

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010 RM'000	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010 RM'000
Revenue	6,996	3,767	31,171	15,649
Cost of sales	<u>(4,843)</u>	<u>(1,164)</u>	<u>(18,861)</u>	<u>(4,685)</u>
<b>Gross profit</b>	2,153	2,603	12,310	10,964
Other income	995	44	2,320	1,336
Distribution and selling expenses	(42)	(125)	(394)	(560)
Administrative expenses	(1,239)	(1,042)	(4,666)	(4,079)
Other expenses	(848)	(797)	(2,494)	(1,764)
Finance income	14	173	99	371
Finance costs	<u>(7)</u>	<u>(4)</u>	<u>(22)</u>	<u>(14)</u>
<b>Profit before taxation</b>	1,026	852	7,153	6,254
Taxation	<u>(404)</u>	<u>(219)</u>	<u>(2,253)</u>	<u>(1,768)</u>
<b>Net profit for the period, representing total comprehensive income for the period.</b>	<u>622</u>	<u>633</u>	<u>4,900</u>	<u>4,486</u>
<b>Attributable to:</b>				
Equity holders	<u>622</u>	<u>633</u>	<u>4,900</u>	<u>4,486</u>
<b>Earnings per share (sen)</b>				
(a) Basic	0.36 @	0.37 @	2.87 @	2.63 @
(b) Fully diluted	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

@ based on 170,793,000 ordinary shares of 10 sen each

**Note:**

This is no income/expense in relation to other income including investment income, provision for/write-off of receivables, provision for/write-off of inventories, impairment of assets, foreign exchange gain or loss, gain or loss on derivatives or exceptional items.

The Condensed Consolidated Income Statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(The figures have not been audited)

	AS AT 31.12.2011 RM'000	AS AT 31.12.2010 RM'000
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	14,386	7,069
<i>Prepaid lease payment on leasehold land</i>	7,955	8,042
<i>Investment property</i>	7,340	7,340
<i>Goodwill on consolidation</i>	584	584
<i>Impairment of Fixed Assets</i>	(628)	-
	<u>29,637</u>	<u>23,035</u>
<b>CURRENT ASSETS</b>		
<i>Investment in unit trusts</i>	4,338	4,114
<i>Investment in bond fund</i>	-	3,468
<i>Inventories</i>	474	640
<i>Trade receivables</i>	8,788	5,133
<i>Other receivables</i>	4,810	3,868
<i>Tax recoverable</i>	503	480
<i>Deposits, cash and bank balances</i>	4,910	6,697
	<u>23,823</u>	<u>24,400</u>
<b>CURRENT LIABILITIES</b>		
<i>Amount due to directors</i>	229	-
<i>Borrowings</i>	627	63
<i>Deferred income</i>	-	240
<i>Trade payables</i>	127	121
<i>Other payables</i>	838	1,535
<i>Tax payables</i>	(188)	12
	<u>1,633</u>	<u>1,971</u>
<b>NET CURRENT ASSETS</b>	<u>22,190</u>	<u>22,429</u>
	<u>51,827</u>	<u>45,464</u>
<b>REPRESENTED BY:</b>		
<i>Share capital</i>	17,079	17,079
<i>Share premium</i>	4,522	4,522
<i>Retained profits</i>	26,661	22,615
<i>Shareholders' Equity</i>	<u>48,262</u>	<u>44,216</u>
<b>NON CURRENT LIABILITIES</b>		
<i>Borrowings</i>	3,218	188
<i>Deferred tax liabilities</i>	347	440
<i>Deferred income</i>	-	620
	<u>3,565</u>	<u>1,248</u>
	<u>51,827</u>	<u>45,464</u>
<b>Net assets per share (sen)</b>	<u>28.26</u> @	<u>25.89</u> @

@ based on 170,793,000 ordinary shares of 10 sen each

The Condensed Consolidated Balance Sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

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(Incorporated in Malaysia)

## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Note	Non-Distributable		Distributable	Total
	Share Capital	Share Premium	Retained Profits	
	RM'000	RM'000	RM'000	RM'000
<b>At 1 January 2011</b>	17,079	4,522	22,615	44,216
Total comprehensive income for the period	-	-	4,900	4,900
Appropriation:				
Final dividend payable for the financial year ended 31 December 2010	-	-	(854)	(854)
<b>At 31 December 2011</b>	<b>17,079</b>	<b>4,522</b>	<b>26,661</b>	<b>48,262</b>
<b>At 1 January 2010</b>	17,079	4,522	19,134	40,735
Effect of adopting FRS 139	-	-	(151)	(151)
	17,079	4,522	18,983	40,584
Total comprehensive income for the period	-	-	4,486	4,486
Appropriation:				
Final dividend payable for the financial year ended 31 December 2009	-	-	(854)	(854)
<b>At 31 December 2010</b>	<b>17,079</b>	<b>4,522</b>	<b>22,615</b>	<b>44,216</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	7,153	6,255
Adjustments for:		
Depreciation of property, plant and equipment	1,498	1,410
Amortisation of prepaid lease payment	86	29
Impairment of trade receivables - net	938	48
Impairment of fixed assets	628	
Changes in fair value of investment	(166)	130
Bad debts written off	-	44
Provision for slow moving stock	248	
Unrealised gain on foreign exchange currency	-	2
Gain on investment in structured fund	-	5
Gain on investment in unit trust	62	(136)
Amortisation of deferred income	-	(240)
Property, plant and equipment written off	35	4
Interest expense	22	14
Interest income	(99)	(370)
Operating profit before working capital changes	10,405	7,195
Decrease/(Increase) in inventories	(82)	(27)
Increase in receivables	(5,535)	(3,385)
Decrease in payables	(523)	7
Decreased in deferred income	-	(1,443)
Decrease in amount owing to director	82	-
Cash generated from operations	4,347	2,347
Interest paid	(22)	(14)
Taxes paid	(2,591)	(2,317)
Government grant	(860)	-
<b>Net cash generated from operating activities</b>	<b>874</b>	<b>16</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	99	370
Proceed from disposal of bond	3,432	-
Withdrawal of structured funds	-	4,012
Investment in unit trust	(82)	(3,978)
Investment in bond fund	-	(3,605)
Purchase of property, plant and equipment	(8,850)	(525)
Increase in short-term deposit pledged	(4)	(9)
<b>Net cash used in investing activities</b>	<b>(5,405)</b>	<b>(3,735)</b>

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Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(The figures have not been audited)

	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2010 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of term loan	3,030	-
Repayment of hire purchase and lease financing	564	(90)
Dividend paid	(854)	(854)
<b>Net cash from/(used in) financing activities</b>	<b>2,740</b>	<b>(944)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,791)</b>	<b>(4,663)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>6,457</b>	<b>11,120</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note A15)</b>	<b>4,666</b>	<b>6,457</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

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#### A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

##### A1 Basis of preparation

The interim financial report has been prepared in accordance with FRS 134: "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2010.

The accounting policies and methods of computation adopted by the Company and its subsidiaries ("Group") in this interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2010 except for the following new/revised Financial Reporting Standards ("FRS") and Issues Committee Interpretation ("IC Int."):

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exception from comparative FRS Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combination (Revised)
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in subsidiary)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 127	Consolidated and Separate Financial Statements (Revised) Investments in Associates Amendments relating to transition requirements for amendments arising as a result of FRS 127)
FRS 128	
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)

##### Improvements to FRSs (2010)

IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to consequential amendments arising from revised FRS 3)
IC Int. 12	Service Concession Arrangements
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distribution of Non-cash Assets to Owners
IC Int. 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine
Amendments to IC Interpretation 14:	Prepayments of a Minimum Funding Requirement

The Group's next set of financial statements for the annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by the MASB that will also comply with International Financial Reporting Standards ("IFRSs"). As a result, the Group will not be adopting the above accounting standards and interpretations (including the consequential amendments) that are effective for this financial period.

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## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

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Following the issuance of MFRSs (equivalents to IFRSs) by the MASB on 19 November 2011, the Group will be adopting the the new accounting standards in the next financial year. The Group is currently in the process of assessing the impact of the adoption of these new accounting standards and the directors do not expect any significant impact on the financial statements arising from the adoption.

The adoption of the new/revised FRSs, IC Int. and its amendments do not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives except for the following:

**FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to eligible hedged items, reclassification of financial assets reclassification of financial assets - effective date and transition, embedded derivatives and revised FRS3 and revised FRS137)**

This new standard establishes principles for recognition and measuring financial assets and financial liabilities. Depending on the categorisation applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others are stated at amortised cost. FRS 139 prescribes prospective application for the first time adoption. Significant accounting policies adopted are summarised below :-

#### **Financial Assets**

Financial assets recognised in the statement of financial position when and only when, the Group or Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized if the Group or the Company's contractual rights to the cash flow from the financial assets expires or if the Group or the Company transfer the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

#### **Initial Recognition**

Financial assets within the scope of FRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way purchase) are recognised on the trade date i.e. date that the Group or Company commits to purchase or sell the assets.

The Group's financial assets include cash and bank balances, trade and other receivables and investment in structured funds. All financial assets of the Group and Company are categorised as loans and receivables except for investment in structured funds is categorised as fair value through profit or loss.

#### **Subsequent Measurement**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method less impairment losses. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortisation process.

Financial assets at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, these financial assets are measured at fair value at balance sheet date with changes in fair value recognised as gains or losses in the income statement.

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Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

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### Financial Liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provision of the instrument. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or are discharged or cancelled.

### Initial Recognition

Financial liabilities within the scope of FRS 139 are classified as financial liabilities at fair value through profit and loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities includes trade and other payables and financial guarantees. All financial liabilities of the Group are classified as loans and borrowings.

### Subsequent Measurement

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognized as well as through amortisation process.

### Transitional provisions and effects on financial statements

In accordance with the transitional provision of FRS 139, the Group is required to re-measure the financial assets and liabilities as appropriate. Any adjustment of the previous carrying amount of the financial assets and liabilities shall be recognised as an adjustment of the balance of retained earnings at the beginning of the financial year in which FRS 139 is initially applied.

The following table provides the extent to which the consolidated statement of financial position as at 31 March 2010 and its policies been applied in the current period. The changes have been accounted for by higher or lower than it would have been had the previous balances been amended by restating the following opening balances in the statement of financial position as at 1 January 2010:

### Effect on Statement of Financial Position as at 1 January 2010:

	AS AT 01.01.2010 RM'000
Decrease in Trade and Other Receivables	(164)
Increase in Investment in Structured Funds	13
Decrease in Retained Earnings	<u>(151)</u>

### Impairment of financial assets

FRS 139 required the Group to assess at each statement of financial position date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired.



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A financial asset or group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial assets or the group of financial assets that can be reliably estimated.

#### A2 Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2010 was not qualified.

#### A3 Seasonal or cyclical factors

The Group's operations were not subject to any seasonal or cyclical changes.

#### A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Company during the quarter under review.

#### A5 Material changes in estimates

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

#### A6 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

#### A7 Dividend paid

The first and final single tier exempt dividend of 5%, amounting to RM853,965 in respect of the financial year ended 31 December 2010 was paid on 22 July 2011.

#### A8 Segment information

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
<u>Revenues by activities</u>				
Recycling of waste	3,149	3,695	15,727	15,302
Chemical products	36	58	274	380
Trading of chemicals and other products	3,812	22	15,194	22
Renewable energy products		(8)		-
Less: Inter-company revenue	(1)	-	(24)	(55)
Total	<u>6,996</u>	<u>3,767</u>	<u>31,171</u>	<u>15,649</u>

There is no geographical segmental information as the Company operates principally in Malaysia.

#### A9 Valuation of property, plant and equipment

Property, plant and equipment of the Group are stated at cost less accumulated depreciation and impairment losses. No valuation of property, plant and equipment was undertaken during the current quarter under review.

#### A10 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter ended 31 December 2011 up to the date of this report which is likely to substantially affect the results of the operations of the Company.

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## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011 NOTES

### A11 Changes in the composition of the Company

There were no changes in the composition of the Company for the current financial quarter.

### A12 Contingent liabilities

There were no contingent liabilities as at the date of this report.

### A13 Capital commitments

As at the date of this report, the Group has a capital commitment in respect of an acquisition of a waste recovery system equipment at USD685,930 which is equivalent to approximately RM2,194,976.

### A14 Related party transactions

As at the end of the current period under review, the Group has entered into/or completed the following related party transactions:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010 RM'000	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR TO DATE 31.12.2010 RM'000
Transactions with Metro Engravers Sdn Bhd, a Company with a common director:				
- Rental income of recycled products	-	- #	-	- @
- Printing costs payables	-	1	4	1
	<u>-</u>	<u>1</u>	<u>4</u>	<u>1</u>

# RM80

@ RM320

All related party transactions had been entered into in the ordinary course of business based on normal commercial terms.

### A15 Cash and cash equivalents

	AS AT 31.12.2011 RM'000	AS AT 31.12.2010 RM'000
Cash in hand and at banks	3,394	2,151
Deposits with:		
Licensed investment bank	1,272	4,306
Licensed bank	244	240
	<u>4,910</u>	<u>6,697</u>
Less: Non cash equivalents:		
Fixed deposits pledged	(244)	(240)
	<u>4,666</u>	<u>6,457</u>

# TEX CYCLE TECHNOLOGY (M) BERHAD

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## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

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#### **B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET**

##### **B1 Review of performance**

For the quarter ended 31 December 2011 ( 4th Quarter) Tex Cycle and its subsidiaries ("Group ") generated revenue of RM6.996million and profit before taxation (" PBT") of RM1.026million, representing an increase of 86% in revenue and an increase of 21% in PBT as compared to the corresponding quarter of the preceding year ended 31 December 2010. The improved revenue for the quarter was mainly due to higher demand from the Group 's trading activities.

The revenue from the Recycling business decreased by 15% when compared to the revenue for the preceding year quarter, due to softer market condition.

The revenue from the Chemical products business decreased by 38% due to lower demand from the market and the expiring of a three year contract. This business operation was held by Metro Koats Technology Sdn Bhd ( "Metro Koats"). As the company has been running at a loss for two consecutive years and with no major future contracts in sight, the Board of Directors have decided to cease the operations with effect from 31 December 2011.

Revenue of the Chemical Trading business has increased by 172%, due to high demand from the oil and gas sector.

Overall, the Group achieved a profit after tax of RM0.622million for the quarter , which represents a 2% decrease from that of the preceding year quarter. The basic earnings per share of the Group for this financial quarter decreased from RM0.37 for the preceding quarter to RM0.36 and there was no share buy back or capital enlargement exercise. The total number of shares is maintained at the original number of 170,793,000 shares.

##### **B2 Variation of results against preceding quarter**

The Group's revenue of RM6.996 million for the quarter ended 31 December 2011 represents an increase of 44% as compared to that of the preceding quarter ended 30 September 2011. The increase is attributed mainly to the increase in demand from the Oil & Gas industry for the Group's chemical trading business.

##### **B3 Prospects**

The Government had announced for the year 2012 that the budget is aimed to stimulate the domestic economic activities and attract international investors to the country. Despite the global economic slowdown, the budget forecast a 5% GDP growth rate for the year 2012.

According to the Tenth Malaysia Plan (2011 - 2015), the Government will place emphasis on strategies to ensure sustainable growth and efforts to minimise pollution. With the introduction of feed-in-tariff and other incentives to support renewable energy and green technology investments as well as promoting projects eligible for carbon credits, eco-tourism, public-private CSR (Corporate, Social and Responsibility) initiatives and AFFIRM Framework (of Awareness, Faculty, Finance, Infrastructure, Research and Marketing) to develop a complete ecosystem for environmental sustainability will augur well for the Group's recycling business.

Barring any unforeseen circumstances, the Board of Directors expects the Group to perform satisfactorily in year 2012.

##### **B4 Profit forecast and profit guarantee**

Not applicable as no profit forecast was published by the Group.

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#### B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR TO DATE
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Income tax				
Estimated tax payable for current period	404	198	2201	1729
Under/(Over) provision in prior year	-	(1)	145	66
Deferred tax				
Estimated deferred tax for current period	-	22	(93)	(27)
	<u>404</u>	<u>219</u>	<u>2,253</u>	<u>1,768</u>

The effective tax rate for the current year is higher than the statutory tax rate due to certain non- tax deductible expenditure and under provision for tax in prior years for the Group.

#### B6 Sales of unquoted investments and/or properties

There were no disposal of investments and/or properties during the quarter under review.

#### B7 Quoted securities

There were no acquisitions or disposals of quoted securities for the financial quarter under review.

#### B8 Status of corporate proposals

There were no corporate proposals pending completion as at the date of this report.

#### B9 Borrowings and debt securities

	AS AT 31.12.2011 RM'000	AS AT 31.12.2010 RM'000
Short term borrowings:		
Unsecured - Hire purchase and finance lease payables	<u>627</u>	<u>63</u>
	<u>627</u>	<u>63</u>
Long term borrowings:		
Secured - Term loan	3,030	-
Unsecured - Hire purchase and finance lease payables	<u>188</u>	<u>188</u>
	<u>3,218</u>	<u>188</u>
	<u>3,845</u>	<u>314</u>

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 4th Quarter Ended 31 December 2011

### NOTES

#### B10 Realised and unrealised profit and loss

	CUMULATIVE QUARTER	
	CURRENT YEAR TO DATE 31.12.2011 RM'000	PRECEDING YEAR TO DATE 31.12.2010 RM'000
Total retained profit of the Company and it's subsidiaries:		
Realised	24,729	21,170
Unrealised	1,932	1,445
	<u>26,661</u>	<u>22,615</u>

#### B11 Off balance sheet financial instruments

The Group does not have any off balance sheet financial instruments as at the date of this report.

#### B12 Material litigations

There are no material litigations pending at the date of this report.

#### B13 Dividends

No dividends have been declared in respect of the financial period under review.

#### B14 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 31.12.2011	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2010	CURRENT YEAR TO DATE 31.12.2011	PRECEDING YEAR TO DATE 31.12.2010
Net profit for the period (RM'000)	622	633	4,900	4,486
Weighted average number of ordinary shares in issue ('000)	170,793	170,793	170,793	170,793
Basic earnings per share (sen)	<u>0.36</u>	<u>0.37</u>	<u>2.87</u>	<u>2.63</u>

#### By Order of the Board

Periasamy A/L Sinakalai  
Managing Director

Selangor Darul Ehsan  
Date: 24 February 2012