

TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 1st Quarter Ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
Revenue	3,590	3,546	3,590	3,546
Cost of sales	(980)	(941)	(980)	(941)
Gross profit	2,610	2,605	2,610	2,605
Other income	588	2,763	588	2,763
Distribution and selling expenses	(62)	(40)	(62)	(40)
Administrative expenses	(1,150)	(1,051)	(1,150)	(1,051)
Other expenses	(412)	(389)	(412)	(389)
Finance income	24	12	24	12
Finance costs	(7)	(8)	(7)	(8)
Profit before taxation	1,591	3,892	1,591	3,892
Taxation	(442)	(659)	(442)	(659)
Profit for the year	1,149	3,233	1,149	3,233
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	1,149	3,233	1,149	3,233
Earnings per share (sen)				
(a) Basic	0.67	1.89	0.67	1.89
(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 2012 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 1st Quarter Ended 31 March 2013 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(the figures have not been audited)

	AS AT 31.03.2013 RM'000	AS AT 31.12.2012 RM'000
NON-CURRENT ASSETS		
<i>Property, plant and equipment</i>	17,025	16,636
<i>Prepaid lease payment on leasehold land</i>	13,586	13,630
<i>Investment property</i>	7,620	7,620
<i>Goodwill on consolidation</i>	584	584
	38,815	38,470
CURRENT ASSETS		
<i>Investment in unit trusts</i>	5,029	4,928
<i>Inventories</i>	483	389
<i>Trade receivables</i>	4,818	7,029
<i>Other receivables</i>	521	458
<i>Tax recoverable</i>	804	841
<i>Deposits, cash and bank balances</i>	15,571	13,294
	27,226	26,939
CURRENT LIABILITIES		
<i>Borrowings</i>	1,210	1,206
<i>Trade payables</i>	134	87
<i>Other payables</i>	958	1,183
<i>Tax payables</i>	14	18
	2,316	2,494
NET CURRENT ASSETS	24,910	24,445
	63,725	62,915
REPRESENTED BY:		
<i>Share capital</i>	17,079	17,079
<i>Share premium</i>	4,522	4,522
<i>Retained profits</i>	34,814	33,665
<i>Shareholders' Equity</i>	56,415	55,266
<i>Borrowings</i>	7,203	7,506
<i>Deferred tax liabilities</i>	107	143
<i>Non-current liabilities</i>	7,310	7,649
	63,725	62,915
Net assets per share (sen)	33.03	32.36

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report on Results for the 1st Quarter Ended 31 March 2013 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 2013	17,079	4,522	33,665	55,266
Total comprehensive income for the year	-	-	1,149	1,149
At 31 March 2013	17,079	4,522	34,814	56,415
At 1 January 2012	17,079	4,522	26,648	48,249
Total comprehensive income for the year	-	-	3,233	3,233
At 31 March 2012	17,079	4,522	29,881	51,482

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report on Results for the 1st Quarter Ended 31 March 2013

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,591	3,892
Adjustments for:		
Depreciation of property, plant and equipment	302	323
Amortisation of prepaid lease payment	44	27
Allowance for doubtful debts - net	27	104
Changes in fair value of investment	(62)	(138)
Gain on investment in unit trust	(38)	(37)
Gain on disposal of property, plant and equipment	-	(2,236)
Write back of provision for bad debts	-	(60)
Interest expense	7	8
Interest income	(24)	(12)
Operating profit before working capital changes	1,847	1,871
(Increase)/Decrease in inventories	(94)	4
Decrease in trade receivables	2,184	395
Increase in other receivables	(63)	(7,450)
Increase/(Decrease) in trade payables	51	(18)
(Decrease)/Increase in other payables	(229)	89
Cash generated from operations	3,696	(5,109)
Interest paid	(7)	(8)
Taxes paid	(446)	(734)
Net cash generated from/(used in) operating activities	3,243	(5,851)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	24	12
Proceeds from disposal of property, plant and equipment	-	4,990
Purchase of property, plant and equipment	(690)	(223)
Increase in short-term deposit pledged	171	(1)
Net cash (used in)/generated from investing activities	(495)	4,778
CASH OUTFLOW FROM FINANCING ACTIVITY		
Term Loan received	-	6,000
Repayment of term loan	(235)	(197)
Repayment of hire purchase and lease financing	(65)	(62)
Net cash (used in)/ generated from financing activities	(300)	5,741
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	2,448	4,668
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	13,040	4,666
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note A15)	15,488	9,334

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report on Results for the 1st Quarter Ended 31 March 2013

NOTES

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.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2012. 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 2012.

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 2012 except for the following new/revised MFRS:

MRFS 7	Financial Instruments: Disclosures [Amendments relating to Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures]
MRFS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

The adoption of the new/revised MFRS and its amendments does not give rise to any adjustment to the opening balances of retained profit of prior and current years or changes in comparatives.

A2 Auditors' report of preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2012 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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Quarterly Report on Results for the 1st Quarter Ended 31 March 2013

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							
31.03.2013							
Revenue							
External sales	-	3,480	65	45	-	-	3,590
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	-	3,480	65	45	-	-	3,590
Results							
Segment results	(46)	1,798	32	(30)	166	-	1,920
Finance income	7	17	-	-	-	-	24
Finance cost	-	(3)	(3)	(1)	-	-	(7)
Depreciation and amortisation	-	(251)	(20)	(75)	-	-	(346)
Profit before taxation	(39)	1,561	9	(106)	166	-	1,591
Current Year To Date							
31.03.2013							
Revenue							
External sales	-	3,480	65	45	-	-	3,590
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	-	3,480	65	45	-	-	3,590
Results							
Segment results	(46)	1,798	32	(30)	166	-	1,920
Finance income	7	17	-	-	-	-	24
Finance cost	-	(3)	(3)	(1)	-	-	(7)
Depreciation and amortisation	-	(251)	(20)	(75)	-	-	(346)
Profit before taxation	(39)	1,561	9	(106)	166	-	1,591
Preceding Year Corresponding Quarter							
31.03.2012							
Revenue							
External sales	-	3,498	7	41	-	-	3,546
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	-	3,498	7	41	-	-	3,546
Results							
Segment results	(11)	4,100	(12)	(20)	182	-	4,239
Finance income	2	8	2	-	-	-	12
Finance cost	-	(6)	(3)	-	-	-	(9)
Depreciation and amortisation	-	(272)	(21)	(57)	-	-	(350)
Profit before taxation	(9)	3,830	(34)	(77)	182	-	3,892
Preceding Year Corresponding Period							
31.03.2012							
Revenue							
External sales	-	3,498	7	41	-	-	3,546
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	-	3,498	7	41	-	-	3,546
Results							
Segment results	(11)	4,100	(12)	(20)	182	-	4,239
Finance income	2	8	2	-	-	-	12
Finance cost	-	(6)	(3)	-	-	-	(9)
Depreciation and amortisation	-	(272)	(21)	(57)	-	-	(350)
Profit before taxation	(9)	3,830	(34)	(77)	182	-	3,892

* 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

There were no capital commitments as at the date of this report.

	AS AT 31.03.2013 RM'000	AS AT 31.12.2012 RM'000
Approved and contracted for:		
Acquisition of property, plant and equipment	39	-

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 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
Transactions with Metro Engravers Sdn Bhd, a Company with a common director:				
- Printing costs payables	-	# 1	-	# 1
#RM225	-	-	-	1

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 31.03.2013 RM'000	As at 31.12.2012 RM'000
Cash in hand and at banks	9,987	11,514
Deposits with:		
Licensed investment bank	5,501	1,526
Licensed bank	83	254
	15,571	13,294
Less: Non cash equivalents:		
Fixed deposits pledged	(83)	(254)
	15,488	13,040

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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 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
Revenue	3,590	3,546	3,590	3,546
Profit before taxation	1,591	3,892	1,591	3,892

For the quarter ended 31 March 2013, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM3.6million, an increase of RM44,000 or 1.2% compared to the corresponding quarter of the preceding year ended 31 March 2012. The increase in revenue was due to revenue generated from the Group's manufacturing division. The Group has a profit before taxation of RM1.6million for the current quarter, a decrease RM2.3million, or 59% compared to the corresponding quarter of the preceding year ended 31 March 2012. The decrease is mainly due to gain on disposal of leasehold land of RM2.2million in preceding year.

Recycling and recovery division

For the quarter ended 31 March 2013, the revenue of the Recycling business decreased marginally by RM18,000 or 0.5% as compared to that of the corresponding quarter preceding year.

Manufacturing division

For the current quarter, the division achieved a nominal revenue of RM65,000 from sales of ex-stock items.

Trading division

For the quarter ended 31 March 2013, the revenue of the Trading business increased by RM4,000 or 9.7% as compared to that of the corresponding quarter preceding year. The increase is mainly due to higher demand from the Group's trading products.

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

	Current Year Quarter 31.03.2013 RM'000	Current Year Previous Quarter 31.12.2012 RM'000
	Revenue	3,590
Profit before taxation	1,591	249

The Group's revenue for the current quarter was RM3.6million as compared to the revenue for the preceding quarter of RM4.1million, representing a decrease of RM513,000, or 12.5%. The decrease in revenue was mainly lower sales from Group's manufacturing division's remaining products. The Group however, has a profit before taxation of RM1.6million, an increase of RM1.3million or 539%. The increase is due to an impairment of trade receivable of RM1.2million from the Group's trading division in preceding quarter.

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B3 Prospects

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

The Board of Directors expects the Group to perform satisfactorily for the rest of the year as the new plant will only be commercially viable towards the end of the year.

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 31 March 2013 comprises the following:

	Individual Quarter		Cumulative Quarter		
	Current Year	Preceding Year	Current Year To	Preceding Year	
	Quarter	Corresponding	Date	Corresponding	
	31.03.2013	Quarter	31.03.2013	Period	
	RM'000	31.03.2012	RM'000	31.03.2012	RM'000
Income tax					
Estimated tax payable for current period	478	490	478	490	
Under/(Over) provision in prior year	-	-	-	-	
Deferred tax					
Estimated deferred tax for current period	(36)	169	(36)	169	
	<u>442</u>	<u>659</u>	<u>442</u>	<u>659</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	As at
	31.03.2013	31.12.2012
	RM'000	RM'000
<i>Short term borrowings:</i>		
Secured-Term Loan	940	940
Unsecured - Hire purchase and finance lease payables	270	266
	<u>1,210</u>	<u>1,206</u>
<i>Long term borrowings:</i>		
Secured-Term Loan	6,976	7,211
Unsecured - Hire purchase and finance lease payables	227	295
	<u>7,203</u>	<u>7,506</u>
	<u>8,413</u>	<u>8,712</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

The Company's former director, Encik Yusseri (retired and not re-elected on 21 June 2012) had on 12 October 2012 and 3 December 2012 filed two identical counterclaims at two different courts on Metro Koats Technology Sdn Bhd ("MKT") and Tex Cycle Technology (M) Berhad ("the Company") for an arbitrary sum of RM500,000 as compensation for his alleged removal as director of MKT and the Company. For the first case court hearing on 3 April 2013, judgement was reserved for 17 May 2013 and later postponed to 10 June 2013. The latter resulted in a judgement in default served to the Company on 1 April 2013 which the Company's lawyer had successfully obtained a stay of execution until the setting aside application is heard on 29 May 2013.

B12 Dividends

No dividend has been recommended for the current financial period ended 31 March 2013.

B13 Realised and unrealised profit and loss

	As at 31.03.2013 RM'000	As at 31.12.2012 RM'000
Total retained profit of the Company and it's subsidiaries:		
Realised	31,747	31,169
Unrealised	3,067	2,496
	<u>34,814</u>	<u>33,665</u>

B14 Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2013 RM'000	Preceding Year Corresponding Quarter 31.03.2012 RM'000	Current Year To Date 31.03.2013 RM'000	Preceding Year Corresponding Period 31.03.2012 RM'000
Profit before tax is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipment	301	323	301	323
Amortisation of repaid lease payment	44	27	44	27
Allowance for doubtful debts - net	27	104	27	104
Gain on investment in unit trust	(38)	(37)	(38)	(37)
Gain on disposal of property, plant and equipment - net of tax	-	(2,236)	-	(2,236)
Increase in fair value of unit trust	(62)	(138)	(62)	(138)
Interest income from deposits placed with licensed banks	(24)	(12)	(24)	(12)
Interest expenses on hire-purchase	7	8	7	8
	<u>7</u>	<u>8</u>	<u>7</u>	<u>8</u>

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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	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	31.03.2013 RM'000	31.03.2012 RM'000	31.03.2013 RM'000	31.03.2012 RM'000
Net (loss)/profit for the period (RM'000)	1,149	3,233	1,149	3,233
Weighted average number of ordinary shares in issue ('000)	170,793	170,793	170,793	170,793
Basic earnings per share (sen)	<u>0.67</u>	<u>1.89</u>	<u>0.67</u>	<u>1.89</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 May 2013