



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 DECEMBER 2012**

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)
for the quarter and twelve months ended 31 December 2012

| | Note | 3 months ended 31 December | | 12 months ended 31 December | |
|--|------|-------------------------------|------------------------------|--------------------------------|------------------------------|
| | | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 (Restated) |
| Continuing Operations | | | | | |
| Revenue | 8 | 241,046 | 236,014 | 1,011,016 | 937,256 |
| Cost of sales | | (193,245) | (189,121) | (814,984) | (757,383) |
| Gross profit | | 47,801 | 46,893 | 196,032 | 179,873 |
| Distribution costs | | (26,008) | (26,903) | (108,505) | (98,826) |
| Administrative expenses | | (26,684) | (25,650) | (97,163) | (91,951) |
| Other expenses | | (32,493) | (13,086) | (32,493) | (16,161) |
| Other income | | 34,888 | 26,450 | 56,184 | 48,923 |
| Operating (loss)/profit | 19 | (2,496) | 7,704 | 14,055 | 21,858 |
| Finance costs | | (3,321) | (3,884) | (15,101) | (15,028) |
| Share of loss of jointly controlled entity, net of tax | | (35) | (158) | (194) | (379) |
| Share of loss of equity accounted associates, net of tax | | (14,694) | (46) | (13,960) | (525) |
| (Loss)/Profit before taxation | | (20,546) | 3,616 | (15,200) | 5,926 |
| Income tax expense | 20 | (2,545) | (1,450) | (8,444) | (7,565) |
| (Loss)/Profit from continuing operations | | (23,091) | 2,166 | (23,644) | (1,639) |
| Discontinued operations | | | | | |
| Profit/(Loss) from discontinued operations, net of tax | 9 | 70,838 | (2,092) | 71,779 | (3,566) |
| Profits/(Loss) for the period/year | | 47,747 | 74 | 48,135 | (5,205) |
| Profit/(Loss) attributable to: | | | | | |
| Owners of the Company | | | | | |
| - from continuing operations | | (22,187) | 1,961 | (22,582) | (1,025) |
| - from discontinued operations | | 70,838 | (2,193) | 71,411 | (4,119) |
| | | 48,651 | (232) | 48,829 | (5,144) |
| Non-controlling interests | | (904) | 306 | (694) | (61) |
| Profit/(Loss) for the period/year | | 47,747 | 74 | 48,135 | (5,205) |
| Basic earnings/(loss) per share attributable to owners of the Company (sen) | | | | | |
| | 27 | | | | |
| - from continuing operations | | (17.88) | 1.58 | (18.19) | (0.83) |
| - from discontinued operations | | 57.08 | (1.77) | 57.54 | (3.32) |
| | | 39.20 | (0.19) | 39.35 | (4.15) |

The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2011 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 twelve months ended 31 December 2012

| | 3 months ended 31 December | | 12 months ended 31 December | |
|---|-------------------------------|------------------------------|--------------------------------|------------------------------|
| | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 (Restated) |
| Profit/(Loss) for the period/year | 47,747 | 74 | 48,135 | (5,205) |
| Other comprehensive income/(expense), net of tax | | | | |
| Foreign currency translation differences for foreign operations | | | | |
| - from continuing operations | 1,128 | (746) | 543 | 1,997 |
| - from discontinued operations | 1,935 | (791) | 779 | 108 |
| Total other comprehensive income/(expense), net of tax | 3,063 | (1,537) | 1,322 | 2,105 |
| Total comprehensive income/(expense) for the period/year | 50,810 | (1,463) | 49,457 | (3,100) |
| Total comprehensive income/(expense) attributable to: | | | | |
| Owners of the Company | | | | |
| - from continuing operations | (21,263) | 1,339 | (22,253) | 557 |
| - from discontinued operations | 72,774 | (2,924) | 72,170 | (3,953) |
| | 51,511 | 1,585 | 49,917 | (3,396) |
| Non-controlling interests | (701) | 122 | (460) | 296 |
| Total comprehensive income/(expense) for the period/year | 50,810 | (1,463) | 49,457 | (3,100) |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
 At 31 December 2012

| | Note | 31 December 2012 (Unaudited) RM'000 | 31 December 2011 (Audited) RM'000 |
|---|------|--|--|
| ASSETS | | | |
| Property, plant and equipment | | 141,112 | 182,122 |
| Investment in associates | | 57,878 | 20,159 |
| Investment in jointly controlled entity | | 277 | 221 |
| Intangible assets | | 34,376 | 54,300 |
| Deferred tax assets | | 1,958 | 3,136 |
| Total non-current assets | | 235,601 | 259,938 |
| Trade and other receivables | | 161,707 | 221,352 |
| Inventories | | 68,724 | 86,644 |
| Current tax assets | | 6,705 | 14,522 |
| Cash and cash equivalents | | 54,061 | 76,518 |
| Total current assets | | 291,197 | 399,036 |
| TOTAL ASSETS | | 526,798 | 658,974 |
| EQUITY | | | |
| Share capital | | 124,099 | 124,099 |
| Reserves | | 60,999 | 18,807 |
| Total equity attributable to owners of the Company | | 185,098 | 142,906 |
| Non-controlling interests | | 23,939 | 33,260 |
| TOTAL EQUITY | | 209,037 | 176,166 |
| LIABILITIES | | | |
| Loans and borrowings | 22 | 14,865 | 64,481 |
| Deferred tax liabilities | | 3,203 | 5,657 |
| Deferred liability | | 3,404 | 3,491 |
| Total non-current liabilities | | 21,472 | 73,629 |
| Trade and other payables | | 120,186 | 157,051 |
| Provision | | 3,452 | 3,126 |
| Loans and borrowings | 22 | 170,755 | 247,347 |
| Current tax liabilities | | 1,896 | 1,655 |
| Total current liabilities | | 296,289 | 409,179 |
| TOTAL LIABILITIES | | 317,761 | 482,808 |
| TOTAL EQUITY AND LIABILITIES | | 526,798 | 658,974 |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the twelve months ended 31 December 2012

| | <----- Attributable to owners of the Company -----> | | | | | |
|---|---|--|---|---------------------|--|---------------------------|
| | <----- Non-distributable -----> | | | | | |
| | Share Capital RM'000 | Share premium & other capital reserves RM'000 | Retained earnings/ (Accumulated Losses) RM'000 | Sub-total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| At 1 January 2012 (restated) | 124,099 | 27,114 | (8,307) | 142,906 | 33,260 | 176,166 |
| Other comprehensive (expense)/income | - | (406) | - | (406) | 234 | (172) |
| Profit/(loss) for the year | - | - | 48,829 | 48,829 | (694) | 48,135 |
| Total comprehensive (expense)/income for the year | - | (406) | 48,829 | 48,423 | (460) | 47,963 |
| Disposal of subsidiaries | - | 1,131 | 2,166 | 3,297 | (8,861) | (5,564) |
| Acquisition of subsidiary | - | (221) | - | (221) | - | (221) |
| Dividends | - | - | (9,307) | (9,307) | - | (9,307) |
| Transfer to capital reserve | - | 25 | (25) | - | - | - |
| At 31 December 2012 | 124,099 | 27,643 | 33,356 | 185,098 | 23,939 | 209,037 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

for the twelve months ended 31 December 2011

| | <----- Attributable to owners of the Company -----> | | | | | |
|---|---|--|---------------------------------|---------------------|--|---------------------------|
| | <----- Non-distributable -----> | | | | | |
| | Share Capital RM'000 | Share premium & other capital reserves RM'000 | Accumulated Losses RM'000 | Sub-total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| At 1 January 2011 (restated) | 124,099 | 25,066 | (2,821) | 146,344 | 32,908 | 179,252 |
| Other comprehensive income | - | 1,748 | - | 1,748 | 357 | 2,105 |
| Loss for the year | - | - | (5,144) | (5,144) | (61) | (5,205) |
| Total comprehensive income/(expense) for the year | - | 1,748 | (5,144) | (3,396) | 296 | (3,100) |
| Dividends | - | - | - | - | (170) | (170) |
| Subscription of shares in subsidiaries by non-controlling interests | - | - | - | - | 1,202 | 1,202 |
| Change in ownership interest in a subsidiary | - | - | (42) | (42) | (976) | (1,018) |
| Transfer to capital reserve | - | 300 | (300) | - | - | - |
| At 31 December 2011 | 124,099 | 27,114 | (8,307) | 142,906 | 33,260 | 176,166 |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the twelve months ended 31 December 2012

| | Note | 12 months ended 31 December | |
|---|------|-----------------------------|----------------|
| | | 2012 | 2011 |
| | | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit/(Loss) before taxation from | | | |
| - continuing operations | | (15,200) | 5,926 |
| - discontinued operations | 9 | 71,126 | (1,934) |
| | | <u>55,926</u> | <u>3,992</u> |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | | 26,791 | 29,681 |
| Provision/(Reversal) for Directors' retirement/resignation benefits | | 795 | (47) |
| Property, plant and equipment written off | | 225 | 477 |
| Assets classified as held for sale written off | | - | 834 |
| Gain on disposal of property, plant and equipment | | (362) | (606) |
| Gain on disposal of assets classified as held for sale | | - | (7,929) |
| Interest income | | (2,381) | (1,575) |
| Interest expense | | 15,834 | 16,245 |
| Share of loss of equity accounted associates | | 13,960 | 525 |
| Share of loss of jointly controlled entity | | 194 | 379 |
| Impairment loss on goodwill | | 32,493 | 1,612 |
| Impairment loss on property, plant and equipment | | - | 11,503 |
| Gain on disposal of subsidiaries | 9 | (98,601) | - |
| Gain on disposal of an associate | | (327) | - |
| Gain on liquidation of subsidiary | | - | (84) |
| | | <u>(11,379)</u> | <u>51,015</u> |
| Operating profit before changes in working capital | | <u>44,547</u> | <u>55,007</u> |
| Changes in working capital: | | | |
| Inventories | | (4,412) | (11,374) |
| Trade and other receivables | | (12,730) | 1,488 |
| Trade and other payables | | 8,025 | 11,130 |
| | | <u>35,430</u> | <u>56,251</u> |
| Cash generated from operations | | <u>35,430</u> | <u>56,251</u> |
| Income tax paid | | (7,299) | (9,246) |
| Directors' retirement/resignation benefits paid | | (423) | (989) |
| Net cash from operating activities | | <u>27,708</u> | <u>46,016</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceed from sale of discontinued operations, net of cash and cash equivalents disposed | 9 | 120,988 | - |
| Proceed from disposal of an associate | | 7,267 | - |
| Acquisition of subsidiary, net of cash and cash equivalents acquired | | (23,490) | (381) |
| Liquidation of an subsidiary, net of cash and cash equivalents liquidated | | - | 70 |
| Additional investment in a jointly controlled entity | | (250) | (600) |
| Proceeds from disposal of property, plant and equipment | | 2,982 | 1,933 |
| Proceeds from disposal of assets classified as held for sale | | - | 14,480 |
| Purchase of property, plant and equipment | | (40,761) | (26,614) |
| Interest received | | 2,381 | 1,575 |
| Net cash from/(used in) investing activities | | <u>69,117</u> | <u>(9,537)</u> |

TEXCHEM RESOURCES BHD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
for the twelve months ended 31 December 2012 (Cont'd)

| | Note | 12 months ended 31 December | |
|---|------|-----------------------------|-----------------|
| | | 2012 | 2011 |
| | | RM'000 | RM'000 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of Collateralised loan obligations | | - | (35,000) |
| Repayment of commercial papers | | (30,000) | (20,000) |
| Drawdown of term loans | | 8,904 | 6,446 |
| Repayment of term loans | | (9,053) | (10,608) |
| Drawdown of syndicated term loan | | - | 55,000 |
| Repayment of syndicated term loan | | (55,000) | - |
| Repayment of finance lease liabilities | | (1,939) | (1,968) |
| (Repayment)/Drawdown of borrowings (net) | | (5,017) | 11,983 |
| Interest paid | | (15,834) | (16,245) |
| Withdrawal in debt service reserve account | | 599 | 110 |
| Proceeds from issuance of shares to non-controlling interests | | - | 183 |
| Dividends paid to shareholders of the Company | | (9,307) | (1,861) |
| Dividend paid to non-controlling shareholders | | - | (170) |
| Net cash used in financing activities | | (116,647) | (12,130) |
| Net (decrease)/increase in cash and cash equivalents | | (19,822) | 24,349 |
| Cash and cash equivalents at 1 January | | 59,959 | 35,346 |
| Effects of exchange differences on cash and cash equivalents | | 51 | 264 |
| Cash and cash equivalents at 31 December | | 40,188 | 59,959 |

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

| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
|--|-------------------------------|-------------------------------|
| Short term deposit with licensed banks (excluding debt service reserve accounts) | 1,050 | 7,648 |
| Cash and bank balances | 53,011 | 68,270 |
| Bank overdrafts | (13,873) | (15,959) |
| | 40,188 | 59,959 |

The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report.

1. Basis of preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis, unless otherwise stated.

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with MFRS 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 condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011. 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 2011.

First-Time Adoption of Malaysian Financial Reporting Standards (“MFRS”)

The Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”) for the periods up to and including the financial year ended 31 December 2011. Since the previous audited financial statements as at 31 December 2011 were issued, the Group has adopted the MFRS framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia’s existing Financial Reporting Standards framework with the International Financial Reporting Standards (“IFRS”) framework issued by the International Accounting Standards Board.

These condensed consolidated interim financial statements are the Group’s first MFRS condensed consolidated interim financial statements for part of the period covered by the Group’s first MFRS annual financial statements for the year ending 31 December 2012. The Group has applied MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards with effect from 1 January 2012. The adoption of MFRS has no significant impact on the financial statements except for the following:

Property, plant and equipment

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standard IAS 16 (Revised), Property, Plant and Equipment which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, certain leasehold land and buildings were revalued in 1983, 1992/93 and 1994/95 and no later valuation has been recorded for these property, plant and equipment (except in the case of impairment adjustments based on a valuation).

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116, Property, Plant and Equipment. At the date of transition to MFRS, the Group elected to regard the revalued amounts of leasehold land and buildings in 1983, 1992/93 and 1994/95 as deemed cost at the date of the revaluation as these amounts were broadly comparable to fair value at that date. The revaluation surplus was transferred to retained earnings on date of transition to MFRS.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

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PART A – EXPLANATORY NOTES PURSUANT TO MFRS 134

1. Basis of preparation (Cont'd)

Reconciliation of equity as at 1 January 2011

| | FRS as at 1 January 2011 RM'000 | Reclassifications RM'000 | MFRS as at 1 January 2011 RM'000 |
|---------------------|---------------------------------------|-----------------------------|--|
| Revaluation reserve | 1,532 | (1,532) | - |
| Accumulated losses | (4,353) | 1,532 | (2,821) |

Reconciliation of equity as at 31 December 2011

| | FRS as at 31 December 2011 RM'000 | Reclassifications RM'000 | MFRS as at 31 December 2011 RM'000 |
|---------------------|---|-----------------------------|--|
| Revaluation reserve | 119 | (119) | - |
| Accumulated losses | (8,426) | 119 | (8,307) |

The following MFRSs, IC Interpretation and Amendments to MFRSs applicable to the Group have been adopted with effect from 1 January 2012.

MFRS and Amendments effective for annual periods beginning on or after 1 January 2012

| | |
|------------------------|--|
| MFRS 124 | Related Party Disclosures (revised) |
| Amendments to MFRS 1 | Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters |
| Amendments to MFRS 7 | Disclosures – Transfers of Financial Assets |
| Amendments to MFRS 112 | Deferred tax: Recovery of Underlying Assets |

The adoption of the above MFRSs and Amendments to MFRSs, did not result in any significant changes in the accounting policies and presentation of the financial results of the Group.

The following revised MFRSs, new IC Interpretations and Amendments to MFRSs applicable to the Group have been issued by the MASB and are not yet effective for adoption by the Group.

Amendments effective for annual periods beginning on or after 1 July 2012

| | |
|------------------------|---|
| Amendments to MFRS 101 | Presentation of Items of Other Comprehensive Income |
|------------------------|---|

MFRSs and Amendments effective for annual periods beginning on or after 1 January 2013

| | |
|----------|--|
| MFRS 10 | Consolidated Financial Statements |
| MFRS 11 | Joint Arrangements |
| MFRS 12 | Disclosure of Interests in Other Entities |
| MFRS 13 | Fair Value Measurement |
| MFRS 119 | Employee Benefits (2011) |
| MFRS 127 | Separate Financial Statements (2011) |
| MFRS 128 | Investment in Associates and Joint Ventures (2011) |

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

1. Basis of preparation (Cont'd)

MFRSs and Amendments effective for annual periods beginning on or after 1 January 2013 (Cont'd)

| | |
|---|--|
| Amendments to MFRS 7 | Disclosures – Offsetting Financial Assets and Financial Liabilities |
| MFRS 3 | Business Combinations |
| Amendments to MFRSs contained in the documents entitled “Annual Improvements 2009-2011 Cycle” | |
| Amendments to MFRS 10, MFRS 11 and MFRS 12 | Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance |
| MFRS 127 | Consolidated and Separate Financial Statements |

Amendments effective for annual periods beginning on or after 1 January 2014

| | |
|------------------------|--|
| Amendments to MFRS 132 | Presentation – Offsetting Financial Assets and Financial Liabilities |
|------------------------|--|

MFRSs and Amendments effective for annual periods beginning on or after 1 January 2015

| | |
|----------------------|---|
| MFRS 9 | Financial Instruments (2009) |
| MFRS 9 | Financial Instruments (2010) |
| Amendments to MFRS 9 | Disclosures – Mandatory Date of MFRS 9 and Transition Disclosures |

2. Auditors’ report on preceding annual financial statements

The auditors’ report on the financial statements for the year ended 31 December 2011 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 twelve months ended 31 December 2012 except for the exceptional items as disclosed in Notes 9 and 15.

5. Changes in estimates

There were no changes in estimates that have a material effect during the quarter and twelve months ended 31 December 2012.

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 twelve months ended 31 December 2012.

7. Dividend paid

During the twelve months ended 31 December 2012, the Company had paid a special interim dividend of 10 sen per share less 25% tax, amounting to approximately RM9,307,000 in respect of the year ended 31 December 2012 on 26 December 2012.

TEXCHEM RESOURCES BHD
PART A – EXPLANATORY NOTES PURSUANT TO MFRS 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 | | Polymer Engineering | | Food | | Restaurant | | Others | | Eliminations | | Consolidated | |
|---|----------------|----------------|---------------------|----------------|----------------|------------------------------|----------------|------------------------------|-----------------|------------------------------|----------------|----------------|-----------------|------------------------------|
| | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 (Restated) |
| 3 months ended 31 December | | | | | | | | | | | | | | |
| Revenue from external customers | 92,772 | 102,453 | 43,288 | 35,195 | 60,520 | 60,684 | 42,663 | 35,977 | 1,803 | 1,705 | - | - | 241,046 | 236,014 |
| Inter-segment revenue | 101 | 121 | 31 | 10 | 1,785 | 717 | - | - | 49 | 45 | (1,966) | (893) | - | - |
| Total revenue | 92,873 | 102,574 | 43,319 | 35,205 | 62,305 | 61,401 | 42,663 | 35,977 | 1,852 | 1,750 | (1,966) | (893) | 241,046 | 236,014 |
| (Loss)/Profit before share of loss of equity accounted jointly controlled entity and associates, net of tax | (643) | 1,027 | (11,138) | 2,417 | (2,260) | (942) | 6,190 | 4,141 | 2,034 | (2,823) | | | (5,817) | 3,820 |
| Share of loss of jointly controlled entity, net of tax | - | - | (35) | (158) | - | - | - | - | - | - | | | (35) | (158) |
| Share of (loss)/profit of equity accounted associates, net of tax | - | - | - | (133) | - | - | - | - | (14,694) | 87 | | | (14,694) | (46) |
| Profit/(Loss) before tax | (643) | 1,027 | (11,173) | 2,126 | (2,260) | (942) | 6,190 | 4,141 | (12,660) | (2,736) | | | (20,546) | 3,616 |

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

8. Operating segments (Cont'd)

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 | | Polymer Engineering | | Food | | Restaurant | | Others | | Eliminations | | Consolidated | |
|---|----------------|----------------|---------------------|----------------|----------------|------------------------------|----------------|------------------------------|-----------------|------------------------------|----------------|----------------|------------------|------------------------------|
| | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 (Restated) | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 (Restated) |
| 12 months ended 31 December | | | | | | | | | | | | | | |
| Revenue from external customers | 445,575 | 430,745 | 176,053 | 166,516 | 231,302 | 206,475 | 150,949 | 126,805 | 7,137 | 6,715 | - | - | 1,011,016 | 937,256 |
| Inter-segment revenue | 584 | 920 | 118 | 64 | 6,985 | 3,224 | - | - | 160 | 149 | (7,847) | (4,357) | - | - |
| Total revenue | 446,159 | 431,665 | 176,171 | 166,580 | 238,287 | 209,699 | 150,949 | 126,805 | 7,297 | 6,864 | (7,847) | (4,357) | 1,011,016 | 937,256 |
| Profit/(Loss) before share of loss of equity accounted jointly controlled entity and associates, net of tax | 4,578 | 7,146 | (8,968) | 2,299 | (5,427) | (4,738) | 16,315 | 12,672 | (7,544) | (10,549) | | | (1,046) | 6,830 |
| Share of loss of jointly controlled entity, net of tax | - | - | (194) | (379) | - | - | - | - | - | - | | | (194) | (379) |
| Share of profit/(loss) of equity accounted associates, net of tax | - | - | 372 | (378) | - | - | - | - | (14,332) | (147) | | | (13,960) | (525) |
| Profit/(Loss) before tax | 4,578 | 7,146 | (8,790) | 1,542 | (5,427) | (4,738) | 16,315 | 12,672 | (21,876) | (10,696) | | | (15,200) | 5,926 |

TEXCHEM RESOURCES BHD
PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
9. Discontinued Operations/Disposal of Subsidiaries

On 21 March 2012, the Company has entered into a Conditional Sale and Purchase Agreement with Fumakilla Limited, Japan (“FMJ”) for the proposed disposal of 70% of the issued and paid-up share capital of Technopia Sdn. Bhd. (“Technopia”) and PT Technopia Jakarta (“PTTJ”) for a cash consideration of USD36.0 million (equivalent to RM110.4 million) and USD6.4 million (equivalent to RM19.6 million) respectively (“Proposed Disposal”).

Technopia and PTTJ were classified under Family Care Division as continued operations as at 31 December 2011. In accordance with MFRS 5: Non-current Assets Held for Sale and Discontinued Operations, the Division is classified as Assets and Liabilities held for sale/discontinued operations as at 31 December 2012 and the comparative condensed consolidated income statement and statement of comprehensive income has been re-presented to show the discontinued operations separately from continuing operations. The Proposed Disposal was completed on 19 November 2012.

The profit/(loss) attributable to the discontinued operations are as follows:

| | 3 months ended 31 December | | 12 months ended 31 December | |
|--|-------------------------------|----------------|--------------------------------|----------------|
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | - | 34,251 | 122,943 | 150,495 |
| Cost of sales | - | (22,820) | (79,211) | (103,296) |
| Gross profit | - | 11,431 | 43,732 | 47,199 |
| Distribution costs | - | (4,839) | (19,474) | (19,734) |
| Administrative expenses | - | (9,365) | (26,213) | (32,692) |
| Other income | - | 1,798 | 3,767 | 5,231 |
| Operating (loss)/profit | - | (975) | 1,812 | 4 |
| Finance costs | - | (470) | (1,524) | (1,939) |
| (Loss)/Profit before taxation | - | (1,445) | 288 | (1,935) |
| Income tax expense | - | (647) | 653 | (1,631) |
| (Loss)/Profit after taxation | - | (2,092) | 941 | (3,566) |
| Gain on sale of discontinued operations | 70,838 | - | 70,838 | - |
| Profit/(Loss) for the period/year | 70,838 | (2,092) | 71,779 | (3,566) |

The following amounts have been included in arriving at profit/(loss) before tax of the discontinued operations:

| | 3 months ended 31 December | | 12 months ended 31 December | |
|---|-------------------------------|---------|--------------------------------|---------|
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Interest income | - | 228 | 1,983 | 750 |
| Rental income | - | 165 | 499 | 702 |
| Depreciation of property, plant and equipment | - | (1,765) | (4,831) | (6,767) |

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9. Discontinued Operations/Disposal of Subsidiaries (Cont'd)

Cash flows from/(used in) discontinued operations/disposed subsidiaries

| | 12 months ended | |
|---------------------------------------|-----------------|--------------|
| | 31 December | |
| | 2012 | 2011 |
| | RM'000 | RM'000 |
| Operating cash flows | 2,946 | 4,338 |
| Investing cash flows | 1,083 | (404) |
| Financing cash flows | (141) | 2,287 |
| Net cash from discontinued operations | <u>3,888</u> | <u>6,221</u> |

Effect of disposal on the financial position of the Group

| | 2012 |
|---|-----------------------|
| | RM'000 |
| Property, plant and equipment | 50,920 |
| Inventories | 22,331 |
| Trade and other receivables | 77,876 |
| Current tax assets | 6,768 |
| Deferred tax assets | 1,047 |
| Cash and cash equivalents | 9,014 |
| Trade and other payables | (46,850) |
| Loans and borrowings | (34,101) |
| Deferred tax liabilities | (2,194) |
| Deferred liability | (469) |
| Non-controlling interests | (8,861) |
| Net assets disposed | <u>75,481</u> |
| Goodwill | 9,920 |
| Transfer from foreign currency translation reserve | 1,715 |
| Transfer to investment in associates | (27,952) |
| Gain on sale of discontinued operations* | 70,838 |
| Consideration received, satisfied in cash | 130,002 |
| Cash and cash equivalents disposed | (9,014) |
| Net cash inflow | <u>120,988</u> |
| *Gain on disposal of subsidiaries | |
| - Attributable to gain on disposed interest credited to discontinued operation | 70,838 |
| - Attributable to gain on retained interest as associate credited to other operating income | 27,763 |
| | <u>98,601</u> |

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10. 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 2011.

11. Material events subsequent to the end of the reporting period

There were no material events which occurred subsequent to the end of the reporting period until the date of this announcement.

12. Changes in composition of the Group for the twelve months ended 31 December 2012

Other than as disclosed in Note 21 (where relevant) of this condensed consolidated financial statements for the twelve months ended 31 December 2012, there are no changes to the composition of the Group since the last quarter.

13. Changes in contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group since the end of the last reporting period as at 31 December 2012.

14. Commitments

| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
|---|--|--|
| Property, plant and equipment | | |
| Contracted but not provided for in the financial statements – within one year | 3,044 | 2,436 |
| Approved but not contracted for | 27 | 635 |
| | <u>3,071</u> | <u>3,071</u> |

15. Operating Segments Analysis

(a) Current quarter compared with previous corresponding quarter

Continuing Operations

The Group recorded a revenue of RM241.0 million in Q4 2012 as compared to RM236.0 million in Q4 2011. The Group reported a pre-tax loss of RM20.5 million in Q4 2012 against pre-tax profit of RM3.6 million in Q4 2011 due to various factors as explained in the respective operating business segments as follows:

(i) Industrial Division

The revenue recorded in Q4 2012 was RM92.9 million as compared to RM102.6 million in Q4 2011. The lower revenue recorded in Q4 2012 was mainly due to the slowdown in business resulting from the contraction in global economy. The lower revenue and margin on sales mix have resulted pre-tax loss of RM0.6 million incurred in Q4 2012 against pre-tax profit of RM1.0 million achieved in Q4 2011.

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15. Operating Segments Analysis (Cont'd)
(ii) Polymer Engineering Division

The revenue recorded for Q4 2012 was RM43.3 million against RM35.2 million in Q4 2011. The pre-tax loss incurred in Q4 2012 was RM11.2 million against pre-tax profit of RM2.1 million in Q4 2011. Included in the pre-tax loss was the insurance claim of RM1.2 million and RM19.8 million recognised in Q4 2012 and Q4 2011 respectively on the damages suffered by Thailand subsidiary in respect of buildings, plant and machinery and stocks as a result of flood in October 2011. Arising from the flood incident, the subsidiary has made an impairment loss on property, plant and equipment and written off the inventories amounting to RM7.4 million and RM1.2 million respectively in 2011. The Division has also made an impairment loss on property, plant and equipment amounting to RM4.1 million for a loss making subsidiary in 2011.

During the quarter, the Division has provided for an impairment loss on goodwill of RM8.97 million for a loss making subsidiary. Excluding the exceptional items, the Division would incur pre-tax loss of RM3.4 million in Q4 2012 against RM4.9 million in Q4 2011 due to softening of hard disk drive and consumer electronic industries.

| | Q4 2012 | Q4 2011 |
|--|----------------|----------------|
| | RM'000 | RM'000 |
| Pre-tax (loss)/profit as reported | (11,173) | 2,126 |
| Add/(Less): Exceptional items | | |
| Impairment loss on property, plant and equipment | - | 11,503 |
| Inventories written off | - | 1,232 |
| Impairment loss on goodwill | 8,974 | - |
| Insurance claim | (1,201) | (19,804) |
| Pre-tax loss excluding exceptional items | <u>(3,400)</u> | <u>(4,943)</u> |

(iii) Food Division

The revenue recorded for Q4 2012 was RM62.3 million against RM61.4 million in Q4 2011. The higher pre-tax loss of RM2.3 million incurred for Q4 2012 against RM0.9 million in Q4 2011 mainly due to the impairment loss on goodwill amounting to RM1.03 million (Q4 2011: RM0.4 million) for loss making subsidiaries. Other than the impairment loss on goodwill, there is no significant improvement to the revenue achieved and pre-tax loss incurred for 4th quarter 2012 and 2011.

(iv) Restaurant Division

The revenue recorded for Q4 2012 was RM42.7 million against RM36.0 million in Q4 2011 mainly due to opening of new outlets and higher sales achieved by certain existing outlets. Higher sales achieved and better profit margin has contributed to higher pre-tax profit of RM6.2 million in Q4 2012 against RM4.1 million achieved in Q4 2011.

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15. Operating Segments Analysis (Cont'd)**Discontinued Operations – Family Care Division**

Upon completion of disposal of Technopia Group and PT Technopia Jakarta, the Group has recorded an exceptional gain on disposal of RM70.8 million and recognised a fair value gain of RM27.8 million on retained interest as associate as disclosed in Note 9. The Group has also provided for an impairment loss on goodwill of RM22.5 million as disclosed within “other expense” in the Condensed Consolidated Income Statement upon acquisition of a subsidiary in Indonesia to complete the Proposed Disposal.

- (b) Current twelve (12) months financial year compared with previous corresponding financial year

Continuing Operations

The Group recorded a revenue of RM1.0 billion in 2012 as compared to RM937.3 million in 2011. The Group reported a pre-tax loss of RM15.2 million in 2012 against pre-tax profit RM5.9 million in 2011 due to various factors as explained in the respective operating business segments as follows:

- (i) Industrial Division

The revenue and pre-tax profit recorded in 2012 was RM446.2 million and RM4.6 million as compared to RM431.7 million and RM7.1 million recorded in 2011 respectively. The lower pre-tax profit in 2012 was mainly due to the contraction of the global economy which has affected the profit margin.

- (ii) Polymer Engineering Division

The revenue recorded for 2012 was marginally higher at RM176.2 million against RM166.6 million in 2011. The pre-tax loss incurred in 2012 was RM8.8 million as compared to pre-tax profit of RM1.5 million achieved in 2011 mainly due to several exceptional items as explained below.

The pre-tax (loss)/profit included the insurance claim of RM7.7 million and RM19.8 million recognised in 2012 and 2011 respectively on the damages suffered by Thailand subsidiary in respect of buildings, plant and machinery and stocks as a result of flood in October 2011. Arising from the flood incident, the subsidiary has made an impairment loss on property, plant and equipment and written off the inventories amounting to RM7.4 million and RM1.2 million respectively in 2011. The Division has also made an impairment loss on property, plant and equipment amounting to RM4.1 million in 2011 for a loss making subsidiary.

In 2011, the Division recognised an exceptional gain of RM7.1 million on the disposal of land and building by a subsidiary and incurred severance cost of RM1 million for closure of plant. Arising from the plant closure, the Division has provided for an impairment loss on goodwill of RM1.26 million.

During the year, an impairment loss on goodwill of RM8.97 million was provided for a loss making subsidiary. Excluding the exceptional items, the Division’s pre-tax loss would be RM7.5 million in 2012 against RM10.4 million in 2011 due to softening of hard disk drive and consumer electronic industries.

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15. Operating Segments Analysis (Cont'd)

| | 2012 | 2011 |
|---|----------------|-----------------|
| | RM'000 | RM'000 |
| Pre-tax (loss)/profit as reported | (8,790) | 1,542 |
| Add/(Less): Exceptional items | | |
| Impairment loss on property, plant and equipment | - | 11,503 |
| Inventories written off | - | 1,232 |
| Impairment loss on goodwill | 8,974 | 1,260 |
| Severance cost on closure of plant | - | 981 |
| Gain on disposal of property, plant and equipment | - | (7,095) |
| Insurance claim | (7,658) | (19,804) |
| Pre-tax loss excluding exceptional items | <u>(7,474)</u> | <u>(10,381)</u> |

(iii) Food Division

The revenue recorded for 2012 was RM238.3 million against RM209.7 million in 2011 mainly due to higher export of seafood products to overseas market. The higher pre-tax loss of RM5.4 million incurred in 2012 as compared to RM4.7 million in 2011 mainly due to the impairment loss on goodwill amounting to RM1.03 million (Q4 2011: RM0.4 million).

(iv) Restaurant Division

The revenue recorded for 2012 was RM150.9 million against RM126.8 million in 2011 mainly due to opening of new outlets and higher sales achieved by certain existing outlets during the period. As a result, a higher pre-tax profit of RM16.3 million was achieved in 2012 as compared to RM12.7 million in 2011.

Discontinued Operations – Family Care Division

Upon completion of disposal of Technopia Group and PT Technopia Jakarta, the Group has recorded an exceptional gain on disposal of RM70.8 million and recognised a fair value gain of RM27.8 million on retained interest as associate as disclosed in Note 9. The Group has also provided for an impairment loss on goodwill of RM22.5 million as disclosed within “other expense” in the Condensed Consolidated Income Statement upon acquisition of a subsidiary in Indonesia to complete the Proposed Disposal.

16. 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:

| | 2012 | | Variance | % |
|------------------------------------|------------------|------------------|-----------------|----------------|
| | Quarter 4 | Quarter 3 | | |
| | RM'000 | RM'000 | RM'000 | |
| Revenue from continuing operations | 241,046 | 252,527 | (11,481) | (4.5) |
| Profit/(Loss) before taxation | | | | |
| - from continuing operations | (20,546) | 1,589 | (22,135) | (1,393.0) |
| - from discontinued operations | 71,126 | (867) | 71,993 | 8,303.6 |
| | <u>50,580</u> | <u>722</u> | <u>49,858</u> | <u>6,905.5</u> |

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

The pre-tax profit of RM50.6 million achieved in Q4 2012 was higher than the preceding quarter mainly due to exceptional items as explained in Note 15.

17. Prospects for 2013

The Group is expected to operate in a challenging environment in 2013 due to the prevailing global economic conditions.

18. Profit forecast

Not applicable as no profit forecast was published.

19. Operating profit/(loss)

Operating profit/(loss) for continuing operations is arrived at after charging/(crediting):

| | 3 months ended | | 12 months ended | |
|--|----------------|------------|-----------------|------------|
| | 31 December | | 31 December | |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | (Restated) | | (Restated) |
| Interest income | (147) | (409) | (398) | (825) |
| Interest expense | 3,321 | 3,884 | 15,101 | 15,028 |
| Depreciation of property, plant and equipment | 5,592 | 6,117 | 21,960 | 22,915 |
| Impairment loss/(reversal) of impairment loss on trade receivables | (15) | 212 | (246) | 121 |
| Inventories written down | 681 | 1,355 | 1,042 | 1,877 |
| Loss on foreign exchange | 699 | 73 | 1,806 | 1,330 |

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20. Income tax expense

The income tax expense for continuing operations comprises:

| | 3 months ended | | 12 months ended | |
|-----------------------|----------------|--------------|-----------------|--------------|
| | 31 December | | 31 December | |
| | 2012 | 2011 | 2012 | 2011 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| | | (Restated) | | (Restated) |
| Current tax expense | | | | |
| - current period/year | 2,809 | 1,489 | 7,482 | 5,891 |
| - prior period/year | 96 | (730) | (136) | (276) |
| Overseas | | | | |
| - current period/year | 502 | (187) | 1,393 | 1,723 |
| | <u>3,407</u> | <u>572</u> | <u>8,739</u> | <u>7,338</u> |
| Deferred tax expense | | | | |
| - current period/year | (862) | 40 | (295) | (124) |
| - prior period/year | - | 838 | - | 351 |
| | <u>2,545</u> | <u>1,450</u> | <u>8,444</u> | <u>7,565</u> |

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.

21. Status of corporate proposals

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

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

On 24 September 2010, the Company announced that Eye Graphic (Vietnam) Co., Ltd. has on 24 September 2010 commenced voluntary liquidation proceedings in accordance with the Laws/Rules and Regulations of Vietnam ("Voluntary Liquidation"). The completion of the Voluntary Liquidation is still pending as at todate.

B. Memorandum of Understanding between Texchem Food Sdn. Bhd. and China National Chemical Fiber Corp.

On 22 November 2010, the Company announced that Texchem Food Sdn. Bhd. ("TFSB") has on 22 November 2010 entered into a Memorandum of Understanding ("MoU") with China National Chemical Fiber Corp. ("Sinofiber") for the purpose of exploring the possibility of entering into a long term and mutually beneficial relationship whereby Sinofiber will be appointed as TFSB's sole importer of marine products such as soft shell crab and fishmeal in the People's Republic of China.

There is no material development on the MoU since the last announcement made by the Company.

21. Status of corporate proposals (Cont'd)

C. Voluntary Liquidation of Texchem Trading (Wuxi) Co., Ltd.

On 30 September 2011, the Company announced that Texchem Trading (Wuxi) Co., Ltd., a wholly owned subsidiary of Texchem Materials Sdn. Bhd. which in turn is a wholly owned subsidiary of the Company, has on 30 September 2011 commenced voluntary liquidation proceedings in accordance with the Laws of the People's Republic of China ("Voluntary Liquidation"). The completion of the Voluntary Liquidation is still pending as at todate.

D. Proposed Disposal of 70% of the Issued and Paid-Up Share Capital of Technopia Sdn. Bhd. and PT Technopia Jakarta by the Company to Fumakilla Limited, Japan

The Proposed Transaction has been completed on 19 November 2012.

22. Loans and borrowings

| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
|---------------------------|--|--|
| Current: | | |
| Unsecured | | |
| Bank overdrafts | 13,873 | 15,960 |
| Bankers' acceptances | 54,926 | 67,634 |
| Revolving credit | 78,070 | 99,096 |
| Term loans | 8,629 | 8,563 |
| Syndicated term loan | - | 5,500 |
| Commercial papers | - | 30,000 |
| Trust receipts | 4,566 | 12,252 |
| Finance lease liabilities | 1,504 | 1,663 |
| Other borrowings | 9,187 | 6,679 |
| Total | 170,755 | 247,347 |
| Non-current: | | |
| Unsecured | | |
| Syndicated term loan | - | 49,500 |
| Term loans | 11,937 | 12,427 |
| Finance lease liabilities | 2,928 | 2,554 |
| Total | 14,865 | 64,481 |

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22. Loans and borrowings (Cont'd)

Loans and borrowings denominated in foreign currencies are as follows:

| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
|----------------------|--|--|
| Current: | | |
| Unsecured | | |
| Thai Baht | 7,123 | 5,178 |
| Singapore Dollar | 72 | 1,207 |
| United States Dollar | 14,943 | 31,061 |
| Indonesia Rupiah | 203 | 6,877 |
| Hong Kong Dollar | 3 | 3 |
| | <u>22,344</u> | <u>44,326</u> |
| Non-current: | | |
| Unsecured | | |
| Thai Baht | 133 | 1,876 |
| Singapore Dollar | 48 | 19 |
| United States Dollar | - | 71 |
| Hong Kong Dollar | - | 3 |
| | <u>181</u> | <u>1,969</u> |

23. Derivative financial instruments

As at 31 December 2012, the Group has the following outstanding derivative financial instrument:

| Type of Derivative | Contract/ Notional Value RM'000 | Fair Value RM'000 | Fair Value-Net gain/(loss) RM'000 |
|----------------------------|--|------------------------------|--|
| Forward exchange contracts | | | |
| - Payables | 443 | 432 | (11) |

For twelve months ended 31 December 2012, there have been no significant changes to the Group's exposure to credit risk, market risk and liquidity risk from the previous financial year. Also, there have been no changes to the Group's risk management objectives, policies and processes since the end of the last reporting period.

24. Gains and Losses arising from fair value changes of financial liabilities

There are no gains and losses arising from changes on the fair values of financial liabilities as all financial liabilities are measured at the amortised cost using the effective interest method.

25. Changes in material litigation

There was no material litigation against the Group as at 31 December 2012.

26. Dividend

A special interim dividend of 10 sen per share less 25% tax in respect of the financial year ended 31 December 2012 (2011: Nil) was declared on 21 November 2012 and paid on 26 December 2012. The entitlement date was fixed on 6 December 2012.

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27. Basic earnings/(loss) per share

Basic earnings/(loss) per share of the Group is calculated by dividing the profit/(loss) for the period/year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding.

| | 3 months ended 31 December | | 12 months ended 31 December | |
|---|-------------------------------|----------------|--------------------------------|----------------|
| | 2012 RM'000 | 2011 RM'000 | 2012 RM'000 | 2011 RM'000 |
| Profit/(Loss) for the period/year attributable to owners of the Company | | | | |
| - from continuing operations | (22,187) | 1,961 | (22,582) | (1,025) |
| - from discontinued operations | 70,838 | (2,193) | 71,411 | (4,119) |
| | 48,651 | (232) | 48,829 | (5,144) |
| Weighted average number of ordinary shares in issue | 124,099 | 124,099 | 124,099 | 124,099 |
| Basic earnings/(loss) per share (sen) | | | | |
| - from continuing operations | (17.88) | 1.58 | (18.19) | (0.83) |
| - from discontinued operations | 57.08 | (1.77) | 57.54 | (3.32) |
| | 39.20 | (0.19) | 39.35 | (4.15) |

28. Realised and Unrealised Profits/(Losses)

The breakdown of accumulated losses of the Group as at the end of the reporting period, into realised and unrealised profits/(losses), pursuant to the directive issued by Bursa Malaysia Securities Berhad on 25 March 2010 is as follows:

| | 31 December 2012 RM'000 | 31 December 2011 RM'000 |
|---|-------------------------------|-------------------------------|
| Total retained earnings/(accumulated losses) of the Company and its subsidiaries: | | |
| Realised | 6,508 | 9,217 |
| Unrealised – in respect of deferred tax recognised in the income statement | (836) | (1,748) |
| Unrealised – in respect of others items of income and expense | (963) | 923 |
| | (1,799) | (825) |
| | 4,709 | 8,392 |
| Total share of retained earnings/(accumulated losses) from associates and jointly controlled entity: | | |
| Realised | (33,773) | (19,619) |
| Unrealised | 27,763 | - |
| | (1,301) | (11,227) |
| Add: Consolidation adjustments | 34,657 | 2,801 |
| Total Group retained earnings/(accumulated losses) | 33,356 | (8,426) |

BY ORDER OF THE BOARD

TAN PENG LAM
CHIEF FINANCIAL OFFICER
Date: 27 February 2013