

TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 4th Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue	4,103	6,996	15,073	31,171
Cost of sales	(1,285)	(4,843)	(4,250)	(18,888)
Gross profit	2,818	2,153	10,823	12,283
Other income	712	995	6,996	2,445
Distribution and selling expenses	(23)	(42)	(190)	(604)
Administrative expenses	(1,437)	(1,239)	(4,911)	(4,589)
Other expenses	(1,826)	(848)	(3,211)	(2,464)
Finance income	21	14	54	99
Finance costs	(16)	(7)	(70)	(30)
Profit before taxation	249	1,026	9,491	7,140
Taxation	(270)	(404)	(1,620)	(2,253)
(Loss)/Profit after tax for the period/ Total comprehensive (Loss)/income for the period	(21)	622	7,871	4,887
(Loss)Profit/Total comprehensive (Loss)/income attributable to equity holders of the Company	(21)	622	7,871	4,887
Earnings per share (sen)				
(a) Basic	(0.01)	0.36	4.61	2.86
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements 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 the interim financial statements.

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Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 4th Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(the figures have not been audited)

	AS AT 31.12.2012 RM'000	AS AT 31.12.2011 RM'000
NON-CURRENT ASSETS		
<i>Property, plant and equipment</i>	16,636	13,600
<i>Prepaid lease payment on leasehold land</i>	13,630	12,389
<i>Investment property</i>	7,620	7,340
<i>Goodwill on consolidation</i>	584	584
	<u>38,470</u>	<u>33,913</u>
CURRENT ASSETS		
<i>Investment in unit trusts</i>	4,928	4,338
<i>Inventories</i>	389	474
<i>Trade receivables</i>	7,029	8,830
<i>Other receivables</i>	458	563
<i>Tax recoverable</i>	841	724
<i>Deposits, cash and bank balances</i>	13,294	4,910
	<u>26,939</u>	<u>19,839</u>
CURRENT LIABILITIES		
<i>Borrowings</i>	1,206	741
<i>Trade payables</i>	83	77
<i>Other payables</i>	1,187	1,223
<i>Tax payables</i>	18	11
	<u>2,494</u>	<u>2,052</u>
NET CURRENT ASSETS	<u>24,445</u>	<u>17,787</u>
	<u>62,915</u>	<u>51,700</u>
REPRESENTED BY:		
<i>Share capital</i>	17,079	17,079
<i>Share premium</i>	4,522	4,522
<i>Retained profits</i>	33,665	26,648
<i>Shareholders' Equity</i>	<u>55,266</u>	<u>48,249</u>
<i>Borrowings</i>	7,506	3,104
<i>Deferred tax liabilities</i>	143	347
<i>Non-current liabilities</i>	<u>7,649</u>	<u>3,451</u>
	<u>62,915</u>	<u>51,700</u>
Net assets per share (sen)	<u>32.36</u>	<u>28.25</u>

The Condensed Consolidated Statements 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 the interim financial statements.

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Quarterly Report on Results for the 4th Quarter Ended 31 December 2012 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Note	Share Capital RM'000	Non-Distributable Share Premium RM'000	Retained Profits RM'000	Total RM'000
At 1 January 2012	17,079	4,522	26,648	48,249
Total comprehensive income for the year	-	-	7,871	7,871
Appropriation: Final dividend payable for the financial year ended 31 December 2011	-	-	(854)	(854)
At 31 December 2012	17,079	4,522	33,665	55,266
At 1 January 2011	17,079	4,522	22,615	44,216
Total comprehensive income for the year	-	-	4,887	4,887
Appropriation: Final dividend payable for the financial year ended 31 December 2010	-	-	(854)	(854)
At 31 December 2011	17,079	4,522	26,648	48,249

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 the interim financial statements.

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Quarterly Report on Results for the 4th Quarter Ended 31 December 2012

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,491	7,140
Adjustments for:		
Depreciation of property, plant and equipment	1,240	1,432
Amortisation of prepaid lease payment	130	152
Allowance for doubtful debts - net	1,310	648
Changes in fair value of investment	(427)	(135)
Changes in fair value of investment property	(280)	-
Bad debts written off	75	16
(Gain) /Loss on investment in unit trust	(164)	(8)
(Gain) /Loss on investment in bond fund	-	(45)
Amortisation of deferred income	-	(860)
Allowance for slow moving inventories	-	248
Impairment of property, plant and equipment	-	628
Gain on disposal of property, plant and equipment	(4,344)	-
Property, plant and equipment written off	-	35
Interest expense	70	30
Interest income	(54)	(99)
Operating profit before working capital changes	7,047	9,182
Decrease/(Increase) in inventories	85	(82)
Decrease/(Increase) in trade receivables	471	(4,361)
Decrease in other receivables	51	79
Increase/(Decrease) in trade payables	6	(44)
Decrease in other payables	(250)	(312)
Cash generated from operations	7,410	4,462
Interest paid	(70)	(30)
Taxes paid	(2,269)	(2,591)
Taxes refunded	335	-
Net cash generated from operating activities	5,406	1,841
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	54	99
Proceeds from redemption of bond fund	-	3,603
Investment in unit trust	-	(171)
Purchase of leasehold land	(6,709)	(1,274)
Proceeds from disposal of property, plant and equipment	10,074	-
Purchase of property, plant and equipment	(4,454)	(7,932)
Increase in short-term deposit pledged	(10)	(4)
Net cash used in investing activities	(1,045)	(5,679)

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
CASH OUTFLOW FROM FINANCING ACTIVITY		
Term Loan received	6,000	3,300
Repayment of term loan	(880)	(270)
Repayment of hire purchase and lease financing	(253)	(130)
Dividend paid	(854)	(854)
Net cash from financing activities	4,013	2,046
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	8,374	(1,792)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	4,666	6,458
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note A15)	13,040	4,666

The Condensed Consolidated Cash Flow 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 the interim financial statements.

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A EXPLANATORY NOTES PURSUANT TO FRS 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards 134 (MFRS134): "Interim Financial Reporting" and Rule 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS34, Interim Financial Reporting issued by the International Accounting Standards Board. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The interim financial report should be read in conjunction with the audited financial statements for the 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 year ended 31 December 2011.

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (MFRS 1) in their financial statements for the financial year ending 31 December 2012, being the first set of financial statements prepared in accordance with the new MFRS Framework.

These are the Group's condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS framework annual financial statements and MFRS1, First-time Adoption of Malaysian Financial Reporting Standards has been applied. The transition to MFRS framework does not have any financial impact to the financial statements of the Group.

A2 Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2011 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

There were no dividends paid during the financial quarter.

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NOTES

A8 Segment information

	Investment holding RM'000	Recovery and recycling services RM'000	Manufactur- ing RM'000	Trading RM'000	Others* RM'000	Eliminat- ions RM'000	Total RM'000
Current Year Quarter							
31.12.2012							
Revenue							
External sales	-	3,432	616	55	-	-	4,103
Inter-segment sales	-	-	3	-	-	(3)	-
Total revenue	-	3,432	619	55	-	(3)	4,103
Results							
Segment results	(7)	1,243	377	(1,492)	462	-	583
Finance income	2	13	5	1	-	-	21
Finance cost	-	(8)	(3)	(6)	-	-	(17)
Depreciation and amortisation	-	(256)	(19)	(63)	-	-	(338)
Profit before taxation	(5)	992	360	(1,560)	462	-	249
Current Year To Date							
31.12.2012							
Revenue							
External sales	-	14,187	726	160	-	-	15,073
Inter-segment sales	-	-	5	-	-	(5)	-
Total revenue	-	14,187	731	160	-	(5)	15,073
Results							
Segment results	(178)	11,517	407	(1,872)	1,002	-	10,876
Finance income	10	33	10	1	-	-	54
Finance cost	-	(22)	(12)	(35)	-	-	(69)
Depreciation and amortisation	-	(1,055)	(81)	(234)	-	-	(1,370)
Profit before taxation	(168)	10,473	324	(2,140)	1,002	-	9,491
Preceding Year Corresponding Quarter							
31.12.2011							
Revenue							
External sales	-	3,149	35	3,812	-	-	6,996
Inter-segment sales	-	-	1	-	-	(1)	-
Total revenue	-	3,149	36	3,812	-	(1)	6,996
Results							
Segment results	(27)	1,474	(382)	238	155	-	1,458
Finance income	2	8	3	-	-	-	13
Finance cost	-	(6)	(3)	(6)	-	-	(15)
Depreciation and amortisation	-	(288)	(86)	(52)	(4)	-	(430)
Profit before taxation	(25)	1,188	(468)	180	151	-	1,026
Preceding Year Corresponding Period							
31.12.2011							
Revenue							
External sales	-	15,728	249	15,194	-	-	31,171
Inter-segment sales	-	-	24	-	-	(24)	-
Total revenue	-	15,728	273	15,194	-	(24)	31,171
Results							
Segment results	(187)	7,355	(399)	1,231	656	-	8,656
Finance income	17	71	10	-	-	-	98
Finance cost	-	(9)	(14)	(7)	-	-	(30)
Depreciation and amortisation	-	(1,084)	(344)	(119)	(37)	-	(1,584)
Profit before taxation	(170)	6,333	(747)	1,105	619	-	7,140

* This segment represents renting of investment property

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

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A9 Valuation of property, plant and equipment

Property, plant and equipment of the Group are stated at cost less accumulated depreciation. 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 period up to the date of this report that would affect the financial results for the current financial period under review.

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 or contingent assets as at the date of this report.

A13 Capital commitments

	AS AT 31.12.2012 RM'000	AS AT 31.12.2011 RM'000
Approved and contracted for:		
Acquisition of property, plant and equipment	144	3,300

A14 Related party transactions

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Transactions with Metro Engravers Sdn Bhd, a Company with a common director:				
- Printing costs payables	3	-	8	4
	3	-	8	4

[^] RM264

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 31.12.2012 RM'000	As at 31.12.2011 RM'000
Cash in hand and at banks	11,514	3,394
Deposits with:		
Licensed investment bank	1,526	1,272
Licensed bank	254	244
	13,294	4,910
Less: Non cash equivalents:		
Fixed deposits pledged	(254)	(244)
	13,040	4,666

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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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Revenue	4,103	6,996	15,073	31,171
Profit before taxation	249	1,026	9,491	7,140

For the quarter ended 31 December 2012, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM4.1million, a decrease of RM2.9million compared to the corresponding quarter of the preceding year ended 31 December 2011. The decrease in revenue was due to reduced trading activities in chemicals by the Group's subsidiary, TC Chemical Sdn Bhd during the current quarter. The Group has a profit before taxation of RM249,000 for the current quarter mainly resulted from an impairment of a trade receivable of RM1.2million in the trading division of the Group.

Recycling and recovery division

For the quarter ended 31 December 2012, the revenue of the Recycling business increased by RM282,000 or 9% as compared to that of the corresponding quarter preceding year. As at year to-date, the revenue of recycling business decrease by RM1.5million or 10% compared to the corresponding quarter preceding year. The decrease is mainly due to lower demand from the industry.

Manufacturing division

The manufacturing division of the Group had ceased operations on 31 December 2011. For the current quarter, the division achieved a nominal revenue of RM619,000 on sales of remaining products.

Trading division

The revenue from the trading of chemicals suffered a huge decrease from last year's corresponding period due to very low trading activities during the quarter.

B2 Material Changes in Quarterly Results compared to the Results of the preceding quarter

	Current Year Quarter 31.12.2012 RM'000	Current Year Previous Quarter 30.09.2012 RM'000
Revenue	4,103	3,624
Profit before taxation	249	852

The Group's revenue for the current quarter was RM4.1million as compared to the revenue for the preceding quarter of RM3.6million, representing a decrease of RM479,000, or 13%. The increase in revenue was mainly contributed by the sales of Group's manufacturing division's remaining products. The Group however, has a profit before taxation of RM249,000 due to an impairment of trade receivable of RM1.2million in the Group's trading division.

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B3 Prospects

The Group has on 20 December 2012, obtained the scheduled waste management approval from The Department of Environment ("DOE") for the operations of the new plant. The Group has subsequently commenced the setting up of the new plant and the it is expected to commence operations in the second half of the year 2013.

With the commencement of the operations of the new plant, the Board of Directors expects the Group to perform satisfactorily in the year 2013.

B4 Profit forecast and profit guarantee

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

B5 Taxation

The taxation is calculated based on the profit for the financial period ended 30 September 2012 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Income tax				
Estimated tax payable for current period	410	404	1,875	2,201
Under/(Over) provision in prior year	12	-	(51)	145
Deferred tax				
Estimated deferred tax for current period	(152)	-	(204)	(93)
	<u>270</u>	<u>404</u>	<u>1,620</u>	<u>2,253</u>

B6 Sales of unquoted investments and/or properties

There were no acquisitions or disposals of unquoted 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 as at the date of this report.

B9 Borrowings and debt securities

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
<i>Short term borrowings:</i>		
Secured-Term Loan	940	488
Unsecured - Hire purchase and finance lease payables	266	253
	<u>1,206</u>	<u>741</u>
<i>Long term borrowings:</i>		
Secured-Term Loan	7,211	2,542
Unsecured - Hire purchase and finance lease payables	295	562
	<u>7,506</u>	<u>3,104</u>
	<u>8,712</u>	<u>3,845</u>

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B10 Off balance sheet financial instruments

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

B11 Material litigation

There are no material litigation since the last annual balance sheet date to the date of this report.

B12 Dividends

- (a) (i) First and final dividend of 5% per share amounting to RM853,965 for the financial year ended 31 December 2012 has been recommended by the Board of Directors for approval by the shareholders at the forthcoming Annual General Meeting;
- (ii) Amount per share - First and final dividend; single tier exempt dividend of 5% per share;
- (iii) Previous corresponding period - single tier exempt dividend of 0.5sen (5%);
- (iv) Date payable - to be determined at a later date;
- (v) In respect of deposited securities, entitlement to dividends will be determined at a later date.

- (b) The total dividend for the current financial year - 5% per share

B13 Realised and unrealised profit and loss

	As at 31.12.2012 RM'000	As at 31.12.2011 RM'000
Total retained profit of the Company and it's subsidiaries:		
Realised	31,176	24,716
Unrealised	2,489	1,673
	<u>33,665</u>	<u>26,648</u>

B14 Profit before tax

	Current Year Quarter 31.12.2012 RM'000	Current Year To Date 31.12.2012 RM'000
Profit before tax is arrived at after the following charges/(credits):		
Depreciation of property, plant and equipment	289	1,240
Amortisation of repaid lease payment	49	130
Allowance for doubtful debts - net	1,192	1,310
Bad debts written off	67	75
Gain on investment in unit trust	(53)	(164)
Gain on disposal of property, plant and equipment - net of tax	-	(4,344)
Increase in fair value of unit trust	76	(427)
Increase in fair value of investment property	(280)	-
Interest income from deposits placed with licensed banks	(21)	(54)
Interest expenses on hire-purchase	8	37
Interest expenses on term loans	8	33

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B15 Earnings per share

(a) Basic Earnings Per Ordinary Share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary shareholders of the parent by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year To Date 31.12.2012 RM'000	Preceding Year Corresponding Period 31.12.2011 RM'000
Net (loss)/profit for the period (RM'000)	(21)	622	7,871	4,887
Weighted average number of ordinary shares in issue ('000)	170,793	170,793	170,793	170,793
Basic earnings per share (sen)	<u>(0.01)</u>	<u>0.36</u>	<u>4.61</u>	<u>2.86</u>

(b) Diluted Earnings Per Ordinary Share

Not applicable to the Company

By Order of the Board
Periasamy A/L Sinakalai
Managing Director
Selangor Darul Ehsan
Date: 27 February 2013