,546)	(10,761)	(11,241)
Share of loss after tax of jointly controlled entity		(148)	-	(148)	-
Share of loss after tax and minority interest of equity accounted associates		(473)	(441)	(1,094)	(1,946)
(Loss)/Profit before taxation	8	(1,586)	2,699	(365)	(5,152)
Tax expense	18	114	(1,026)	(3,017)	(4,118)
(Loss)/Profit for the period		(1,472)	1,673	(3,382)	(9,270)
Attributable to:					
Shareholders of the Company		(1,045)	1,050	(2,032)	(8,197)
Minority interest		(427)	623	(1,350)	(1,073)
(Loss)/Profit for the period		(1,472)	1,673	(3,382)	(9,270)
Basic (loss)/earnings per share attributable to shareholders of the Company (sen)	26	(0.84)	0.85	(1.64)	(6.60)

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the quarter and nine months ended 30 September 2010

Note	3 months ended 30 September		9 months ended 30 September	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000 (Restated)
(Loss)/Profit for the period	(1,472)	1,673	(3,382)	(9,270)
Other comprehensive income, net of tax				
Foreign currency translation differences for foreign operations	(3,363)	41	(7,852)	3,451
Total comprehensive income for the period	(4,835)	1,714	(11,234)	(5,819)
Total comprehensive income attributable to:				
Shareholders of the Company	(4,331)	1,187	(9,373)	(4,992)
Minority interest	(504)	527	(1,861)	(827)
	(4,835)	1,714	(11,234)	(5,819)

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 At 30 September 2010

	Note	30 September 2010 (Unaudited) RM'000	31 December 2009 (Audited) RM'000
ASSETS			
Property, plant and equipment		182,291	190,780
Prepaid land lease payments		15,801	16,295
Investments in associates and jointly controlled entity		18,448	19,589
Other investment		-	-
Intangible assets		54,930	54,930
Deferred tax assets		1,483	1,727
Total non-current assets		272,953	283,321
Receivables, deposits and prepayments		216,851	224,294
Inventories		78,100	67,669
Current tax assets		12,811	14,530
Cash and cash equivalents		46,094	63,028
Total current assets		353,856	369,521
TOTAL ASSETS		626,809	652,842
EQUITY			
Share capital		124,099	124,099
Reserves		21,512	32,746
Total equity attributable to shareholders of the Company		145,611	156,845
Minority interest		33,965	35,868
TOTAL EQUITY		179,576	192,713
LIABILITIES			
Borrowings	22	78,330	102,513
Deferred tax liabilities		5,396	5,591
Deferred liability		4,725	4,998
Total non-current liabilities		88,451	113,102
Payables, accruals and provision		132,798	160,381
Borrowings	22	225,984	182,921
Current tax liabilities		-	1,863
Dividend payable		-	1,862
Total current liabilities		358,782	347,027
TOTAL LIABILITIES		447,233	460,129
TOTAL EQUITY AND LIABILITIES		626,809	652,842

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2010

	<----- Attributable to shareholders of the Company ----->					
	<----- Non-distributable ----->			<- Distributable ->		
	Share Capital RM'000	Share premium & other capital reserves RM'000	Retained earnings/ (Accumulated Loss) RM'000	Sub-total RM'000	Minority interest RM'000	Total equity RM'000
At 1 January 2010	124,099	32,631	115	156,845	35,868	192,713
Other comprehensive income	-	(7,341)	-	(7,341)	(511)	(7,852)
Loss for the period	-	-	(2,032)	(2,032)	(1,350)	(3,382)
Total comprehensive income for the period	-	(7,341)	(2,032)	(9,373)	(1,861)	(11,234)
Dividends	-	-	(1,861)	(1,861)	(128)	(1,989)
Subscription of shares in a subsidiary by a minority shareholder	-	-	-	-	86	86
Transfer to capital reserves	-	45	(45)	-	-	-
At 30 September 2010	124,099	25,335	(3,938)	145,611	33,965	179,576

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 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 2009

	<----- Attributable to shareholders of the Company ----->					
	<----- Non-distributable ----->		<- Distributable ->			Minority interest RM'000
	Share Capital RM'000	Share premium & other capital reserves RM'000	Retained earnings RM'000	Sub-total RM'000		
At 1 January 2009	124,099	29,598	14,725	168,422	38,851	207,273
Other comprehensive income	-	3,205	-	3,205	246	3,451
Loss for the period	-	-	(8,197)	(8,197)	(1,073)	(9,270)
Total comprehensive income for the period	-	3,205	(8,197)	(4,992)	(827)	(5,819)
Dividends	-	-	(2,792)	(2,792)	(2,080)	(4,872)
Effect of acquiring additional Interest in a subsidiary	-	-	(252)	(252)	252	-
Transfer of capital reserves	-	37	(37)	-	-	-
At 30 September 2009	124,099	32,840	3,447	160,386	36,196	196,582

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the nine months ended 30 September 2010

	For Information Only			9 months ended 30 September	
	3 months Quarter 1 2010 RM'000	3 months Quarter 2 2010 RM'000	3 months Quarter 3 2010 RM'000	2010 RM'000	2009 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before taxation	149	1,072	(1,586)	(365)	(5,152)
Adjustments for:					
Non-cash items	8,686	9,425	8,863	26,974	29,754
Non-operating items	3,337	3,576	3,704	10,617	10,902
Operating profit before changes in working capital	12,172	14,073	10,981	37,226	35,504
Net changes in working capital	(14,356)	(20,073)	(108)	(34,537)	2,677
Cash (used in)/generated from operations	(2,184)	(6,000)	10,873	2,689	38,181
Income tax refunded/(paid)	667	(2,117)	(1,919)	(3,369)	(7,847)
Directors' retirement/resignation benefits paid	(671)	(138)	(6)	(815)	(599)
Net cash (used in)/generated from operating activities	(2,188)	(8,255)	8,948	(1,495)	29,735
CASH FLOWS FROM INVESTING ACTIVITIES					
Net cash used in investing activities	(7,879)	(7,964)	(3,837)	(19,680)	(14,836)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash (used in)/generated from financing activities	(7,549)	7,988	1,898	2,337	(22,577)
Net (decrease)/increase in cash and cash equivalents	(17,616)	(8,231)	7,009	(18,838)	(7,678)
Effects of exchange differences on cash and cash equivalents	(865)	25	(283)	(1,123)	479
Cash and cash equivalents at beginning of period	54,388	35,907	27,701	54,388	51,420
Cash and cash equivalents at end of period	35,907	27,701	34,427	34,427	44,221

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the nine months ended 30 September 2010 (Cont'd)

Cash and cash equivalents included in the condensed consolidated statement of cash flow comprise the following statement of financial position amounts:

	Note	30 September 2010 RM'000	30 September 2009 RM'000
Short term deposit with licensed banks (excluding debt service reserve account)		2,399	1,792
Cash and bank balances		42,990	47,809
Bank overdrafts	22	<u>(10,962)</u>	<u>(5,380)</u>
		<u>34,427</u>	<u>44,221</u>

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2009 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of preparation

The interim financial statements are unaudited and have been prepared in compliance with FRS 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009. 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 2009.

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2009, except for the adoption of the following new Financial Reporting Standards (“FRSs”), Amendments to FRSs and Interpretations applicable to the Group with effect from 1 January 2010.

FRSs, Amendments to FRSs and Interpretations

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised 2009)
FRS 123	Borrowing Costs (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRS 7	Financial Instruments: Disclosures
Amendments to FRS 8	Operating Segments
Amendments to FRS 107	Statement of Cash Flows
Amendments to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to FRS 110	Events after the Reporting Period
Amendments to FRS 116	Property, Plant and Equipment
Amendments to FRS 117	Leases
Amendments to FRS 118	Revenue
Amendments to FRS 119	Employee Benefits
Amendments to FRS 123	Borrowing Costs
Amendments to FRS 127	Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 128	Investments in Associates
Amendments to FRS 131	Interest in Joint Ventures
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 134	Interim Financial Reporting
Amendments to FRS 136	Impairment of Assets
Amendments to FRS 139	Financial Instruments: Recognition and Measurement
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of preparation (Cont'd)

Other than the application of FRS 8, FRS 101 and amendments to FRS 118, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

(a) FRS 8: Operating Segments

FRS 8 requires segment information to be presented on a similar basis to that used for internal reporting purposes. As a result, the Group's segmental reporting had been presented based on the internal reporting to the chief operating decision maker who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position and results of the Group.

(b) FRS 101: Presentation of Financial Statements

FRS 101 separates owner and non-owner changes in equity. Therefore, the current consolidated statement of changes in equity only includes details of transactions with owners. All non-owner changes in equity are presented as a single line labeled as total comprehensive income. Comparative information, with exception of the requirements under FRS 139, had been re-presented so that it is also in conformity with the revised standard. This standard does not have any impact on the financial position and results of the Group.

(c) Amendments to FRS 118: Revenue

The amendments to FRS 118 clarify the distinction between when an entity is acting as a principal and an agent. The adoption of this guidance will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions. This change in accounting policy will affect the presentation of revenue from a gross presentation to a net presentation. As the change only affects the presentation of revenue and cost of sales, this standard does not have any impact on the financial position and results of the Group.

The following revised FRSs, new IC Interpretations and Amendments to FRSs applicable to the Group have been issued by the MASB and are effective for annual periods commencing on or after 1 March 2010, 1 July 2010 and 1 January 2011, and have yet to be adopted by the Group.

FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 138	Intangible Assets
Amendments to IC	
Interpretation 9	Reassessment of Embedded Derivatives
Amendments to FRS 7	Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

1. Basis of preparation (Cont'd)

Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 1	Limited Exemptions from Comparatives FRS 7 Disclosures for First-time Adopters
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 4	Determining Whether an Arrangement contains a Lease

The initial application of the above FRSs and amendments to FRSs and Interpretation is not expected to have any significant impact on the Group.

2. Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2009 was not qualified.

3. Seasonality and cyclical nature 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 2010 other than the expenses incurred for the Proposed Voluntary Delisting of Texchem-Pack Holdings (S) Ltd amounting to approximately RM1.1 million during the second quarter of 2010.

5. Changes in estimates

There were no changes in estimates that have a material effect during the quarter and nine months ended 30 September 2010.

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 2010 save as disclosed in Explanatory Note 21(A) of this condensed consolidated financial statements for the quarter and nine months ended 30 September 2010.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134

7. Dividend paid

During the nine months ended 30 September 2010, the Company had paid the following dividends:

- (i) the second interim dividend of 2 sen per share less 25% tax, amounting to RM1,861,000 in respect of the financial year ended 31 December 2009 on 19 January 2010; and
- (ii) the first interim dividend of 2 sen per share less 25% tax, amounting to RM1,861,000 in respect of the financial year ending 31 December 2010 on 1 September 2010.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
8. Operating segments

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.

	Industrial		Packaging		Family Care		Food		Others		Eliminations		Consolidated	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000 (Restated)
3 months ended 30 September														
Revenue from external customers	102,832	114,526	49,752	46,715	35,137	37,776	80,912	75,258	-	-	-	-	268,633	274,275
Inter-segment revenue	612	360	8	102	26	9	-	-	-	-	(646)	(471)	-	-
Total revenue	103,444	114,886	49,760	46,817	35,163	37,785	80,912	75,258	-	-	(646)	(471)	268,633	274,275
Profit/(Loss) before share of loss after tax and minority interest of equity accounted associates	1,554	3,826	(2,213)	501	14	1,369	2,850	1,463	(3,170)	(4,019)			(965)	3,140
Share of loss after tax of jointly controlled entity	-	-	(148)	-	-	-	-	-	-	-			(148)	-
Share of loss after tax and minority interest of equity accounted associates	-	-	(70)	(45)	-	-	-	-	(403)	(396)			(473)	(441)
Profit/(Loss) before tax	1,554	3,826	(2,431)	456	14	1,369	2,850	1,463	(3,573)	(4,415)			(1,586)	2,699
Tax expense													114	(1,026)
(Loss)/Profit for the period													(1,472)	1,673

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO FRS 134
8. Operating segments (Cont'd)

	Industrial		Packaging		Family Care		Food		Others		Eliminations		Consolidated	
	2010 RM'000	2009 RM'000 (Restated)	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000 (Restated)
9 months ended 30 September														
Revenue from external customers	290,891	280,121	150,620	125,615	116,402	120,518	235,330	237,540	-	-	-	-	793,243	763,794
Inter-segment revenue	2,048	2,193	68	404	40	21	-	-	-	-	(2,156)	(2,618)	-	-
Total revenue	292,939	282,314	150,688	126,019	116,442	120,539	235,330	237,540	-	-	(2,156)	(2,618)	793,243	763,794
Profit/(Loss) before share of loss after tax and minority interest of equity accounted associates	6,079	5,062	(5,770)	(5,705)	2,441	4,170	7,893	3,477	(9,766)	(10,210)			877	(3,206)
Share of loss after tax of jointly controlled entity	-	-	(148)	-	-	-	-	-	-	-			(148)	-
Share of loss after tax and minority interest of equity accounted associates	-	-	(79)	(562)	-	-	-	-	(1,015)	(1,384)			(1,094)	(1,946)
Profit/(Loss) before tax	6,079	5,062	(5,997)	(6,267)	2,441	4,170	7,893	3,477	(10,781)	(11,594)			(365)	(5,152)
Tax expense													(3,017)	(4,118)
Loss for the period													(3,382)	(9,270)

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 2009.

10. Material 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.

11. Changes in composition of the Group for the nine months ended 30 September 2010

Other than as disclosed in Explanatory Notes 21(B) and 21(C) of this condensed consolidated financial statements for the quarter and nine months ended 30 September 2010, since the last quarter,

(a) GMMI Texchem Sdn. Bhd. was incorporated in Malaysia on 5 July 2010 with the following issued and paid-up share capital:

<u>Name of shareholders</u>	<u>Issued and paid-up share capital</u>	<u>Ratio</u>
The Company	RM100,000	50%
GMMI Sdn. Bhd.	RM100,000	50%
Total:	<u>RM200,000</u> =====	

(b) Texchem Japan, Inc., a wholly owned subsidiary of the Company, was incorporated in Japan on 10 September 2010 with an issued and paid-up share capital of JPY9,999,990 or equivalent to RM374,500.

12. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group since the last annual balance sheet date as at 31 December 2009.

13. Commitments

	30 September 2010 RM'000	31 December 2009 RM'000
Property, plant and equipment		
Contracted but not provided for in the financial statements – within one year	10,499	5,978
Approved but not contracted for	<u>1,172</u>	<u>2,043</u>
	<u>11,671</u>	<u>8,021</u>

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN
MARKET 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 RM268.6 million, a marginal drop of 2% compared to RM274.3 million reported in corresponding quarter last year.

The Group recorded a pre-tax loss of RM1.6 million against pre-tax profit of RM2.7 million in the corresponding quarter mainly attributable to foreign exchange loss of RM2.1 million resulting from the strengthening of Ringgit Malaysia against US Dollar on foreign receivables and erosion of margin due to intensified competition.

- (b) Current nine (9) months financial period compared with previous corresponding financial period

The Group recorded revenue of RM793.2 million and pre-tax loss of RM0.4 million against the revenue of RM763.8 million and pre-tax loss of RM5.2 million recorded for the same period last year. The reduction in pre-tax loss was mainly due to higher revenue recorded by Industrial and Packaging Divisions as well as the very poor performance in first quarter of 2009.

15. Variation of results against preceding quarter

The comparison of the Group's revenue and profit/(loss) before taxation for the current and preceding quarters are as follows:

	2010		Variance	
	Quarter 3 RM'000	Quarter 2 RM'000	RM'000	%
Revenue	268,633	272,142	(3,509)	(1.3)
(Loss)/Profit before taxation	(1,586)	1,072	(2,658)	(247.9)

The Group recorded a pre-tax loss of RM1.6 million against pre-tax profit of RM1.1 million in the preceding quarter mainly due to the weak performance of some subsidiaries in Family Care Division.

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

16. Prospects for 2010

The Group does not expect significant improvement in market condition for the remaining months of the year. Nevertheless, the Group will continue its efforts to tighten the capital expenditure while focusing on cost reductions and internal efficiencies to improve its financial performance.

17. Profit forecast

Not applicable as no profit forecast was published.

18. Tax expense

	3 months ended 30 September		9 months ended 30 September	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Current tax expense				
- current period	924	1,144	3,461	3,922
- prior period	(880)	(604)	(899)	(485)
Overseas				
- current period	(32)	640	524	1,389
- prior period	(55)	-	(55)	458
Deferred tax expense	(43)	1,180	3,031	5,284
	(71)	(154)	(14)	(1,166)
	(114)	1,026	3,017	4,118

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

19. Unquoted investments and properties

There were no disposals of unquoted investments and properties during the quarter and nine months ended 30 September 2010.

20. Quoted investments

There were no purchases and disposals of quoted securities during the quarter and nine months ended 30 September 2010.

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

21. Status of corporate proposal

The status of the Group's corporate proposals is as follows:

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

On 31 March 2010, the limit of the Commercial Papers has been further reduced from RM70 million to RM50 million of which the RM50 million has been fully issued as at today in accordance with the Commercial Papers and/or Medium Term Notes Programme.

B. Proposed Acquisition of the entire issued and paid-up share capital of Seapack Food Sdn. Bhd. comprising 88,450,149 ordinary shares of RM1.00 each (par value) by Sea Master Trading Co. Sdn. Bhd. at a total cash consideration of RM100,000.00 (approximately equivalent to RM0.00113 per share) only

On 17 September 2010, the Company announced that Sea Master Trading Co. Sdn. Bhd. ("SMT"), a wholly owned subsidiary of Texchem Food Sdn. Bhd. which in turn is a wholly owned subsidiary of the Company, has on 17 September 2010 made an offer ("Offer") to acquire the entire issued and paid-up share capital ("Issued Shares") of Seapack Food Sdn. Bhd. ("SFBSB"), a 95.92% owned subsidiary of Texchem Corporation Sdn. Bhd., a major shareholder of the Company, comprising 88,450,149 ordinary shares of RM1.00 each (par value) at a total cash consideration of RM100,000.00 (approximately equivalent to RM0.00113 per share) only ("Offer Price").

Subsequently, the Company had on 11 October 2010 announced that as at 8 October 2010, the closing date of the Offer, SMT has received acceptance of the Offer amounting to a total of 95.93% in nominal value of the Issued Shares of SFBSB. Pursuant thereto, SMT has on 11 October 2010 issued notices ("Forms 57") to the shareholders who have not accepted the Offer as at 8 October 2010 ("Dissenting Shareholders") to compulsorily acquire the Dissenting Shareholders' shares in SFBSB at the same Offer Price pursuant to Section 180 of the Companies Act, 1965 ("Act") (hereinafter referred to as the "Compulsory Acquisition").

SMT will proceed with the necessary action in accordance with Section 180 of the Act to complete the Compulsory Acquisition unless upon an application by the Dissenting Shareholder(s) within the timeframe as stated in the Form 57, the High Court orders otherwise.

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21. Status of corporate proposal (Cont'd)

C. Voluntary Liquidation of Eye Graphic (Vietnam) Co., Ltd.

On 24 September 2010, the Company announced that Eye Graphic (Vietnam) Co., Ltd., a wholly owned subsidiary of Eye Graphic Sdn. Bhd. which in turn is a wholly owned subsidiary of Texchem-Pack Holdings (S) Ltd., an approximately 70.48% owned subsidiary of the Company, has on 24 September 2010 commenced voluntary liquidation proceedings in accordance with the Laws/Rules and Regulations of Vietnam.

22. Borrowings

	30 September 2010 RM'000	31 December 2009 RM'000
Current:		
Unsecured		
Bank overdrafts	10,962	7,691
Bankers' acceptances	72,894	57,682
Revolving credit	95,645	82,045
Term loans	7,831	8,540
Commercial papers *	20,000	20,000
Trust receipts	14,312	3,850
Foreign currency trade line	3,380	1,742
Short-term loans	133	416
Finance lease liabilities	827	955
Total	225,984	182,921
Non-current:		
Unsecured		
Commercial papers *	30,000	50,000
Term loans	11,851	16,239
Collateralised loan obligations	35,000	35,000
Finance lease liabilities	1,479	1,274
Total	78,330	102,513

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

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22. Borrowings (Cont'd)

Borrowings denominated in foreign currencies are as follows:

	30 September 2010 RM'000	31 December 2009 RM'000
Current:		
Unsecured		
Thai Baht	7,237	3,709
Singapore Dollar	19,031	8,967
United States Dollar	13,089	10,583
Indonesian Rupiah	5,438	4,297
Vietnamese Dong	2,844	317
Hong Kong Dollar	3	3
	<u>47,642</u>	<u>27,876</u>
Non-current:		
Unsecured		
Thai Baht	2,897	4,380
Singapore Dollar	1,165	1,944
United States Dollar	1,958	3,658
Hong Kong Dollar	7	10
	<u>6,027</u>	<u>9,992</u>

23. Off balance sheet financial instruments

There were no material off balance sheet financial instrument not recognised in the balance sheet as at 30 September 2010.

24. Changes in material litigation

There were no material litigation against the Group as at 30 September 2010.

25. Dividend

A first interim dividend of 2 sen less 25% tax in respect of the financial year ending 31 December 2010 (2009: 3 sen less 25% tax) was declared on 29 July 2010 and paid on 1 September 2010. The entitlement date was fixed on 13 August 2010.

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26. Basic (loss)/earnings per share

Basic (loss)/earnings per share of the Group is calculated by dividing the (loss)/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	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
(Loss)/profit for the period attributable to shareholders of the Company	(1,045)	1,050	(2,032)	(8,197)
Weighted average number of ordinary shares in issue	124,099	124,099	124,099	124,099
Basic (loss)/earnings per share (sen)	(0.84)	0.85	(1.64)	(6.60)

27. Comparative figures

The following comparative figures have been reclassified to conform with the current period's presentation:

	As restated RM'000	As previously reported RM'000
<u>3 months ended 30 September 2009</u>		
Revenue	274,275	318,393
Cost of sales	214,445	258,563
	As restated RM'000	As previously reported RM'000
<u>9 months ended 30 September 2009</u>		
Revenue	763,794	868,085
Cost of sales	598,893	703,184

BY ORDER OF THE BOARD

JONY RAW
COMPANY SECRETARY/CHIEF FINANCIAL OFFICER
Date: 28 October 2010