TEX CYCLE

Tex Cycle Technology (M) Berhad

(642619-P)

annual report

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contents

Corporate Information

BOARD OF DIRECTORS

Ho Siew Choong
Executive Chairman

Periasamy A/L Sinakalai
Managing Director

Yusseri Bin Said
Executive Director

Ho Siew Cheong
Executive Director

Ho Siew Weng
Executive Director

General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)
Independent Non-Executive Director

Razali Bin Jantan
Independent Non-Executive Director

Ravi Markandu
Independent Non-Executive Director

AUDITORS

Messrs Deloitte & Touche (AF: 0834)
Chartered Accountants

COMPANY SECRETARY

Ng Yim Kong (LS 0009297)

PRINCIPAL BANKER

Public Bank Berhad (6463-H)

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-78418000
Fax : 03-78418008

REGISTERED OFFICE

c/o Strategy Corporate Secretariat Sdn Bhd
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7804 5929
Fax : 03-7805 2559

CORPORATE OFFICE

8, Jalan TPK 2/3
Taman Perindustrian Kinrara
47100 Puchong
Selangor Darul Ehsan
Tel : 03-8076 3816/19/21/23
Fax : 03-8076 3817
Email : texcycle@po.jaring.my
Website : www.texcycle.com.my

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: TEXCYCL
Stock Code: 0089

HO SIEW CHOONG
Executive Chairman
59 years of age; Malaysian

Ho Siew Choong was appointed to the Board of Tex Cycle Technology (M) Berhad ("Tex Cycle Technology") on 13 May 2005. He obtained a Diploma in Graphic Reproduction from London College of Printing, United Kingdom in 1974 and Post Award Studies (graphic reproduction) in 1975. Upon his return from the United Kingdom he joined Metro-Engravers Sdn. Bhd ("Metro-Engravers") and was involved in all areas of business management such as Human Resource, Finance, Marketing, Research and Development, Sales and Distribution. He was appointed Chairman of Metro-Engravers in 2000. He is the person responsible for advancing Metro-Engravers to a highly advanced field of pre-print electronic system. He was appointed as a Director in Tex Cycle Sdn. Bhd. ("Tex Cycle") in 1995 and has since been involved in various aspects of Tex Cycle's business which include Administration and Finance. He is also one of the three members of Tex Cycle's Research and Development ("R&D") team which is working to enhance and improve Tex Cycle's methods of recovery and recycling as well as to design and develop new methods of recovery and recycling, as well as new products and services.

PERIASAMY A/L SINAKALAI
Managing Director
Member of Remuneration Committee
60 years of age; Malaysian

Periasamy A/L Sinakalai was appointed to the Board of Tex Cycle Technology on 13 May 2005. He obtained a Senior Cambridge Certificate in 1968. He started his career in The New Straits Times Group in 1969 at the young age of 18. After 10 years of service in The New Straits Times Group he left his position as a Production Planner to join Papyrus Printing, a subsidiary of the Star Publications for two (2) years. He then joined Malaysian British Assurance Berhad and was promoted to the position of a Production Manager in 1979. His tenure in Malaysian British Assurance Berhad lasted for about five (5) years before he left in 1985 to join Tex Cycle as a Marketing Manager. Periasamy A/L Sinakalai subsequently became a shareholder of Tex Cycle and was appointed the Executive Director of Tex Cycle on 21 April 1986. In addition to his role as a Marketing Manager, he has also been directly involved in Tex Cycle's Administration and is an integral part of Tex Cycle's R&D team. He was awarded the Pingat Masyarakat Cemerlang (PMC) by the Yang Dipertua Negeri Sembilan on 25 October 2001. He is also the member of Working Group on Scheduled Waste (SIRIM).

YUSSERI BIN SAID

Executive Director
53 years of age; Malaysian

Yusseri Bin Said was appointed to the Board of Tex Cycle Technology on 13 May 2005. He graduated from Universiti Sains Malaysia with a Bachelor of Science (Honours) in 1984. He started his career in the banking industry as a Trainee Officer in Malayan Banking Berhad. In 1995, he obtained a Masters in Business Administration from Ohio University, USA upon completion of a twinning programme at the Universiti Teknologi MARA (UiTM). He subsequently left Malayan Banking Berhad and was appointed to the Board of Directors of Metro Koats Technology Sdn. Bhd. ("Metro Koats").

HO SIEW CHEONG

Executive Director
49 years of age; Malaysian

Ho Siew Cheong was appointed to the Board of Tex Cycle Technology on 13 May 2005. He graduated with a Bachelor of Science from the University of Newcastle-upon-Tyne, United Kingdom in 1985. Upon graduation, he started his career as a Site Engineer in General Fire Fighting Sdn. Bhd. He was later appointed as a Sales Manager in Metro-Engravers in 1987. In 1995 he founded Metro Koats and has been an Executive Director in Metro Koats ever since. He is also the Head of R&D in Metro Koats where he is responsible for the development and invention of all the products of MetroKoats, including camouflage paint and chemical formulae/solutions for the process of treatment of contaminated waste and effluent. Due to his expertise in developing chemical formulae/solution, he is also a member of Tex Cycle's R&D team, focusing on the development of Tex Cycle's waste treatment system.

HO SIEW WENG

Executive Director
54 years of age; Malaysian

Ho Siew Weng was appointed to the Board of Tex Cycle Technology on 13 May 2005. He was appointed to the Board of Tex Cycle on 13 August 2001. He has been directly involved in various areas of Tex Cycle's business management, particularly Marketing, Sales and Distribution. Prior to his appointment to the Board of Tex Cycle, he was attached to Metro-Engravers and was involved mainly in the Sales and Marketing Department. Tex Cycle has benefited from his experience in marketing and sales, where his job function includes building a sales and marketing team with representatives based in different locations to reap the full benefit of local knowledge. He is also in charge of exploring new business potential in both the regulated and non-regulated waste generating industries.

GENERAL DATO' SERI CHE MD NOOR BIN MAT ARSHAD (Rtd)

Independent Non-Executive Director
Chairman of Remuneration Committee
Member of Audit Committee and Nomination Committee
68 years of age; Malaysian

General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd) was appointed to the Board of Tex Cycle Technology on 13 May 2005. An old boy of the Boys Wing Royal Military College, he was commissioned into the Malaysian Armed Forces as an Officer in December 1963. He obtained his Master's Degree in International Relations and Strategic Studies from University of Lancaster. During his thirty five and half years of service with the Malaysian Armed Forces, General Dato' Seri Che Md Noor had held various command and staff appointments at various levels, culminating with being Chief of Malaysian Army from 1995 to 1997.

RAZALI BIN JANTAN

Independent Non-Executive Director
Chairman of Nomination Committee
Member of Audit Committee and Remuneration Committee
53 years of age; Malaysian

Razali Bin Jantan was appointed to the Board of Tex Cycle Technology on 13 May 2005. He holds a Diploma in Business Studies and subsequently joined Modern Commodities Trading as a Dealer. From 1983 to 1992, he was attached to Malaysian Tobacco Company Berhad in the Marketing Department. In 1993, he founded Quest Entrepreneur Sdn. Bhd., which is involved in event management, and QE Advertising (M) Sdn. Bhd., which is an advertising agency. He is currently the Managing Director of Quest Entrepreneur Sdn. Bhd. and the Chief Executive Officer of QE Advertising (M) Sdn. Bhd. He is proficient in various languages including several Chinese dialects.

RAVI MARKANDU

Independent Non-Executive Director
Chairman of Audit Committee
Member of Nomination Committee and Remuneration Committee
61 years of age; Malaysian

Ravi Markandu was appointed to the Board of Tex Cycle on 1 March 2007. He is a Fellow of the Institute of Chartered Accountants in England and Wales since 1976 and a member of the Malaysian Institute of Accountants.

His previous employments include ten years with the UMW Group as Group Accountant initially and finally as Group Financial Controller of UMW Toyota Motor Sdn. Bhd., seven years with the Upali Group, the last position held being Executive Director, Malaysian Operations. In 1993 he accomplished a management buy-in of Bright Packaging Industry Berhad and successfully had the company listed on the Bursa Malaysia (Kuala Lumpur Stock Exchange) in 1995. He left Bright Packaging in 1998, after having sold a substantial portion of his stake.

He now provides financial consultancy and investment advisory services and through a family company, he is involved in real estate investment and property development. He is also involved in a number of not-for-profit organisations, namely the immediate past Honorary Secretary-General of the Kuala Lumpur and Selangor Indian Chamber of Commerce and Industry, Honorary Treasurer of the Bukit Damansara House Owners' Association, and a committee member of the Institute of Chartered Accountants in England and Wales, Malaysia City Group.

Additional Information on Directors

Save for Ho Siew Choong, Ho Siew Weng and Ho Siew Cheong who are siblings, none of the Directors has any family relationship with any Directors and/or major shareholders of the Company. None of the Directors has any conflict of interest with the Company or has any conviction for offences within the past ten (10) years other than traffic offences, if any.

Chairman's Statement

"On behalf of the Board of Directors of Tex Cycle Technology (M) Berhad, I am pleased to present the Annual Report and Audited Financial Statements of the group for the financial year ended ("FYE") 31st December 2010."

Overview

During the financial year under review, the Group's customer base achieved continuous growth in its recycling services. As at 31 December 2010, the Group has approximately 1,996 customers, an increase of approximately 12% as compared to its customer base of 1,782 customers as at 31 December 2009. For FYE 2010, the Company achieved profit before tax ("PBT") of RM6.25 million and profit after tax ("PAT") of RM4.49 million.

Industry Trend

According to the Tenth Malaysia Plan, the Government will place emphasis on strategies to ensure sustainable growth and mitigation to minimise pollution during the Tenth Malaysia Plan period (2011-2015). The government will introduce 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 and public-private CSR (Corporate Social Responsibility) initiatives. In addition, AFFIRM Framework (of Awareness, Faculty, Finance, Infrastructure, Research and Marketing) has also been introduced by the Prime Minister to develop a complete ecosystem for environmental sustainability.

Based on the favourable Government policies and legislation, the outlook for the Scheduled Waste recycling services industry is expected to be positive.

Financial Review

For FYE 31st December 2010, the group profit before tax ("PBT") decreased by about 26.1%, from RM8.46 million for FYE 31st December 2009 to RM6.25 million for the FYE 31st December 2010. Inevitably, the Group's profit after tax ("PAT") decreased by 31.83% from RM6.58million to RM4.49 million.

The decrease in PBT and PAT was mainly attributed to lower demand from the Group's chemical products as well as chemical trading.

Dividends

A final single tier exempt dividend of 5% amounting to RM853,965 proposed in the previous financial year was paid by the Company during the financial year.

In recognition of the Group's sastifactory performance, the Board is proposing a first and final single tier exempt dividend of 5% per share on 170,793,000 ordinary shares, amounting to RM853,965 (0.5 sen per share) in respect of the FYE 31 December 2010 subject to shareholders' approval at the forthcoming Annual General Meeting.

Research and Development

Research and Development ("R&D") stimulates constant innovation and creativity in every aspect of our business for continued growth and success. Our Company's R & D project to convert waste to energy for the past few years has been successful and is now in the process of awaiting for commercialization. Our next R&D for 2011 and ongoing will be manufacturing of reflective paints using decontaminated waste as one of the elements. Much analysis and studies are currently being undertaken to achieve our new objective. The capital expenditure incurred by the Group for R&D purposes is immaterial and the Directors of Tex Cycle are in the view that the R&D expenditure and future allocation for R&D are not expected to have any material financial impact on the Group for the financial year ending 31 December 2011

Corporate Responsibility

Charity sees the need not the cause. Tex Cycle continues to reinvest in its workforce by offering education scholarships to deserving Employees and their children. Financial assistance for school necessities too are provided from the fund for those in need. We also take our responsibility to the community seriously. As the main sponsor to Pusat Rawatan Dialisis Good Health, Tex Cycle continues to contribute generously towards the centre, which started its operation in 2010. We are continuing to ease the financial burden of deserving poor kidney patients.

Tex Cycle continues to instil environmental awareness on a continuous basis. For 2010, Tex Cycle carried out a distinctive project as part of Tex Cycle's Community Awareness Program. In collaboration with a paint company and a hypermarket, Tex Cycle promoted a cleaner environment to the public through the introduction of proper disposal of paints and dangers it may pose to the environment if irresponsibly disposed. As 2010's environmental program, Tex Cycle gave importance to fauna and organized a voluntary project to clean Zoo Negara and care for the animals there. A one day project was arranged where all levels of the organization came to work as one that inculcated moral values such as co-operation, understanding, teamwork and patience.

Prospects for 2011

The group expects to make further in roads into the manufacturing sectors for its recycling business as well as for its renewable energy products. During the year 2010 the Group has applied for additional scheduled waste codes to enable the Group to treat additional waste categories. The new waste codes are expected to improve the Group's revenue from the recycling business.

According to the Tenth Malaysia Plan, the Government will place emphasis on strategies to ensure sustainable growth and mitigation to minimise pollution during the Tenth Malaysia Plan period (2011-2015). Therefore the prospects of the Group's Scheduled Waste recycling business are expected to be favourable.

On 15 October 2010, the subsidiary of Tex Cycle Technology, TC Chemical Sdn Bhd had successfully acquired a single storey industry building located at Klang. The Group is expected to expand its trading business with the property purchased.

Despite the low demand from the Group's chemical products from Metro Koats Technology Sdn Bhd during the year, the Directors of the Group expect a higher demand for chemical products from its defense industry customers in year 2011.

Appreciation and Acknowledgement

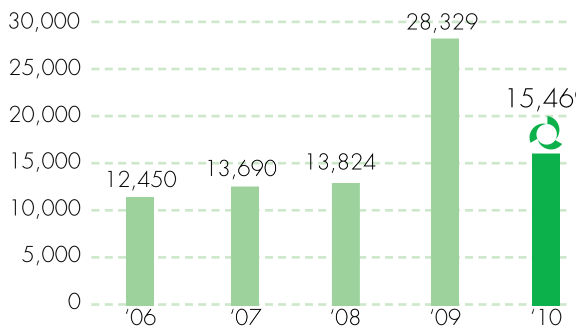
On behalf of the Board of Directors, I would like to express our sincere appreciation and thanks to the Management and Staff for their loyalty, relentless commitment and hard work. Many thanks too to our Shareholders, Customers, Business Partners and regulatory bodies for their support and confidence in us. Last but not least, I would like to thank my fellow colleagues on the Board for their passion and dedication over the past year.

Financial Highlights

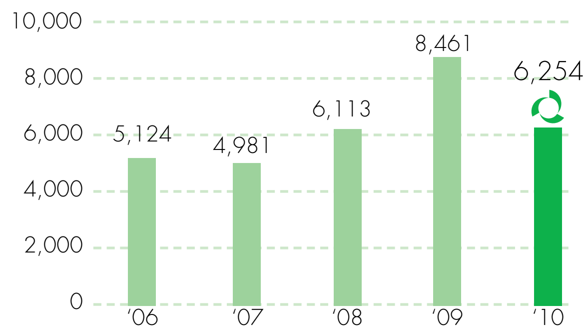
SUMMARISED GROUP INCOME STATEMENT

FYE 31 December	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Revenue	12,450	13,690	13,824	28,329	15,469
Profit before tax	5,124	4,981	6,113	8,461	6,254
Profit after tax	3,784	3,550	4,641	6,580	4,486
Net earnings per share (sen)	2.22	2.08	2.72	3.85	2.63

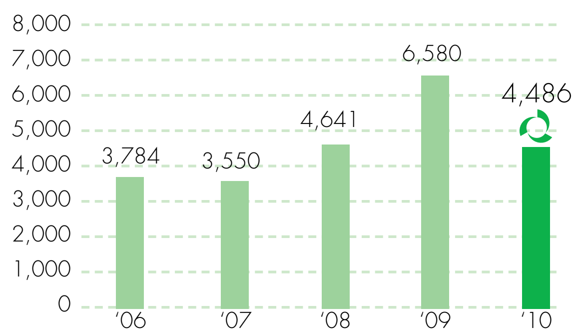
Revenue
RM Million



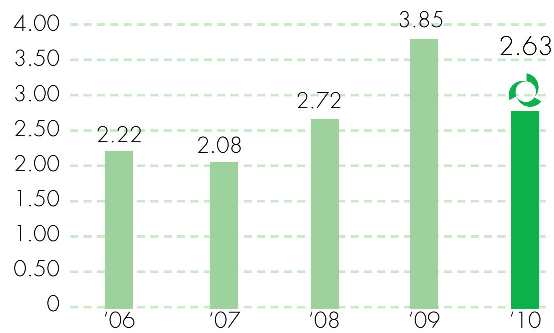
Profit Before Tax
RM Million



Profit After Tax
RM Million

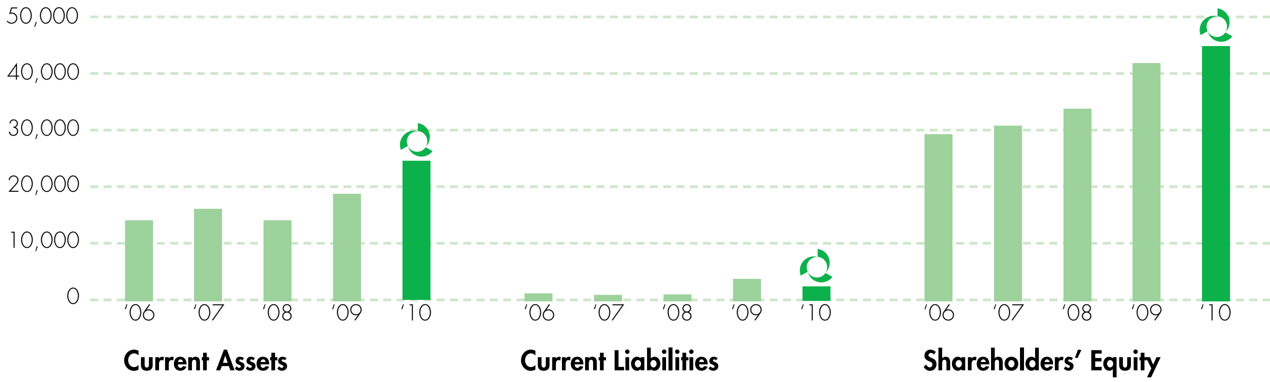


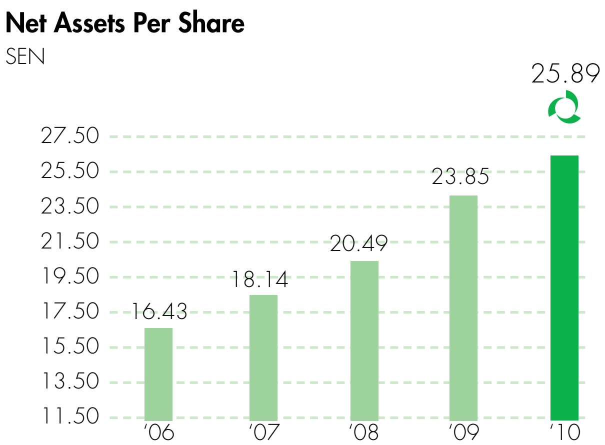
Net Earnings Per Share
SEN



SUMMARISED GROUP INCOME STATEMENT

FYE 31 December	2006 RM'000	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000
Current assets	13,316	16,232	13,345	18,950	24,401
Current liabilities	1,132	1,192	1,259	3,575	1,972
Shareholders' equity	28,061	30,987	34,996	40,735	44,216
Net assets per share (sen)	16.43	18.14	20.49	23.85	25.89





Introduction

The Board of Directors ("the Board") of Tex Cycle Technology (M) Berhad ("Tex Cycle") believes that good corporate governance is fundamental to the Group's continued success. Therefore, the Board is committed to ensuring that the highest standards of Corporate Governance are practiced throughout Tex Cycle, as a fundamental part of discharging its responsibilities to protect and enhance the shareholders' value and financial performance of the organization.

This statement sets out the commitment of the Board of Tex Cycle towards the Malaysian Code of Corporate Governance ("Code") and describes how the Group has applied the principles laid down in the Code. Save where otherwise identified specifically, the Group has complied with the Best Practices of the Code throughout the financial year.

1 THE BOARD OF DIRECTORS

THE BOARD SIZE AND BALANCE

The Board is collectively responsible for promoting the success of the Group by directing and supervising its affairs. The key responsibilities include the primary responsibilities prescribed under the Best Practices Provision AA I in Part 2 of the Code. These cover a review of the strategic direction for the Group and overseeing the business operations of the Group, evaluating whether these are being properly managed.

COMPOSITION

The Board of Directors consists of a Chairman, a Managing Director and 6 directors, of whom 3 are independent directors. The Company complies with the criteria of Bursa Malaysia's Listing Requirements ("LR") of having at least one third or two of the board members as Independent Non-Executive Directors. The profiles of each of the Directors are presented from page 3 to 5 of this Annual Report.

DUTIES AND RESPONSIBILITIES OF THE BOARD

The Board retains full and effective control over the affairs of the Company and the Group. This includes responsibility for determining the Company's and the Group's development and overall strategic direction which are as follows:

a. Reviewing and providing guidance on the Company's and Group's corporate strategy and adopting a strategic plan for the Company through the development of risk policy, annual budgets and long range business plans, reviewing major capital expenditures, acquisition and disposal.

b. Monitoring corporate performance and the conduct of the Group's business and to ensure compliances to best practices and principles of corporate governance.

c. Identifying and implementing appropriate system to manage principal risks. The Board undertakes this responsibility through the Audit Committee.

d. Ensuring and reviewing the adequacy and soundness of the Group's financial system, internal control systems and management information system are in compliance with the applicable standards and laws and regulations.

e. Ensuring a transparent Board nomination and remuneration process including management, ensuring the skills and experiences of the Directors are adequate for discharging their responsibilities whilst the caliber of the Non-Executive Directors bring an independent judgment in the decision making process.

BOARD MEETINGS

Board Meetings are scheduled for every quarter with additional meetings to be convened as and when required. During the financial year under review, the Board met a total of five (5) times. The attendance of the Directors who held office during the financial year is set out below:

Name of Directors	Attendance at meeting	Percentage of Attendance (%)
<u>Executive Directors</u>		
Ho Siew Choong	5/5	100%
Periasamy A/L Sinakalai	5/5	100%
Yusseri Bin Said	5/5	100%
Ho Siew Cheong	5/5	100%
Ho Siew Weng	5/5	100%
<u>Non-Executive Directors</u>		
General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)	5/5	100%
Razali Bin Jantan	5/5	100%
Ravi Markandu	5/5	100%

SUPPLY OF INFORMATION

All directors are given complete and timely information before each Board Meeting to be convened together with an agenda and a set of Board papers. Board papers are circulated in sufficient time to enable directors to obtain further explanation, if necessary, in order to be properly briefed before each meeting.

At least four (4) Board Meetings are held annually, each meeting being scheduled to be held within two (2) months after each quarter to consider the quarterly financial results and to review operational performance. Additional meetings are convened as and when necessary.

All Directors have access to the advice of the Company Secretary, Independent Professional Advisors and Internal/ External Auditors in appropriate circumstances at the Company's expense if necessary.

APPOINTMENT OF DIRECTORS

The Nomination Committee is responsible for recommending to the Board suitable candidate(s) for appointment as new Directors. In making these recommendations, factors such as mix of skills, experience, expertise and contribution to the Company will be considered before the recommendation for appointment of the proposed director is put forward to the Board for consideration and approval.

RE – ELECTION

In accordance with the Articles of Association and in compliance with Bursa Malaysia Securities Berhad's Listing Requirements, all Directors are required to retire from office once at least every three (3) years, and shall be eligible for re-election. The Articles of Association also requires that at least one third (1/3) of the Board of Directors shall retire at each Annual General meeting and may offer themselves for re-election.

AUDIT COMMITTEE

The Audit Committee was established on 22 July 2005, currently comprising three (3) independent Non-Executive Directors. The composition, responsibilities, detailed term of reference and the activities of the Audit Committee during the financial year are set out separately in the Audit Committee Report from page 18 to 20 of this Annual Report.

NOMINATION COMMITTEE

The Nomination Committee was established on 19 December 2005. The Committee shall be responsible for nominating the appropriate Board balance and size as well as ensuring that the Board possesses the required mix of responsibilities, skills and experience. The Nomination Committee shall conduct a review of the mix of skills, experience and other core competencies for the Board on an annual basis. The members of the Nomination Committee who served during the financial year are:

- Razali Bin Jantan
  Chairman, Independent Non-Executive Director

- General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)
  Member, Independent Non-Executive Director

- Ravi Markandu
  Member, Independent Non-Executive Director

REMUNERATION COMMITTEE

In line with the Best Practices of the Code of Corporate Governance, the Board has set up a Remuneration Committee 19 December 2005 to assist the Board in determining the Directors' remuneration. The Committee meets at least twice a year. The members of the Remuneration Committee who served during the financial year are:

- General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)
  Chairman, Independent Non-Executive Director

- Razali Bin Jantan
  Member, Independent Non-Executive Director

- Ravi Markandu
  Member, Independent Non-Executive Director

- Periasamy A/L Sinalakai
  Member, Group Managing Director

The respective Committees report to the Board on matters considered and their recommendations thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

DIRECTORS' REMUNERATION

The Company's remuneration policy for Directors is formulated to attract and retain individuals of the necessary caliber relevant to the achievement of the Company's goals and objectives. The remuneration is structured to link experience, expertise and level of responsibility undertaken by the Directors.

The Remuneration Committee is entrusted with the responsibilities to make recommendations to the Board the remuneration package for the Executive Directors. It is the ultimate responsibility of the entire Board to approve the remuneration of these Directors. Non-Executive Directors' remuneration will be decided by the Board as a whole with the Director concerned abstaining from deliberation and voting on decisions in respect of his individual remuneration.

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Company and subsidiary companies during the financial year ended 31 December 2010 are as follows:

Aggregate Remuneration categorized into appropriate components:

	Fees (RM'000)	Salaries and Allowances, inclusive of EPF contributions (RM'000)	Bonus (RM'000)	Benefits-in-kind (RM'000)	Total (RM'000)
Executive Directors	49,500	886,872	114,550	-	1,050,922
Non-Executive Directors	62,250	22,500	-	-	84,750
Total	111,750	909,372	114,550	-	1,135,672

Remuneration Bands

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
RM1 - RM50,000	-	3	3
RM101,000 - RM150,000	2	-	2
RM150,001 - RM200,000	1	-	1
RM200,001 - RM250,000	1	-	1
RM300,001 - RM350,000	1	-	1
Total	5	3	8

DIRECTORS' TRAINING AND EDUCATION

All Directors appointed to the Board, apart from attending the MAP and the CEP accredited by Bursa Malaysia Securities Berhad, complete other relevant training programmes to further enhance their business acumen and professionalism in discharging their duties to the Group.

During the year, some Directors have pursued relevant courses and seminars to keep abreast with industry, regulatory and compliance issues, trends and best practices.

Particulars of training programmes attended by the Directors are as follows:

Directors	Seminar / Conference / Workshop	Details of Programme
Periasamy A/L Sinakalai	Waste Management Conference and Exhibition 2010	Conference to generate awareness on the current waste management issues and provide a platform between Policymakers, Academicians, Technologies and Industry players.
	(SIRIM) Development of Malaysia Standard – Practice for Managing Scheduled Waste Containers	Working Group to develop Scheduled Waste management standard.
	(SIRIM) Development of Malaysia Standard – Practice for Sampling of drums or similar containers	Working Group to develop Scheduled Waste management standard.
	(SIRIM) Development of Malaysia Standard – Recovered Waste Oil - Specification	Working Group to develop Scheduled Waste management standard.

DIRECTORS' TRAINING AND EDUCATION (cont'd)

Directors	Seminar / Conference / Workshop	Details of Programme
Ho Siew Choong	Bursa Malaysia Evening Talks on Corporate Governance	Session to introduce how companies can apply their corporate responsibility practices in the context of The Market Place.
	"Information briefing Session" on the sustainable production of the Biomass Industries in Malaysia	Session to introduce and promote sustainable production project - Optimising economic potential and moving towards Higher Value Chain.
	CMDF – Bursa Research Scheme (CBRS 3)	Session to promote CBRS 3
Ho Siew Weng	Bursa Malaysia Evening Talks on Corporate Governance	Session to introduce how companies can apply their corporate responsibility practices in the context of The Market Place.
	Waste Management Conference and Exhibition 2010	Conference to generate awareness on the current waste management issues and provide a platform between Policymakers, Academicians, Technologies and Industry players.
Yusseri Bin Said	Bursa Malaysia Evening Talks on Corporate Governance	Session to introduce how companies can apply their corporate responsibility practices in the context of The Market Place.
Ho Siew Cheong	Electrical Energy Management	Seminar to brief the fundamentals of energy management solutions and advise in developing and implementing measures to efficient energy projects.
General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)	Boardroom Agenda For PLC's Directors	Seminar on the Corporate Governance Guide issued by the Bursa Malaysia Securities Berhad
Razali Bin Jantan	Bursa Malaysia Evening Talks on Corporate Governance	Session to introduce how companies can apply their corporate responsibility practices in the context of The Market Place.
	Boardroom Agenda For PLC's Directors	Seminar on the Corporate Governance Guide issued by the Bursa Malaysia Securities Berhad
Ravi Markandu	CMDF – Bursa Research Scheme (CBRS 3)	Session to promote CBRS 3
	Boardroom Agenda For PLC's Directors	Seminar on the Corporate Governance Guide issued by the Bursa Malaysia Securities Berhad

2 COMMITTEES OF THE BOARD

The Board has delegated certain responsibilities to several Committees, which operate within the clearly defined terms of reference. The Chairman of the various committees will report the outcome of the committee meetings to the Board and such reports are incorporated in the minutes of meeting. The various committees are as follows;

Committee	Chairperson
Audit Committee	Ravi Markandu
Nomination Committee	Razali Bin Jantan
Remuneration Committee	General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)

3 SHAREHOLDERS

DIALOGUE WITH INVESTORS

Recognizing the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensure that the shareholders and other stakeholders are well informed of all important issues and major developments of the Company and the information is communicated to them through the following documents:

- Annual Report.
- The various disclosures and announcements made to Bursa Malaysia including the Quarterly Reports.
- Annual Financial Statements.
- Shareholders may obtain the Company's latest announcements via the Bursa Malaysia website at www.bursamalaysia.com.

ANNUAL GENERAL MEETING ("AGM")

Notice of AGM which is contained in the Annual Report is sent out at least twenty-one (21) days prior to the date of the meeting. The Chairman will give an overview regarding the Company's performance for each financial year and a brief review on current business conditions. At each AGM a platform is available to shareholders to participate in the question and answer session. Extraordinary General Meetings ("EGM") are held when required.

4 ACCOUNTABILITY AND AUDIT

FINANCIAL REPORTING

The Directors are responsible to ensure that financial statements prepared are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable accounting standards in Malaysia. In presenting the financial statements, the Company has used appropriate accounting policies, which are consistently applied and supported by reasonable judgments and estimates.

The quarterly results were reviewed by the Audit Committee and approved by the Board of Directors before being released to the Bursa Malaysia. By presenting the quarterly results and financial statements, the company is mindful of the necessity to present a balanced assessment of the Group's financial position. The details of the Company and the Group's financial statements for the financial year ended 31 December 2010 can be found from page 48 to 103 of the Annual Report.

INTERNAL CONTROL

Information on the Group's internal control is presented in the Statement on Internal Control on page 21.

RELATIONSHIP WITH THE AUDITORS

The Board via the Audit Committee maintains an appropriate and transparent relationship with the Group's external auditors. The Audit Committee meets with the external auditors at least twice a year to review audit plans and to facilitate exchange of views on issues requiring attention. The role of Audit Committee in relation to the auditors is described in the Audit Committee Report set out from page 18 to 20 of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and the provisions of the Act. The Board of Directors is responsible to take reasonable steps to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company, and of their results and cash flows for the said financial year.

In preparing the financial statements of the Group and the Company for the year ended 31 December 2010, the Board of Directors has:

- adopted suitable accounting polices and applied them consistently;
- where applicable, made judgments and estimates that are reasonable and prudent; and
- ensured that applicable approved accounting standards are adhered to.

The Directors have ensured that the Group and Company keep proper accounting and other records that will disclose with reasonable accuracy at any time the financial position of the Group and the Company, and which will enable them to ensure that the financial statements comply with the Act and the applicable approved accounting standards.

CORPORATE RESPONSIBILITY ("CR")

Tex Cycle Group is mindful of the need to be corporately responsible and recognise that for long term sustainability, its strategic orientation will need to look beyond the financial parameters. Hence, the Group supports important causes such as employee's welfare, community and environment protection. However, the Group endeavors to broaden its scope of CR initiatives over time and will plan and budget accordingly.

The year 2010 saw us undertaking several impactful CR activities. Our efforts are presented from page 30 to 41 in this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirement of Bursa Securities.

Share Buybacks

The Company did not carry out any share buy-backs during the financial year.

Options, Warrants or Convertible Securities

There was no exercise of Options or Convertible Securities or conversion of warrants during the financial year.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") Programme

The Company did not sponsor any ADR or GDR programme during the financial year.

Imposition of Sanctions/Penalties

There were no material sanction or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees

The amount of non-audit fees paid and payable to external auditors by the Group for the financial year ended 31 December 2010 amounted to RM5,000.

Variation in Results

There is no material variance between the financial results and the profit forecast or unaudited results previously made for the financial year ended 31 December 2010.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year.

Material Contracts

There were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries involving Director's and major shareholder's interest which were still subsisting at the end of the financial year or entered into since the end of the previous financial year.

Revaluation of Landed Properties

The Company and its subsidiaries did not adopt any revaluation policy on landed properties during the financial year except for Metro Envy's property which was classified under investment property, and is revalued on an annual basis. The details of the valuation method are disclosed in Note 14 to the Financial Statements.

Profit Forecast Variance

There was no profit forecast issued in respect of the financial result ended 31 December 2010.

Recurrent related Party Transactions

Details of the transactions with related parties undertaken by the Group during the financial year are disclosed in Note 22 to the Financial Statements.

Audit Committee Report

MEMBERSHIP AND MEETINGS

The Audit Committee comprises the following members:

Chairman
Ravi Markandu
Independent Non-Executive Director

Members
Razali Bin Jantan
Independent Non-Executive Director

General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)
Independent Non-Executive Director

During the year, the Committee held a total of five (5) meetings, on 22 February 2010, 6 April 2010, 11 May 2010, 17 August 2010 and 23 November 2010 respectively. The Financial Controller, Internal Auditors and External Auditors, have been invited to attend the Audit Committee meetings.

The details of attendance of the Audit Committee members are as follows:

Committee Members	Meeting Attendance
General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)	5/5
Razali Bin Jantan	5/5
Ravi Markandu	5/5

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The main activities undertaken by the Audit Committee during the Financial Year Ended 31 December 2010 included the following:

(a) Reviewed the quarterly unaudited financial and annual audited financial statements of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Groups results to Bursa Malaysia Securities Bhd;
(b) Reviewed with external auditors on their audit planning memorandum on the statutory audit of the Group for the financial year ended 31 December 2010;
(c) Reviewed and discussed with the external auditors of their audit findings inclusive of system evaluation, audit fees, issues raised and management letter together with management's response;
(d) Reviewed the internal audit plan;
(e) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
(f) Reviewed the effectiveness of the Group's system of internal control;
(g) Reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group;
(h) Reviewed the Company's compliance with the ACE Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements; and
(i) Report to the Board on its activities and significant findings and results;
(j) Met with the external auditors twice during the year without the presence of any executive board members or management;
(k) Met with the internal auditors twice during the year without the presence of any executive board members or management.

INTERNAL AUDIT FUNCTION

Tex Cycle has appointed Messrs Focus Internal Audit Solution ("Internal Auditor"), a professional firm of qualified accountants, to undertake the internal audit function. The role of the Internal Auditor is to provide the Committee with independent and objective reports on the system and state of internal controls of the Company.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Membership

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. All members of the audit committee should be non-executive directors.

The members of the Audit Committee shall elect a chairman from among their members who shall be an independent director. No alternate director shall be appointed as a member of the Audit Committee.

Qualification

At least one (1) member of the Audit Committee:-

(a) must be a member of the Malaysian Institute of Accountants; or

(b) if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and:

- he/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
- he/she must be a member of one (1) of the association of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- fulfils such other requirement as prescribed by the Bursa Securities.

Meeting and Minutes

Meetings shall be held not less than four (4) times a year, and will normally be attended by the Financial Controller and other senior management, if necessary. The presence of external and/or internal auditors will be requested, if required. Other members of the Board and senior management may attend meetings upon the invitation of the Audit Committee. Both the internal and/or external auditors may request a meeting if they consider it to be necessary. The Audit Committee shall meet with the external and internal auditors at least twice a year without the presence of executive members of the board.

The Secretary to the Audit Committee shall be the Company Secretary. The Chairman of the Audit Committee shall report on each meeting to the Board.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to any information pertaining to the Group, both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary in the discharge of its duties.

Responsibilities and Duties

In fulfilling its primary objectives, the Audit Committee undertakes, amongst others, the following responsibilities and duties:-

a) To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;

b) To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;

c) To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;

d) To review the following in respect of internal audit:-

- adequacy of scope, functions and resources of the firm of internal auditors (that was engaged to undertake the internal audit function) and that it has the necessary authority to carry out its work;
- the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- review any appraisal or assessment of the performance of members of the internal audit function;
- review and approve any appointment or termination of senior staff members of the internal audit function; and
- take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

e) To review the quarterly reporting to the Bursa Securities and year end annual financial statements of the Group before submission to the Board, focusing on:-

- compliance with accounting standards and regulatory requirements;
- any major changes in accounting policies;
- significant and unusual items and events.

f) To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

g) To consider the nomination and appointment of external auditors, as well as the audit fee;

h) To review the resignation or dismissal of external auditors;

i) To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

j) To verify that the allocation of options pursuant to the Employees' Share Options Scheme of the Company is in accordance with the criteria for allocation established under the scheme at the end of each financial year; and

k) To promptly report to Bursa Securities if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

Statement of Internal Control

The Board acknowledges that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. The system is designed to provide reasonable assurance of effective operations and compliance with laws and regulations. The Board ensures the effectiveness of the system through periodic reviews.

The system of internal control is designed to manage rather than eliminate the risk or failures to achieve business objectives, and as such can only provide reasonable but not absolute assurance against material misstatement or loss.

The Group has in place an on-going process for identifying, evaluating, monitoring and managing the significant risks affecting the achievement of its business objectives throughout the period. This process is reviewed by the Board to ensure the adequacy and integrity of the system.

The Board is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the financial year ended 31 December 2010.

(i) Control Environment

The Group has an organisation structure that is aligned to business requirements. The internal control mechanism is embedded in the various work processes at appropriate levels in the Company. The MD is accountable for ensuring the existence and effectiveness of internal control and provides leadership and direction to senior management on the manner the Company controls its businesses, the state of internal control and its activities. The internal control processes are reviewed and updated from time to time. This is to ensure that they are relevant and effective to respond to market changes.

(ii) Internal Audit

The Internal Audit team independently reviews the risk identification procedures and control processes implemented by the management. Any significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal controls were reported to the Audit Committee. Reports on internal audit findings, together with recommendations for Management actions, are reviewed by the Audit Committee.

(iii) Information and Communication

While the Management has full responsibility in ensuring the effectiveness of internal control, which it establishes, the Board of Directors has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire information and clarification from Management as well as to seek inputs from the Audit Committee, external and internal auditors, and other experts at the expense of the Company.

(iv) Risk Management

The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This is to ensure that all high risks are adequately addressed at various levels within the Group. Risk management is embedded in the Group's management system and is every employee's responsibility. The Group firmly believes that risk management is critical for the Group's continued profitability and the enhancement of shareholder value. The risk profile of the Group is established during risk mapping and assessment sessions facilitated by the external consultant. The risk responses and internal controls that the Management have taken and/or is taking are documented in the risk templates. For each of the risks identified, a risk owner is assigned to ensure appropriate risk response actions are carried out.

The internal audit fee incurred for the financial year ended 31 December 2010 was RM15,000.

CONCLUSION

The Board is pleased to report that there were no major internal control weaknesses identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. The Board is of the view that the existing system of the internal control is adequate. Nevertheless, Management continues to take measures to strengthen the control environment.

This statement is based on the consideration of the audit work performed by both the External Auditors and the Internal Auditors on financial and non-financial matters.

This statement is made in accordance with the resolution of the Board of Directors dated 15 April 2011.

Corporate Profile

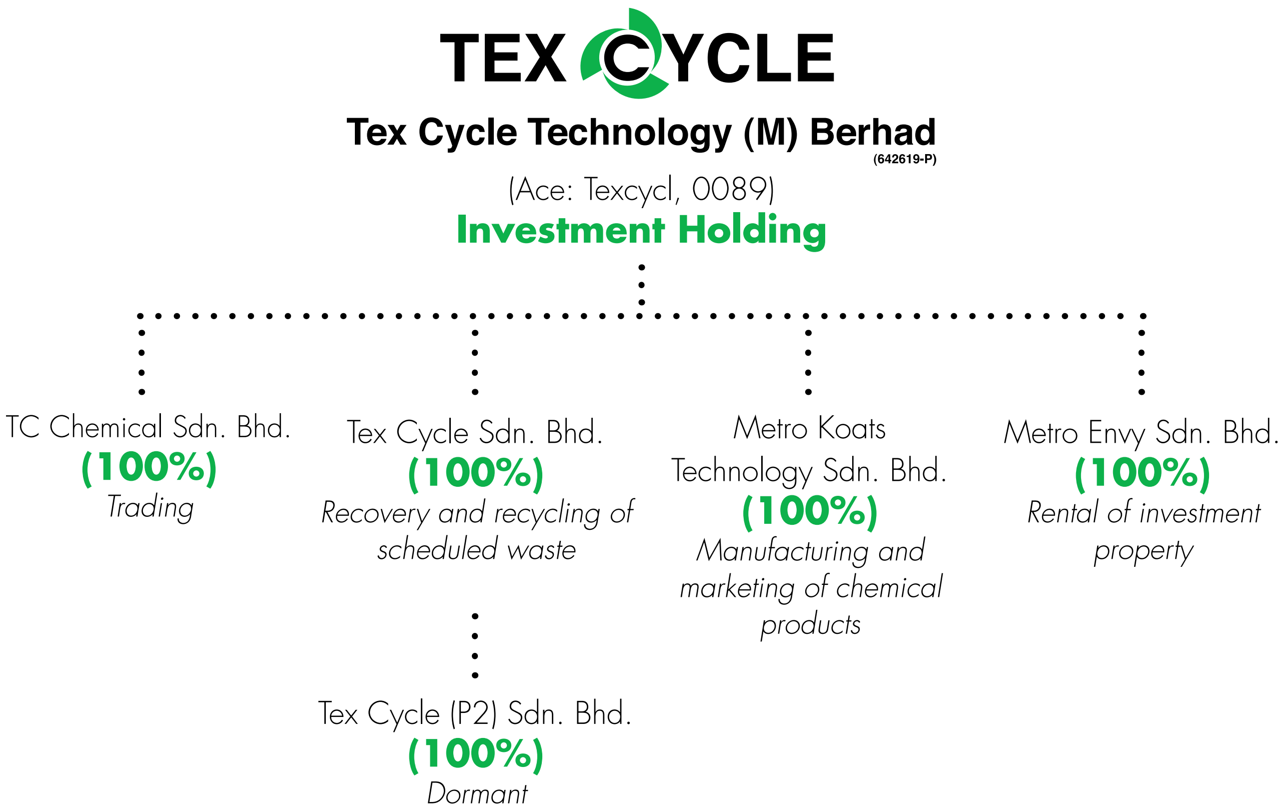
TEX CYCLE TECHNOLOGY (M) BERHAD

Tex Cycle Technology (M) Berhad ("Tex Cycle Technology" or "the Company") is an investment holding Company which was listed on the ACE Market of Bursa Securities Malaysia Berhad on 27 July 2005. Today, Tex Cycle Technology is the holding Company of Tex Cycle Sdn. Bhd., Metro Koats Technology Sdn. Bhd., Metro Envy Sdn. Bhd., Tex Cycle (P2) Sdn. Bhd. and TC Chemical Sdn. Bhd.

The Company is primarily engaged in an environmentally friendly Waste Management Business which provides professional services preferred by companies from the various industries in accordance with Environmental Quality Act. Conversely, we also supply specialized products for the Defense industry and further endow chemical products for related industries.

Our systems and procedures are technologically advanced and upgraded frequently. This allows us to offer one-stop solution to our valued Customers with economical products and services in total compliance.

The Group's Corporate Structure and Principle Activities



METRO ENVY SDN. BHD.

Metro Envy was incorporated on 16 January 2004 and the principal activity is rental of investment property.

TEX CYCLE (P2) SDN. BHD.

Tex Cycle (P2) Sdn. Bhd. (TCP2SB) was incorporated on 4 June 2007. TCP2SB has not commenced operations since its incorporation. However, the intended principal activity of the Company involves recovery and recycle of Scheduled Waste.

TC CHEMICAL SDN. BHD.

TC Chemical was incorporated on 22 June 2009. The principal activity of the Company is trading.

METRO KOATS TECHNOLOGY SDN. BHD.

Mission

- To be recognized internationally as a premier camouflage company.
- To continually develop more unique camouflage products.
- To assist the Defence Ministry's call for more locally developed and manufactured defence related products.

Introduction

An all-Malaysian company, Metro Koats Technology Sdn Bhd was incorporated in 1995 to manufacture specialized paint. Noting a general absence of homegrown defence products, Metro Koats devoted its resources to the development of camouflage products for tactical military applications. Specifically, developing and manufacturing camouflage products that are fully acclimatized to our tropical environment; immediately benefiting the Malaysian Armed Forces.

The Challenge

In view of today's advanced technology in electronic surveillance and image enhancers, the ability to detect beyond the visual range of the human eye (400-740 nm) has become the norm. For even the simplest and the most widely used electronic visual enhancer in the battlefield, the night-vision goggles has a detection range that is well beyond the human visual range. On the extreme end, electromagnetic radar wave has the ability to penetrate not just through darkness and atmospheric impedance but also through materials. The urgent need to counter these devices is evermore crucial in deciding the outcome of a conflict.

Today, with strong encouragement and support from the Ministry of Defence, Metro Koats has further strengthen its position in this specialized field of tactical military camouflage by developing a whole range of products working in a broadband electromagnetic spectrum.

Metro Koats whole range of products seamlessly combine to form an integrated broadband camouflage system (Metro Koats Total Camouflage System) which when used in service will seriously hinder the effectiveness of today's electronic detectors and weapon system - giving that decisive edge needed.

VISUAL AND NEAR INFRA RED REFLECTING CAMOUFLAGE PAINT

- Fast drying time – 10 minutes
- "wet-on-wet" application
- 2 component polyurethane system, fully tropicallized
- Visual and Near infrared camouflaging characteristics
- Dead matt surface

same infra-red reflection for both trees and KT1000 vehicle

note how the infra-red is absorbed by ordinary paint, hence leaving it as a black patch as compared to the trees in the background.

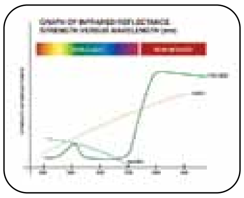
note how the roof and fence shows up clearly on infra-red

METRO KOATS TOTAL CAMOUFLAGE SYSTEM

A COMPLETE SOLUTION TO ALL TACTICAL MILITARY VISUAL, INFRA-RED AND RADAR CAMOUFLAGE REQUIREMENTS

WINDSCREEN CAMOUFLAGE

- Pre-matched colors
- Visual and infrared camouflaging
- See-through
- Glint reduction

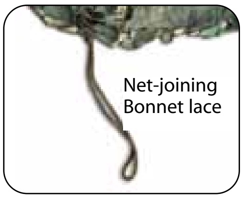


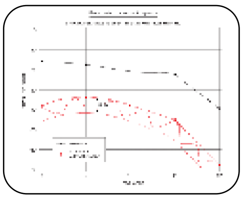
FLEXIBLE SURFACE CAMOUFLAGE

- Ready to use
- Matching colors to the body paint
- Visual and infrared camouflaging

BROADBAND CAMOUFLAGE NETS

- 100% rot proof
- No metal parts
- Camouflage in visual, near infra, far infra-red
- Radar scattering capability up to millimeter wave
- Dead matt surface

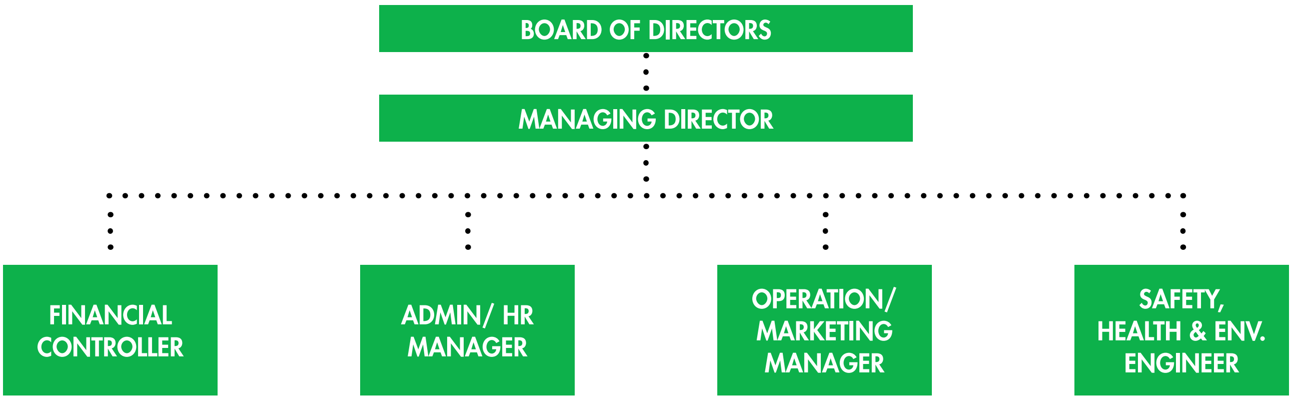




TEX CYCLE SDN BHD

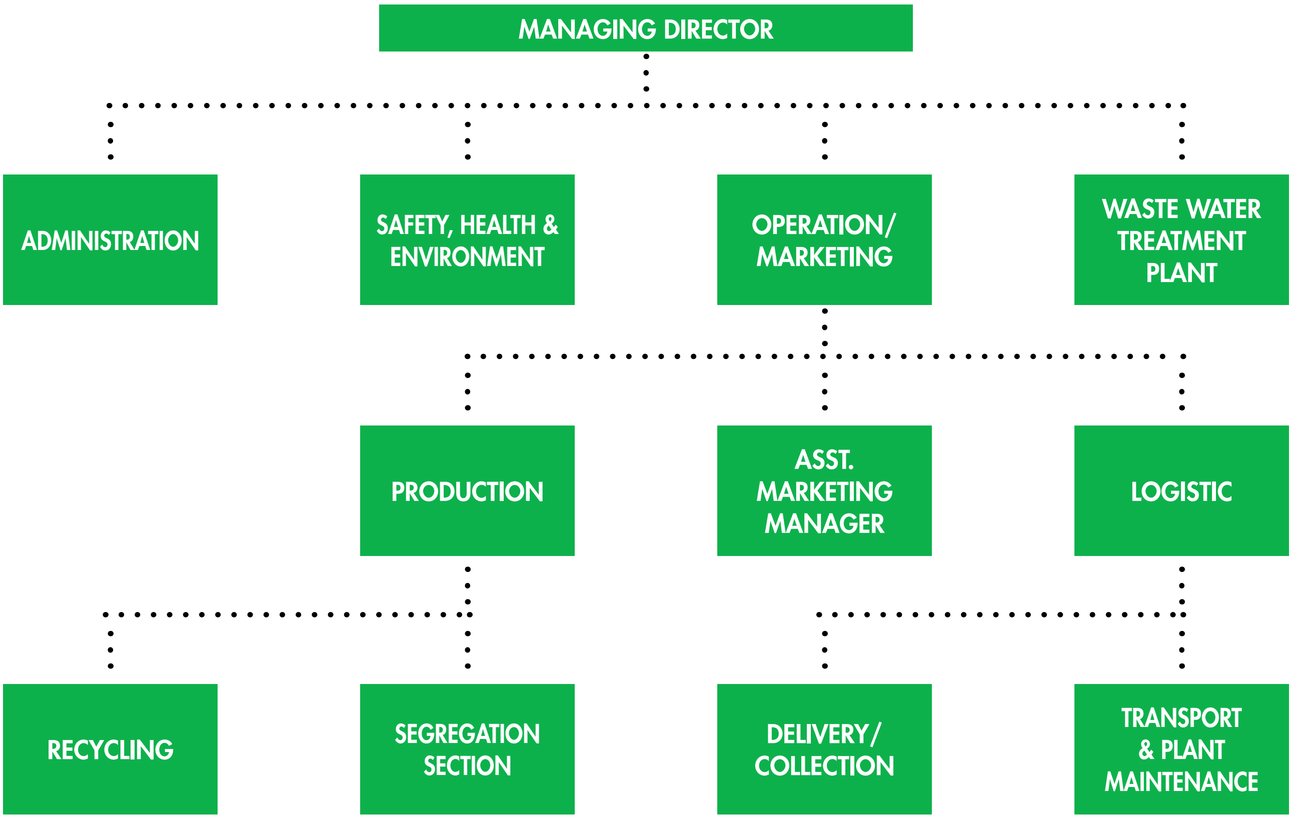
Tex Cycle Sdn Bhd, the subsidiary of Tex Cycle Technology (M) Bhd is one of the most established and a pioneer Recycler of Scheduled Waste in the region. It owns its fully licensed facility in the Klang Valley which provides complete services that includes analysis, transportation, collection, treatment, delivery and disposal of Scheduled Waste as approved by the Department of Environment. Our proven capabilities in Recycling Scheduled Waste are much preferred by our Customers. Our systems are in accordance with ISO 14001 which assures complete professional services and products in total compliance.

Organization Chart



Tex Cycle Management & Staff

ISO 14001 Organization Chart



Environment Management Systems Approval Certificate

IQNet

THE INTERNATIONAL CERTIFICATION NETWORK

CERTIFICATE

IQNet and SIRIM QAS International Sdn. Bhd.
hereby certify that

TEX CYCLE SDN. BHD.
NO. 8, JALAN TPK 2/3
TAMAN PERINDUSTRIAN KINRARA
47100 PUCHONG
SELANGOR DARUL EHSAN
MALAYSIA

has implemented and maintains a

ENVIRONMENTAL MANAGEMENT SYSTEM

which fulfills the requirements of the following standard

ISO 14001 : 2004

for the following field of activities
PROVISION FOR TRANSPORTATION, COLLECTION AND RECYCLING OF SCHEDULED WASTES

Issued on : 13 March 2009
Validity date : 07 March 2012

Certification Number : MY-ER 0291

SIRIM QAS

CERTIFICATE

SIRIM QAS International Sdn. Bhd. hereby certifies that

TEX CYCLE SDN. BHD.
NO. 8, JALAN TPK 2/3
TAMAN PERINDUSTRIAN KINRARA
47100 PUCHONG
SELANGOR DARUL EHSAN
MALAYSIA

has implemented an Environmental Management Systems complying with

ISO 14001 : 2004
Environmental Management Systems - Requirements with Guidance for Use

Scope of Certification

PROVISION FOR TRANSPORTATION, COLLECTION AND RECYCLING OF SCHEDULED WASTES

Original Certification Date	08 March 2003
Issue Date	13 March 2009
Expiry Date	07 March 2012
Certification No.	ER 0291

RESPONSIBILITIES

The members of the Environmental Committee within Tex Cycle's Organization have specific roles to ensure the following: -

Director

- Supports the Managing Director on Environmental Management.

Managing Director

- Appoints the Environmental Management Representative (EMR).
- Establish the EC Organisation.
- Participates, accesses and approves the Environmental Policy, Manual and Procedures.
- Ensures smooth running of the Environmental Management Operation.
- Evaluates the appropriateness of the EMS in the Management Review.
- Chairs the Environmental Management Review.
- Active in the R&D contribution, ideas and activities carried out in Tex Cycle.
- Ensures that Environmental Management System requirements are established implemented and maintained in accordance with ISO 14001 standards.

Environmental Management Representatives (EMR)

- Co-ordinate & liaise for initiation of Environmental Activities.
- Provide information to all members regarding environmental issues.
- Plan, co-ordinate and control Environmental Management System including internal audits to ensure compliance.
- Support the Managing Director on Environmental Management.
- Report to Managing Director pertaining to EMS performance.
- Promote Environmental Awareness Activities among the staff.
- Plan and co-ordinate Environmental Education and Training.
- Centralize the control of the environmental documents and records.
- Establish a proper document control system and filing of environmental data.
- Check and control the data changes or revision and co-ordinate with the respective section.
- Liaise with local environmental bodies with regards to environmental issues.
- Ensure execution of the Environmental Management Operations and compliance of Management Operation to ISO 14001.

Section Head

- Support and involve in all EMS activities.
- Establish relevant EMS documentation.
- Check and control the data changes or revision and co-ordinates with the respective section.
- Carry out certain EMS training and education program.

Employees

- Will maintain Tex Cycle's Environmental Management System in compliance to ISO 14001 requirements.
- Comply with all Environmental and Other Legal Requirements in all areas of operation.

ISO 14001 Internal Auditors

- Carry out ISO 14001 internal audits once a year or when required. Report observations and non-conformance based on the requirements of ISO 14001.

VISION

To be the preferred Scheduled Waste Recycler in Malaysia through determination, persistence and passion while conserving the Environment.

MISSION

Tex Cycle pursues its mission with continuous commitment in ensuring that its Employees work in a safe environment and return to their families safely. The Employees are Tex Cycle's most valuable asset and they are given utmost priority. Customer satisfaction is also given crucial importance with loyal and professional advice and exceptional customer service at all times. Tex Cycle believes in constantly and continually upgrading its' Technologies for more effective operations, practically and technically. It yearns to provide and uphold a safe, healthy, clean and conducive Environment and also inspire awareness on protecting the environment. Innovation and creativity is stimulated through R & D in every possible aspect of business for continued success. Through Corporate Responsibility, Tex Cycle extends awareness on environmental protection to the community around it, educates the future generation on importance of caring for the environment and readily extends assistance in whichever way possible to the less fortunate.

By completely and sincerely pursuing these visions and missions, Tex Cycle Sdn. Bhd. is able to supply reliable products and high quality services to meet each Customers unique and changing needs, efficiently and proactively through robust infrastructure, diverse power sources and professional teams. Simultaneously, we increase value for our shareholders through responsible and transparent corporate conduct, innovation and by investing prudently.

CORPORATE VALUES

- Adhering to all regulations wherever we operate.
- Practicing high ethical standards and sincerity in our business.
- Protecting the environment and community in all our actions.
- Respecting diversity and individual growth of Employees.
- Creating higher value through technology, creativity and innovation.
- More than meeting the expectations of Customers and Shareholders and building mutually profitable relationships

TEX CYCLE'S GROWTH STRATEGY

The Board of Directors and its principal shareholders are committed toward the growth of the Company.

This aim is being achieved through:

- Growth in human capital;
- Growth in infrastructure;
- Growth of its core business;
- Developing strategic partnerships;
- Vertical integration;
- Business diversification;
- Moulding the environment in which we operate.

CORPORATE RESPONSIBILITY OF TEX CYCLE

Corporate Responsibility (CR) for Tex Cycle is the heart of its very existence, not just a part of its requirement. It is the basis of what we are and do; as such, Tex Cycle integrates economic, social objectives, addressing stakeholder expectations and sustaining shareholder value while ensuring conservation of the environment is given utmost priority. We are constantly engaging in upgrading our processes, procedures and Research and Development to ensure our environment is continuously protected and conserved while the Company works towards constant change and improvement for maximization of its stakeholders' interest.

We ensure that all matters of CR are considered and supported throughout the Company and are consistent with our stakeholder's interests. Comprehensive policies and practices have been developed to enable business decisions to be made and conduct its operations ethically, adhering to legal obligations and showing consideration for the community and environment. The various activities undertaken as part of Tex Cycle's CR are discussed below.

STAKEHOLDER ENGAGEMENT

Corporate Responsibility is an important agenda in the Boardroom Meeting.

EMPLOYEES

- Tex Cycle employees and its stakeholders are made aware of the importance of environmental policy and objectives.
- New employees are trained during the induction program on the Company's environmental policy, communication activities and importance of recycling and recovering scheduled waste.
- Specific environmental related trainings for each Employee from all levels of Organization are given including external trainings.
- Management staff converse with the production line during office hours on importance of the recovery and recycling process to ensure that objectives of Tex Cycle are achieved.

Employee Welfare

Tex Cycle regards its Employees as first most priority. For Tex Cycle, Corporate Responsibility means doing business profitably by first, taking care of the welfare of Employees and then followed by Customers and the environment. Tex Cycle practices staff development by improving skills of the staff through training, appreciation in the form of awards and encourages family oriented events. The staffs are evaluated through trainings and supervisor's assessment of their skills, contribution and experiences.

The rewards and recognition continuously given to Employees are as outlined below:

- Eligible Employees are given education scholarships to pursue higher studies in fields related to their jobs
- Employee of the quarters & Employee of the year awards
- Company's share distribution when it was first public listed on Bursa Saham
- Competition on Environmental, Safety and Health issues after trainings
- Award given to the section/area which comply to the audit checklist
- Family Day gathering and activities / Recycling Day / Safety Week
- Competition and activities involving staff members and their family






Recreation: A 5 day 4 night vacation to Beijing, China was awarded to all Employees as an appreciation for their service and sincerity. It was an experience every Employee cherished and that inspired every Employee to contribute even more towards the growth of the Company in gratitude.

- Promotions / bonus
- Incentives for full attendance
- Recognition of staffs with long service
- Employees children are given financial assistance for school necessities
- Adequate insurance coverage




- Annual medical health-check for Employees

- Stress Management Talk

- Heart Disease and Diabetic Talk

- First Aid Training

CUSTOMERS

- New customers are welcomed to audit process and methodology flow of the recycling and recovery processes.



- Confirmed customers are allowed line inspection on conformance of the recycling and recovery of scheduled waste as per documentation.
- Customers are given brochures explaining the activities, products and services, environmental programmes and further information regarding Scheduled Waste Management and regulations.
- Joint activities with Customer's EMP projects.

COMMUNITY


Environmental programmes are organized to encourage the Community especially students to practice 4Rs in schools and at home. Students from higher institutions also visit Tex Cycle for exposure on Waste Management.

COMMUNITY (cont'd)

Dialysis Centre

The media has highlighted that in recent years, the number of patients with kidney failure are increasing. Tex Cycle as the main sponsor for a Dialysis Centre situated at Klang Valley, continues with the support of kind donors to assist the less fortunate in their medical needs. Tex Cycle too generously shares its profits on a regular basis with many other charitable organizations to provide help to those who are in need of assistance.

Paint Bank

Tex Cycle carried out a distinctive environmental project as part of Tex Cycle's Community Awareness Program 2010. In participation with a renowned paint company and a famous hypermarket, Tex Cycle promoted a cleaner environment through the introduction of proper disposal of paints used domestically. The paints were then collected, treated and disposed correctly by Tex Cycle.

Zoo Negara




This year, Tex Cycle gave importance to fauna which is equally important in creating an ideal place for us to live in. A voluntary project to clean Zoo Negara and care for the animals there was organized. This one day project brought all levels of the organization to work as one which also promoted moral values such as co-operation, understanding, teamwork and patience.

REGULATORS

- Visits and audits from regulators such as DOE, DOSH and other governing bodies.




On 28th June 2010, Tex Cycle welcomed the following personnel from Jabatan Alam Sekitar, Malaysia. Ketua Pengarah, Dato' Hajah Rosnani Binti Ibarahim. Timbalan Ketua Pengarah (Operasi), Ir. Lee Heng Keng, Pengarah Selangor, Datin Paduka Hajah Che Asmah Bt. Ibrahim and Bahagian Bahan Berbahaya, Dr. Abdul Rahman B. Awang.

- Occasionally, our facility is used as learning ground for new regulatory officers.
- Co-sponsor with DOE to organize environmental awareness camp for students.
- Tex Cycle is a member of ENSEARCH and ANSWERS which provides the opportunity for the scheduled waste contractors to interact with the regulatory agents.
- Tex Cycle is always chosen for site visit by the regulatory bodies for international visitors.

COMMUNICATION OF ENVIRONMENTAL-RELATED INFORMATION

Environmental and any important related issues such as health and safety related matters are communicated to all the staff through various ways at Tex Cycle. Most prominent methods are:-

- meetings with representatives from every department
- all general notices are placed on the notice boards
- memos sent by internal e-mail systems
- openly communicating to Employees and their families during activities
- Management participates in environmental training and activities organized

Besides many activities that are implemented for staff participation as a part of resource conservation programme, Tex Cycle also has ongoing programs to convert all wastes to useful products.

Tex Cycle Contractors are required to attend a briefing by SHE staff on the following: -

- Tex Cycle's Environmental policy
- Regulations for Vendors and Contractors
- Fire Emergency Response Procedures
- Emergency Route
- Scheduled Waste Code and Warning Labels
- Tex Cycle Recycling and Waste Minimization Policy
- Environmental Legal Requirements
- Competent and qualified to perform (dealing with scheduled waste)

SUPPLIER AND CONTRACTOR DEVELOPMENT

Practice: Tex Cycle provides environmental policy, training materials and available practices in the Contractor Safety Briefing.

Knowledge Sharing: Contractors and suppliers are required to attend annual training at Tex Cycle on issues such as environmental impact, handling and safety procedures for the material/product supplied to Tex Cycle.

Cooperation: Samples of new material/product from the contractor or supplier are tested in the lab at Tex Cycle to assess if new products worsen the environmental impact.

COMMUNITY AWARENESS

Disposal of industrial wastes currently practiced in Malaysia for majority industries are through incineration on landfill. The process of incineration and disposing to secured landfill is extremely expensive, inefficient and usually the last alternative in the hierarchy of Waste Management. Tex Cycle provides competitive alternatives to the waste generators by reducing, reusing, recovering and recycling these industrial wastes. We have ever since been supporting schools and DOE's road shows on environmental awareness. Tex Cycle has committed its resources on highlighting to the industries and community on the importance of managing industrial waste.

ENVIRONMENTAL ACTIVITIES FOR THE COMMUNITY

Services - Global Positioning System (GPS) is installed inside all Tex Cycle's trucks therefore providing assurance to community and enforcement officers on the location and logistic of the scheduled waste. It provides higher esteem and integrity to the Scheduled Waste Management industry and an accountability of the 'cradle to grave' system for the waste contractors.

Trained Personnel - Tex Cycle staffs are trained internally on SOP on emergency situations and cross training with Customers on mock emergency exercises that help provide an opportunity for Tex Cycle's staff to access their own knowledge against Customer's method of training.

Environmental Activities for the Community (cont'd)

School Programs - Tex Cycle encourages students especially from upper secondary schools to visit and participate in Environmental programs. Students will have the opportunity to understand the process of scheduled waste recycling and recovery, hands-on JAR test in the wastewater area, hands-on group activities on creating new products from household waste, understanding the benefits of recycling and initiate 4R activities in their own school. Tex Cycle has provided consultations and sponsored projects provided the project is carried out by the students themselves. Clean cotton gloves which are no longer needed by the industry are also provided to the students and collected after use for cleaning and reuse.

Community Awareness - Any participating community member who are keen on environmental awareness programs are welcomed. Adult groups are given a detailed presentation on the history, processes and relevant information on Tex Cycle, followed by a plant tour and finally, a Q&A session which provides an alternative perspective on the concept of recycling and awareness towards Scheduled Waste Management. We encourage community to be responsible for their own environmental health and not completely depend on the Government for enforcement.

Local University - We support the universities by providing research funds and required information for the research related with the industry and accept final year students for internship.

Customer EMP - We support Customers' EMS, ISO14001 certification and environmental program by assisting customers with their regulation and compliance issues.

DOE - Tex Cycle has participated in the Selangor State and National Environmental week (MASM) exhibition, bringing Scheduled Waste Management awareness to community within Selangor and the whole of Peninsular Malaysia. In collaboration with Selangor DOE, an environmental camp during the State Environmental Week was co organized.

COMMUNITY PROGRAM

As the main sponsor for a Dialysis Centre situated at Klang Valley, Tex Cycle is in partnership with an NGO for the poor and less fortunate kidney patients who require the treatment to stay alive. The media has highlighted that in recent years, the number of patients with kidney failure are increasing. The Centre has started its operation in 2010 and needy patients are pouring in for treatment. Tex Cycle, with the continuous support of kind donors, assist the less fortunate in their medical needs. Tex Cycle too, generously shares its profits on a regular basis with many other charitable organisations in providing help to those who are in need of assistance.

Tex Cycle continues to instil environmental awareness on a continuous basis. For 2010, Tex Cycle carried out a distinctive project as part of Tex Cycle's Community Awareness Programme. In collaboration with ICI Paints and Tesco, Tex Cycle promoted a cleaner environment through the introduction of proper disposal of paints. The public were encouraged to bring their paints for disposal or those expired to some of the participating Tesco outlets throughout the country which were then collected to be treated and disposed correctly by Tex Cycle. The aim of this project was to communicate to the public that paints, if disposed irresponsibly could pose serious pollution to the environment.

TARGET AND ACHIEVEMENT

Incorporate Environmental Accounting Into Cost and Investment Consideration

The investment on the plant is part of the investment towards pollution control and conservation of our natural resources. Over the years, the investment towards the facility in Puchong has increased for the benefits of both the environment and surrounding community. The management ensures that the facilities in Tex Cycle complies with the authority and observe the requirements by the stakeholders. The benefits of complying with the environmental law are clearly seen through the increase in revenue. The profit gained in Tex Cycle is through the recycling and recovery activities and the decontamination service provided and invested in R&D through a lab at Tex Cycle premise to further expand this area of interest.

Incorporate Environmental Accounting Into Cost and Investment Consideration (cont'd)

The investment on the plant is part of the investment towards pollution control and conservation of our natural resources. Over the years, the investment towards the facility in Puchong has increased for the benefits of both the environment and surrounding community. The management ensures that the facilities in Tex Cycle complies with the authority and observe the requirements by the stakeholders. The benefits of complying with the environmental law are clearly seen through the increase in revenue. The profit gained in Tex Cycle is through the recycling and recovery activities and the decontamination service provided and invested in R&D through a lab at Tex Cycle premise to further expand this area of interest.

R&D Involvement towards Environmental Innovation

Tex Cycle's main aim is to minimize the amount of waste disposed from the plant. Research and development are continuously exploited to generate useful products from waste. Tex Cycle strives to improve its systems on a continuous basis and find ways and means to reduce waste and manage it in a manner profitable to both the Company and the environment.

EXTERNAL ASSURANCE

Most of the participants who come to Tex Cycle tend to carry the mindset that Tex Cycle is a large launderette due to the existence of a large number of industrial washing machines and a collection of contaminated wipes, rags and gloves in the main production area. They assume that these contaminated rags, gloves and wipes are washed similarly to household laundry system but on a larger scale. Therefore, the awareness program is specially arranged to change these mindsets by providing a line tour, explaining the process in detail and the importance of a waste water treatment and the dangers of these contaminated materials. Depending on the group, the questions varies from technical questions to very basic questions but through these question and answer sessions, the participants are able to get a better understanding on the importance of the regulation of industrial waste and their responsibility as a citizen. Organizations are able to understand why it is important to segregate the domestic wastes from industrial wastes and what happens to these contaminated wastes once it leaves their premises.

The Management realized that the main stakeholders of Tex Cycle are the employees and much emphasis on the awareness programs initially were aimed at communities and industries. Subsequently, the Management incorporated environmental social awareness programs for the staff and their family members and gave much priority to this. In reality, employees tend to overlook the importance of trainings as a benefit to the industry and treat it as means of income.

Training and awareness programs on environmental training and Recycling & Family Day were introduced in order to carry out the environmental message across to the staff's family members that trainings are given to prioritize the safety and well being of the Employees and their families. Activities such as buying recyclable materials made of paper, glass, tin, etc. at a higher market price and competition on reusing household waste into art-craft are carried out during these events.

WASTE AS COMPETITION

Management and Environmental Award Tex Cycle aims to change the perspective of the public regarding the image of a Scheduled Waste recycling and recovery plant. Tex Cycle has practiced pollution control, waste minimization, cleaner production and promoting environmental awareness as part of the company's policy. The awards achieved are proofs themselves that Tex Cycle is aiming high to be a role model in the Scheduled Waste Management Industry.

AWARDS ACHIEVED PRIOR 2010

ISO 14001 – Tex Cycle was awarded with the ISO 14001 certification in March 2003.

Prime Minister Hibiscus Awards

Tex Cycle was the winner of the year 2004 "Anugerah Alam Sekitar" Award. The Industry Environmental Award for SME is the highest award given out by the Selangor State Government.

- Prime Minister Hibiscus Award 2005/2006 (Notable / SMI Special Award)
- Prime Minister Hibiscus Award 2006/2007 Selangor Government
- Prime Minister Hibiscus Award 2006/2007 SME Special Award
- Prime Minister Hibiscus Award 2006/2007 Exceptional Achievement in Environmental Performance
- Prime Minister Hibiscus Award 2008/2009 for Notable Achievement in Environmental Performance

Malaysian Canadian Business Council

- Malaysian Canadian Business Council (MCBC) Silver Award in Industrial Excellence in Professional Services Award 2006
- Malaysia Canada Business Council (MCBC) Company of the Year Award under Business Excellence Awards 2008
- Malaysia Canada Business Council (MCBC) Talisman Malaysia Limited Award Industry Excellence for Environment under Business Excellence Awards 2008

ACCA

- ACCA – MESRA First Time Reporting 2006
- ACCA Malaysia Sustainability Reporting Awards for Transparency (MaSRA) 2009 (shortlisted)

National Award for Management Accounting

- Practice Solution Award 2008 under Non-listed SME Category from National Award for Management Accounting (NAfMA)
- Practice Solution Award 2009 under Non-listed SME Category from National Award for Management Accounting (NAfMA)

Star Biz ICR Malaysia

- Corporate Responsibility Award 2008 for Environment Category for market capitalization below RM1billion from Star Biz ICR Malaysia
- Corporate Responsibility Award 2009 for Marketplace Category for market capitalization below RM1billion from Star Biz ICR Malaysia

AWARDS ACHIEVED IN 2010

KPMG Shareholder Value Award 2010 – Winner for Infrastructure

Tex Cycle received KPMG Award for the first time in 2010. We have been ranked as one of the winners in this industry sector amongst top 100 list of companies ranked by Shareholder Value Creation. The coveted award is designed to promote corporate excellence through enhancing levels of disclosure and setting exemplary industry good practice.

Practice Solution Award 2010 under Non-listed SME Category from National Award for Management Accounting (NAfMA)

Tex Cycle Sdn Bhd was awarded the Practice Solution Award 2010 under SME Category from National Award for Management Accounting (NAfMA) for our continued skill in managing the Accounting of this Environmental Business profitably while embracing and continuing our mission to protect the environment for the future. With this award, Tex Cycle Sdn Bhd has been selected as the winner for SME Category for the third time in consecutive years.

Awards Achieved in 2010 (cont'd)

Corporate Responsibility Award 2010 for Marketplace Category for market capitalization below RM1billion from Star Biz ICR Malaysia

Tex Cycle Sdn Bhd received the Winner Award for Environment Category 2010 for market capitalization below RM1billion. It was the third consecutive year that Tex Cycle has received the Corporate Responsibility Award from Star Biz ICR Malaysia.

SUSTAINABILITY REPORT

For Tex Cycle, Sustainability Report is developing a strategy that gives the company competitive advantage and create value. That leads to building a company that will endure a sustainable business operating in a sustainable world.

PROCESSES

Tex Cycle has its Standard Operating Procedures which are adhered to by the relevant departments in order to provide the best products and services which are in accordance to the legal requirements. Our services involve a set Production Process Flow that involves procedures from the time waste is collected from the Generator until it is cleaned and recycled.

The process flow for Production covers 2 major processes; Process Flow for Contaminants which has Solid & Liquid Form and Process Flow for Waste Water Treatment.

KEY IMPACTS

Environmental Issues and the Preventive / Control Measures

Many areas are constantly monitored according to legal requirement, regulations and Company policies. The major factors are air pollution, odour & noise, chemical spillage, effluent from processes, segregation of solid waste and disposal of Scheduled Waste.

Use of Life Cycle Assessment (LCA) Methodology to Quantify Impacts on the Environment

The LCA analysis provides the opportunity to improve business performances by prioritizing capital investment. This allows Tex Cycle to stay competitive in the Scheduled Waste Industry. The LCA analysis with a thorough audit determines areas where we can optimize resources improve energy consumption, reduce emission of pollution, waste generation method, waste characteristics and processes for managing waste and associated costs. The LCA analysis also provided an overview of the energy and water usage patterns which assists us to reduce the impact of our operations to the environment.

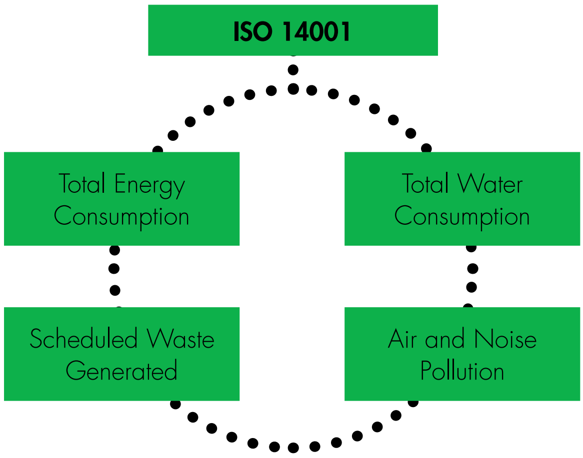
In addition, the (LCA) analysis provides insight to the following:

- provide a complete picture of how activities interact with the environment.
- identify major environmental impacts and the hot spot emissions contributing to these impacts.
- identify inefficient processes and improve the system in order to minimize waste.
- compare the environmental benefits and setbacks of products and services.
- contribute understanding of the overall consequences of activities, decision and choices.
- obtain information for environmental performance improvements.

Monitoring and Control Parameters

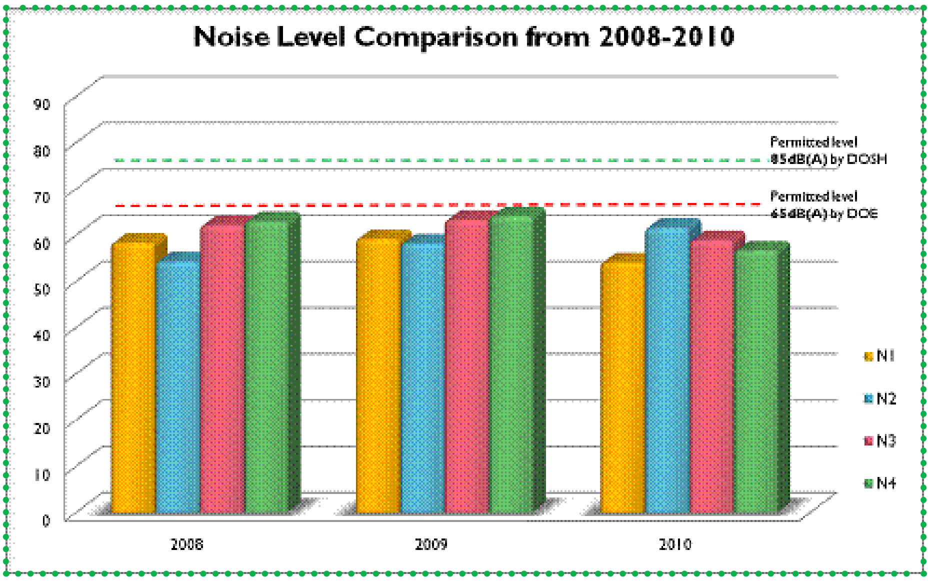
The responsibility of ensuring quality environment with no pollution emitted and healthy & comfortable surroundings within Tex Cycle is shared by Management and Employees. Every employee is constantly encouraged and reminded to communicate the slightest discomfort in the environment. The effectiveness of the quality working environment, pollution level and monitoring procedures are according to ISO 14001 guidelines and DOE license.

Operational Monitored Activities



		2008		2009		2010		**Malaysian Ambient Air Quality Guidelines**
Parameters	**Unit**	**A1**	**A2**	**A1**	**A2**	**A1**	**A2**	
Particulate Matter, PM 10	µg/m3	31	33	38	42	30	33	150
Nitrogen Dioxide, NO2	µg/m3	0	0	0	0	13.9	4.3	320
Sulphur Dioxide, SO2	µg/m3	0	73.3	0	0	0.77	0.61	350
Carbon Monoxide, CO	µg/m3	0.5	0.5	0	0	0	0	30

Pollution Control Monitoring – Ambient Air



N1 : Garden Area **N2** : Loading Area **N3** : Chemical Storage Area **N4** : Back of the Factory

Pollution Control Monitoring – Boundary Noise

	Unit	Raw Effluent	1999	2009	2010	Std. B	Std. A
pH Value	-	6.8	6.4	6.03	5.73	5.5-9.0	6.0-9.0
COD	mg/l	29400.0	160.0	23	11	200	100
BOD at 20 0 C	mg/l	3140.0	50.0	6	3	50	20
Oil & Grease	mg/l	372.0	4.0	<0.1	ND<1	10	0.0
Arsenic	mg/l	0.1	<0.01	<0.001	<0.001	0.1	0.05
Boron	mg/l	0.2	<0.01	0.94	<0.1	4	1
Suspended Solid	mg/l	1390.0	50.0	10	5	100	50
Cadmium	mg/l	<0.001	0.0	<0.005	<0.003	0.02	0.01
Chromium, Cr+6	mg/l	<0.05	<0.01	<0.003	<0.003	0.05	0.05
Chromium, Cd+3	mg/l	<0.05	<0.01	<0.02	<0.02	1.0	0.2
Copper	mg/l	0.8	0.1	<0.01	<0.01	1	0.2
Cyanide	mg/l	0.1	<0.01	<0.02	<0.02	0.1	0.05
Free Chlorine	mg/l	<0.1	<0.01	<0.04	<0.1	2	1
Iron (Fe)	mg/l	1.8	3.7	2.05	1.09	5	1
Lead	mg/l	<0.05	0.2	<0.01	0.03	0.5	0.1
Manganese	mg/l	0.1	4.2	1.03	0.24	1.0	0.2
Mercury	mg/l	<0.001	<0.01	0.005	<0.002	0.05	0.005
Nickel	mg/l	<0.01	0.10	<0.01	<0.01	1.00	0.20
Phenol	mg/l	0.4	<0.01	<0.0005	<0.0005	1	0.001
Sulphide	mg/l	<0.01	<0.1	<0.1	<0.1	0.5	0.5
Tin	mg/l	<0.1	<0.01	<0.001	<0.001	1	0.2
Zinc	mg/l	0.4	0.3	0.03	0.18	2	2

Treated Wastewater Quality Analysis

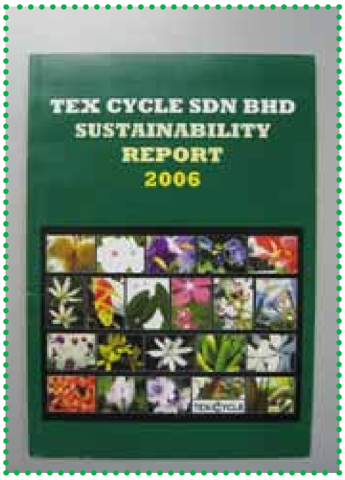
CORPORATE GOVERNANCE

The Board of Directors believe that strong corporate governance not only enhances sustainable control of an organization but is essential in preserving organizational reputation, investor confidence, access to capital when required and sustainable employee motivation. The Directors are committed to the corporate governance principles of openness, integrity and accountability. They have established committees to oversee various aspects of the Company and its operations.

Environmental Reporting

The environmental reporting for Tex Cycle is available to the public and can be obtained through various means. Primarily, the following are used:

Brochures on products, services, activities and environmental objectives



Sustainability Report (Environmental Report) according to ACCA guidelines

Annual Report that summarizes Financial Report and Corporate Responsibility (CR) activities

Exhibition and road shows on environmental awareness and community projects

Website provides more information on activities, products, community services and events.

WASTE AS RESOURCE

Tex Cycle only generates 5% residue as waste through our processes. The remaining 95% are reused, recovered or recycled. Tex Cycle practices waste minimization and implements 4Rs (Reduce, Reuse, Recover, Recycle) throughout the processes with the intention of conserving the environment.

Non-Conformance

A non-conformance will be issued when a practice is not followed and leads to environment impact risk or endangers the health and safety of the staff. The relevant head or recipient of the non-conformance takes the immediate necessary course of action and submits the documented action plan schedule on the agreeable time to be implemented accordingly. This procedure is followed by approval process from various levels. Counter measures are taken to minimize or eliminate the reoccurrence with continuous follow-up by the audit team member until report is closed. The Environmental Management System will be revised if failure was due to the system itself.

Managing Environmental Emergencies

Tex Cycle's environmental impact risks are carefully and thoroughly identified from the processes and products/ materials used throughout the plant. Risks that may exist while transporting are also identified. Appropriate procedures and environmental operating instructions are in place to ensure fast and effective response if any of the potential environmental emergencies that have been outlined arises. All Employees are trained by ERT Team on Standard Operating Procedures (SOP) for emergency situations with frequent emergency mock drills.

The ERT members provide emergency route plans/ maps with safety indications of first aid boxes, fire extinguishers, emergency routes, spillage kits, eye washes and etc which are placed around the plant and this map is placed in every department for reference. The emergency procedures and vital information are constantly communicated to all Employees, Customers and Contractors.

Programs for Tex Cycle Employees on Environmental Emergencies

- Mock spillage exercise at Customer's premise
- Mock spillage exercise with Customer and Tex Cycle Employees at our premise




- Causes of fire, safety tips, extinguishers and practical training

- Training on maintenance of trucks and tips on driving safely
- Briefing on LPG use, nature of gas, leakage and action

- Training by First Aider on methods, emergency medical conditions, treatments and procedures

- Training on proper usage PPE, benefits and dangers if not used

financial statements

The directors of TEX CYCLE TECHNOLOGY (M) BERHAD ("the Company") have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2010.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit before tax	6,253,980	1,078,366
Tax expense	(1,768,422)	(261,847)
Profit for the year	**4,485,558**	**816,519**

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

A first and final single tier tax exempt dividend of 5.0% amounting to RM853,965 proposed in the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year.

The directors have proposed a first and final single tier tax exempt dividend of 5.0% amounting to RM853,965 in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2011.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:

(a) which render the amount of bad debts written off or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year and secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Ho Siew Choong
Periasamy A/L Sinakalai
Yusseri Bin Said
Ho Siew Cheong
Ho Siew Weng
General Dato' Seri Che Md Noor Bin Mat Arshad (Rtd)
Razali Bin Jantan
Ravi Markandu

In accordance with Article 80 of the Company's Articles of Association, Messrs. Ho Siew Cheong, Ho Siew Weng and Razali Bin Jantan retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company and in related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.10 each			
Shares in the Company	**Balance as of 1.1.2010**	**Bought**	**Sold**	**Balance as of 31.12.2010**
Yusseri Bin Said				
- Direct	**4,350,130**	**-**	**-**	**4,350,130**
Ho Siew Cheong				
- Direct	**4,130,465**	**65,000**	**-**	**4,195,465**
- Deemed (Note 1)	**82,104,559**	**-**	**-**	**82,104,559**
Ho Siew Choong				
- Direct	**7,852,803**	**110,000**	**-**	**7,962,803**
- Deemed (Note 1)	**82,104,559**	**-**	**-**	**82,104,559**
- Indirect (Note 2)	**62,000**	**130,000**	**-**	**192,000**
Ho Siew Weng				
- Direct	**2,168,597**	**-**	**-**	**2,168,597**
- Deemed (Note 1)	**82,104,559**	**-**	**-**	**82,104,559**
- Indirect (Note 2)	**397,500**	**-**	**-**	**397,500**
Periasamy A/L Sinakalai				
- Direct	**7,609,965**	**-**	**-**	**7,609,965**
- Deemed (Note 1)	**82,104,559**	**-**	**-**	**82,104,559**
- Indirect (Note 2)	**604,500**	**-**	**-**	**604,500**
Ravi Markandu				
- Direct	**145,000**	**15,000**	**-**	**160,000**
- Indirect (Note 2)	**3,000**	**-**	**-**	**3,000**

DIRECTORS' INTERESTS (cont'd)

Note 1 : Deemed interest by virtue of his interest in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.

Note 2 : Indirect interest by virtue of his spouse's/children's direct shareholdings in Tex Cycle Technology (M) Berhad pursuant to Section 134(12)(c) of the Companies Act, 1965.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in Note 9 to the Financial Statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and a company in which certain directors of the Company are also directors and have substantial financial interest as disclosed in Note 22 to the Financial Statements.

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte & Touche, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

PERIASAMY A/L SINAKALAI

HO SIEW CHOONG

Puchong
April 15, 2011

Report on the Financial Statements

We have audited the financial statements of TEX CYCLE TECHNOLOGY (M) BERHAD, which comprise the statements of financial position of the Group and of the Company as of December 31, 2010, and the statements of comprehensive income, statements of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 66.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine as necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express our opinion on these financial statements based on our audit and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, auditors consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit report on the financial statements of the subsidiary companies were not subject to any qualification and did not include any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 35 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE & TOUCHE
AF 0834
Chartered Accountants

HIEW KIM TIAM
Partner - 1717/08/11 (J)
Chartered Accountant

April 15, 2011

Statements Of Comprehensive Income
For The Year Ended December 31, 2010

	Note(s)	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Revenue	5 & 6	**15,649,209**	28,329,166	**1,200,000**	1,818,200
Cost of sales		**(4,685,131)**	(17,058,561)	**-**	-
Gross profit		**10,964,078**	11,270,605	**1,200,000**	1,818,200
Other operating income		**1,335,958**	1,241,394	**52,847**	-
Changes in fair value of investment property	14	**-**	1,110,000	**-**	-
Selling and distribution costs		**(560,491)**	(413,723)	**-**	-
Administrative expenses		**(4,079,032)**	(3,520,644)	**(265,908)**	(224,625)
Other operating expenses		**(1,763,588)**	(1,513,905)	**(25)**	-
Profit from operations	7	**5,896,925**	8,173,727	**986,914**	1,593,575
Finance cost	8	**(13,686)**	(13,566)	**-**	-
Interest income		**370,741**	301,095	**91,452**	108,412
Profit before tax		**6,253,980**	8,461,256	**1,078,366**	1,701,987
Tax expense	10	**(1,768,422)**	(1,881,282)	**(261,847)**	(391,836)
Profit for the year		**4,485,558**	6,579,974	**816,519**	1,310,151
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**4,485,558**	6,579,974	**816,519**	1,310,151
Earnings per ordinary share					
Basic and diluted (sen)	11	**2.63**	3.85		

The accompanying Notes form an integral part of the Financial Statements.

	Note	2010 RM	2009 RM	2010 RM	2009 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	12	**7,069,334**	7,671,146	**-**	-
Prepaid lease payments	13	**8,041,961**	8,128,479	**-**	-
Investment property	14	**7,340,000**	7,340,000	**-**	-
Investment in subsidiary companies	15	**-**	-	**10,579,285**	10,579,285
Goodwill on consolidation	16	**583,937**	583,937	**-**	-
Investment in structured funds	17	**-**	3,000,000	**-**	1,500,000
Total Non-current Assets		**23,035,232**	26,723,562	**10,579,285**	12,079,285
Current Assets					
Inventories	20	**639,662**	612,369	**-**	-
Trade receivables	21	**5,132,928**	4,659,636	**-**	-
Other receivables and prepaid expenses	21	**3,867,696**	1,212,746	**1,000**	1,000
Investment in structured funds	17	**-**	1,000,000	**-**	-
Investment in unit trusts	18	**4,114,526**	-	**1,552,698**	-
Investment in perpetual bond fund	19	**3,468,198**	-	**-**	-
Amount owing by subsidiary companies	22	**-**	-	**7,346,978**	9,465,981
Tax recoverable		**479,920**	114,092	**152,245**	114,092
Cash and bank balances	30	**6,697,851**	11,350,985	**3,716,781**	1,723,034
Total Current Assets		**24,400,781**	18,949,828	**12,769,702**	11,304,107
Total Assets		**47,436,013**	45,673,390	**23,348,987**	23,383,392

The accompanying Notes form an integral part of the Financial Statements.

	Note	2010 RM	2009 RM	2010 RM	2009 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	23	**17,079,300**	17,079,300	**17,079,300**	17,079,300
Reserves	24	**27,137,005**	23,655,926	**6,244,387**	6,275,792
Total Equity		**44,216,305**	40,735,226	**23,323,687**	23,355,092
Non-current Liabilities					
Hire-purchase payables					
- non-current portion	25	**188,134**	36,033	**-**	-
Deferred tax liabilities	26	**439,828**	466,886	**-**	-
Deferred income					
- non-current portion	27	**620,000**	860,000	**-**	-
Total Non-current Liabilities		**1,247,962**	1,362,919	**-**	-
Current Liabilities					
Trade payables	28	**121,160**	112,629	**-**	-
Deferred income					
- current portion	27	**240,000**	1,682,660	**-**	-
Other payables and accrued expenses	28	**1,534,949**	1,536,193	**25,300**	28,300
Hire-purchase payables					
- current portion	25	**63,166**	74,867	**-**	-
Tax liabilities		**12,471**	168,896	**-**	-
Total Current Liabilities		**1,971,746**	3,575,245	**25,300**	28,300
Total Liabilities		**3,219,708**	4,938,164	**25,300**	28,300
Total Equity and Liabilities		**47,436,013**	45,673,390	**23,348,987**	23,383,392

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Changes In Equity
For The Year Ended December 31, 2010

The Group	Note	Issued capital RM	Non-distributable reserve - Share premium RM	Distributable reserve - earnings RM	Retained Total RM
Balance as of January 1, 2009		**17,079,300**	4,521,517	**13,395,590**	34,996,407
Total comprehensive income for the year		**-**	-	**6,579,974**	6,579,974
Dividends paid		**-**	-	**(841,155)**	(841,155)
Balance as of December 31, 2009		**17,079,300**	4,521,517	**19,134,409**	40,735,226
Balance as of January 1, 2010		**17,079,300**	4,521,517	**19,134,409**	40,735,226
Effect of FRS 139 adoption		**-**	-	**(150,514)**	(150,514)
Balance as of January 1, 2010, as restated		**17,079,300**	4,521,517	**18,983,895**	40,584,712
Total comprehensive income for the year		**-**	-	**4,485,558**	4,485,558
Dividend paid	29	**-**	-	**(853,965)**	(853,965)
Balance as of December 31, 2010		**17,079,300**	4,521,517	**22,615,488**	44,216,305

The Company	Note	Issued capital RM	Non-distributable reserve - Share premium RM	Distributable reserve - earnings RM	Retained Total RM
Balance as of January 1, 2009		**17,079,300**	4,521,517	**1,285,279**	22,886,096
Total comprehensive income for the year		**-**	-	**1,310,151**	1,310,151
Dividends paid		**-**	-	**(841,155)**	(841,155)
Balance as of December 31, 2009		**17,079,300**	4,521,517	**1,754,275**	23,355,092
Balance as of January 1, 2010		**17,079,300**	4,521,517	**1,754,275**	23,355,092
Effect of FRS 139 adoption		**-**	-	**6,041**	6,041
Balance as of January 1, 2010, as restated		**17,079,300**	4,521,517	**1,760,316**	23,361,133
Total comprehensive income for the year		**-**	-	**816,519**	816,519
Dividend paid	29	**-**	-	**(853,965)**	(853,965)
Balance as of December 31, 2010		**17,079,300**	4,521,517	**1,722,870**	23,323,687

The accompanying Notes form an integral part of the Financial Statements.

Statements Of Cash Flow
For The Year Ended December 31, 2010

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES				
Profit for the year	**4,485,558**	6,579,974	**816,519**	1,310,151
Adjustments for:				
Tax expense recognised in statements of comprehensive income	**1,768,422**	1,881,282	**261,847**	391,836
Depreciation of property, plant and equipment	**1,353,013**	1,251,121	**-**	-
Decrease in fair value of perpetual bond fund	**134,872**	-	**-**	-
Amortisation of prepaid lease payments	**86,518**	86,518	**-**	-
Allowance for doubtful debts	**48,417**	218,600	**-**	-
Bad debts written off	**44,648**	27,566	**-**	-
Finance cost	**13,686**	13,566	**-**	-
Loss/(Gain) on investment in structured funds	**5,429**	-	**(148)**	-
Property, plant and equipment written off	**4,419**	-	**-**	-
Unrealised loss on foreign exchange	**2,455**	2,868	**-**	-
Interest income	**(370,741)**	(301,095)	**(91,452)**	(108,412)
Amortisation of deferred income	**(240,000)**	(100,000)	**-**	-
Gain on investment in unit trusts	**(135,899)**	-	**(39,683)**	-
Increase in fair value of:				
Structured fund	**(4,697)**	-	**-**	-
Unit trusts	**(300)**	-	**(13,015)**	-
Investment property	**-**	(1,110,000)	**-**	-
Dividend income	**-**	-	**(1,200,000)**	(1,818,200)
Operating Profit/(Loss) Before Working Capital Changes	**7,195,800**	8,550,400	**(265,932)**	(224,625)
(Increase)/Decrease in:				
Inventories	**(27,293)**	(113,841)	**-**	-
Trade receivables	**(729,833)**	(698,373)	**-**	-
Other receivables and prepaid expenses	**570,844**	(960,923)	**-**	-
Increase/(Decrease) in:				
Trade payables	**8,531**	(9,011)	**-**	-
Other payables and accrued expenses	**(1,244)**	644,790	**(3,000)**	(1,250)
Deferred income	**(1,442,660)**	1,442,660	**-**	-

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2010

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Cash Generated From/(Used In) Operations		**5,574,145**	8,855,702	**(268,932)**	(225,875)
Income tax paid		**(2,317,733)**	(1,328,905)	**-**	(322)
Finance cost paid		**(13,686)**	(13,566)	**-**	-
Net Cash From/(Used In) Operating Activities		**3,242,726**	7,513,231	**(268,932)**	(226,197)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES					
Interest received		**370,741**	301,095	**91,452**	108,412
Proceeds from withdrawal of/ (Placement in) investment in structured funds		**4,012,230**	(3,000,000)	**1,506,189**	(1,500,000)
Investment in unit trusts		**(3,978,327)**	-	**(1,500,000)**	-
Investment in perpetual bond fund		**(3,605,525)**	-	**-**	-
Partial payments relating to purchase of land and building		**(3,225,794)**	-	**-**	-
Additions to property, plant and equipment	12	**(525,620)**	(1,448,575)	**-**	-
Increase in short-term deposits pledged		**(8,931)**	(4,245)	**-**	-
Net cash outflow from acquisition of a subsidiary company	15	**-**	-	**-**	(3)
Decrease in amount owing by subsidiary companies		**-**	-	**3,019,003**	1,861,273
Net Cash (Used In)/From Investing Activities		**(6,961,226)**	(4,151,725)	**3,116,644**	469,682
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Government grant received		**-**	1,200,000	**-**	-
Dividends paid		**(853,965)**	(841,155)	**(853,965)**	(841,155)
Payment of hire-purchase payables - net		**(89,600)**	(246,310)	**-**	-
Net Cash (Used In)/From Financing Activities		**(943,565)**	112,535	**(853,965)**	(841,155)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(4,662,065)**	3,474,041	**1,993,747**	(597,670)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**11,120,221**	7,646,180	**1,723,034**	2,320,704
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	**6,458,156**	11,120,221	**3,716,781**	1,723,034

The accompanying Notes form an integral part of the Financial Statements.

Note:

Additions to property, plant and equipment during the financial year were financed as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Payment by government grant	**-**	1,200,000	**-**	-
Payment by cash	**525,620**	248,575	**-**	-
Financed by hire-purchase	**230,000**	-	**-**	-
	755,620	1,448,575	**-**	-

The accompanying Notes form an integral part of the Financial Statements.

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are disclosed in Note 15.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Unit 07-02, Level 7, Persoft Tower, Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at 8, Jalan TPK 2/3, Taman Perindustrian Kinrara, 47100 Puchong, Selangor Darul Ehsan, Malaysia.

The financial statements of the Company were authorised for issuance by the Board of Directors in accordance with a resolution of the directors on April 15, 2011.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Financial Reporting Standards ("FRS") and the provisions of the Companies Act, 1965 in Malaysia.

Adoption of New and Revised Financial Reporting Standards

On January 1, 2010, the Group and the Company adopted the following new and revised FRSs and IC Interpretations ("IC Int.") issued by Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and effective for annual periods beginning on or after January 1, 2010.

FRS 2	Share-based Payment (Amendments relating to vesting conditions and cancellations)
FRS 7	Financial Instruments: Disclosures
FRS 7	Financial Instruments: Disclosures (Amendments relating to reclassification of financial assets and reclassification of financial assets - effective date and transition)
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 127	Consolidated and Separate Financial Statements (Amendments relating to cost of an investment in a subsidiary, jointly controlled entity or associate)
FRS 132	Financial Instruments: Presentation (Amendments relating to Puttable Financial Instruments and Obligations Arising on Liquidation and transitional provision relating to compound instruments)
FRS 139	Financial Instruments: Recognition and Measurement
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 FRS 3 and revised FRS 127)

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

Improvements to FRSs (2009)

IC Int. 9	Reassessment of Embedded Derivatives
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to embedded derivatives)
IC Int. 10	Interim Financial Reporting and Impairment
IC Int. 11	FRS 2 - Group and Treasury Share Transactions
IC Int. 13	Customer Loyalty Programmes
IC Int. 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction

The adoption of these new and revised FRSs and IC Int. did not result in significant changes in the accounting policies of the Group and of the Company and have no significant effect on the financial performance or position of the Group and of the Company except for those discussed below.

FRS 7 - Financial Instruments: Disclosures

FRS 7 and the consequential amendment to FRS 101 Presentation of Financial Statements require disclosure of information about the significance of financial instruments for the Group's and the Company's financial position and performance, the nature and extent of risks arising from financial instruments, and the objectives, policies and processes for managing capital.

Comparative disclosures have been presented upon initial adoption of this Standard as the Group and the Company had not availed themselves of the transitional provision in this Standard.

FRS 101 - Presentation of Financial Statements (Revised)

The revised FRS 101 introduces terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position in the event that the entity has applied new accounting policies retrospectively. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners with all non-owner changes in equity presented as a single line. The standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

There is no impact on the Group's and the Company's financial statements as this change in accounting policy affects only the presentation of the Group's and the Company's financial statements.

The revised FRS101 was adopted retrospectively by the Group and the Company.

FRS 127 - Consolidated and Separate Financial Statements (Revised)

The revised Standard will affect the Group's accounting policies regarding changes in ownership interests in its subsidiary companies that do not result in a change in control. Previously, in the absence of specific requirements in FRSs, increases in interests in existing subsidiary companies were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised, where appropriate; for decreases in interests in existing subsidiary companies regardless of whether the disposals would result in the Group losing control over the subsidiary companies, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

FRS 127 - Consolidated and Separate Financial Statements (Revised) (cont'd)

Under FRS 127 (Revised), increases or decreases in ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiary companies are dealt with in equity and attributed to the owners of the parent, with no impact on goodwill or statements of comprehensive income. When control of a subsidiary company is lost as a result of a transaction, event or other circumstance, FRS 127 (Revised) requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amounts. Any retained interest in the former subsidiary company is recognised at its fair value at the date when control is lost, with the resulting gain or loss being recognised in profit or loss.

This standard was adopted prospectively by the Group and the Company.

FRS 139 - Financial Instruments: Recognition and Measurement

Financial assets were classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. Financial liabilities were classified as either financial liabilities at fair value through profit or loss or other financial liabilities (i.e. those financial liabilities which are not held for trading or designated as at fair value through profit or loss upon initial recognition). The accounting policies for financial assets and financial liabilities are as disclosed in Note 3 to the financial statements.

This standard was adopted prospectively by the Group and the Company, in accordance with the transitional provisions in FRS139.

By virtue of the exemption provided in paragraph 44AB of FRS 7 and paragraph 103AB of FRS 139, the impact of applying FRS 7 and FRS 139 on the Group's and the Company's financial statements upon initial application of these standards as required by paragraph 30(b) of FRS 108 is not disclosed.

FRSs and IC Int. Issued but Not Yet Effective

At the date of authorisation for issue of these financial statements, the FRSs, IC Int. and amendments to FRSs and IC Int. which were issued but not yet effective are as listed below:

FRS 1	First-time Adoption of Financial Reporting Standards (Revised)[1]
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS Disclosures for First-time Adopters)[2]
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters)[2]
FRS 2	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)[2]
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3) [1]
FRS 3	Business Combinations (Revised) [1]
FRS 5	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell the controlling interest in a subsidiary) [1]
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)[2]
FRS 124	Related Party Disclosures (Revised)[3]
FRS 127	Consolidated and Separate Financial Statements (Revised)[1]
FRS 128	Investments in Associates (Revised)[1]
FRS 132	Financial Instruments: Presentation (Amendments relating to classification of rights issue)[4]
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from FRS 3) [1]

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

FRS 139 - Financial Instruments: Recognition and Measurement (cont'd)

FRS 139 Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)[1]

Improvements to FRSs (2010)[2]

IC Int. 4	Determining whether an Arrangement contains a Lease[2]
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to consequential amendments arising from revised FRS 3)[1]
IC Int. 12	Service Concession Arrangements[1]
IC Int. 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)[7]
IC Int. 15	Agreement for the Construction of Real Estate[5]
IC Int. 16	Hedges of a Net Investment in a Foreign Operation[1]
IC Int. 17	Distributions of Non-cash Assets to Owners[1]
IC Int. 18	Transfers of Assets from Customers[6]
IC Int. 19	Extinguish Financial Liabilities with Equity Instruments[7]

[1] Effective for annual periods beginning on or after July 1, 2010
[2] Effective for annual periods beginning on or after January 1, 2011
[3] Effective for annual periods beginning on or after January 1, 2012
[4] Effective for annual periods beginning on or after March 1, 2010
[5] Original effective date of July 1, 2009 deferred to January 1, 2012 via amendment issued by MASB on August 30, 2010
[6] Applied prospectively to transfers of assets from customers received on or after January 1, 2011
[7] Effective for annual periods beginning on or after July 1, 2011

The directors anticipate that all the above new and revised FRSs, IC Int. and amendments to FRSs and IC Int. applicable to the Group and the Company will be adopted in the annual financial statements when they become effective and that the adoption of these new and revised FRSs, IC Int. and amendments to FRSs and IC Int. will have no material impact on the financial statements of the Group and the Company in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the accounting policies mentioned below.

Basis of Consolidation

The consolidated financial statements incorporate the audited financial statements of the Company and all its subsidiary companies controlled by the Company made up to the end of the financial year. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiary companies are consolidated using the purchase method of accounting. On acquisition, the assets and liabilities of the relevant subsidiary companies are measured at their fair values at the date of acquisition. The interest of minority shareholder is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as applicable.

All significant intercompany transactions and balances are eliminated on consolidation. Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired business exceeds the cost of the business combination, the excess is recognised immediately in the statements of comprehensive income.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. Before recognition of any impairment losses, the carrying amount of goodwill had been allocated to a subsidiary company, Tex Cycle Sdn. Bhd., as one single CGU.

The recoverable amount of the CGU is determined from a value-in-use calculation. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rate using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU.

The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 1 year and extrapolates cash flows for the following 2 years based on estimated growth rate of 5.20%. This rate does not exceed the average long-term growth rate for the relevant markets.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue of the Company consists of dividend income received or receivable from subsidiary companies.

Revenue of the subsidiary companies consists mainly of income from provision of waste recovery and recycling services, trading of chemical, income from rental of recycled products and gross invoiced value of goods sold net of discounts and returns.

Revenue in respect of provision of waste recovery and recycling services is recognised when the services are rendered.

Revenue in respect of rental of recycled products is recognised on an accrual basis.

Revenue in respect of sales of goods, renewable energy product and trading of chemicals is recognised upon delivery of products and when the risks and rewards of ownership have passed.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

Dividends from subsidiary companies are recognised when the shareholder's right to receive payment is established.

Rental income from investment property is recognised on a straight-line basis over the lease term.

Interest income is recognised on an accrual basis.

Foreign Currencies

The financial statements of the Group and of the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Company and its subsidiary companies operate (its functional currency).

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statements of comprehensive income for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statements of comprehensive income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

Employee Benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group.

(b) Post-employment benefits

Certain subsidiary companies make statutory contributions to Employee Provident Fund ("EPF") and contributions are charged to the statements of comprehensive income. Once the contributions have been paid, there are no further payment obligations. The approved provident fund is a defined contribution plan.

Government Grant

Government grant whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets is recognised as deferred income in the statements of financial position and transferred to the statements of comprehensive income on a systematic and rational basis over the useful lives of the related assets. Other government grant is recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grant that is receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs is recognised in the statements of comprehensive income in the period in which they become receivable.

Government grant is not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grant will be received.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income Tax

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for, using the "liability" method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

The carrying amount of deferred tax assets, if any, is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in the statements of comprehensive income, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Property, Plant and Equipment

Property, plant and equipment, other than freehold land and capital work-in-progress which are not depreciated, are stated at cost less accumulated depreciation and any impairment losses.

Other property, plant and equipment are depreciated on the straight-line method to write-off the cost of the various assets over their estimated useful lives at the following annual rates:

Buildings	1% - 2%
Office equipment and furniture and fittings	10% - 20%
Factory equipment and electrical installation	10% - 20%
Motor vehicles	20%
Computers	20% - 40%

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

Gain or loss arising on disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and is recognised in the statements of comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Prepaid Lease Payments

Leases of land where title is not expected to pass to the lessee at the end of the lease term are classified as operating leases as land normally has an indefinite useful life. The upfront payments made on entering into or acquiring a leasehold land that is an operating lease represents prepaid lease payments which are amortised on a straight line basis over the lease term.

Investment Property

Investment property, comprising long-term leasehold land and building, is held for long-term rental yields or for capital appreciation or both, and is not occupied by the Group.

Investment property is stated at fair value and changes in fair value will be recognised in the statements of comprehensive income in the period in which they arise.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognised (eliminated from the statements of financial position). The difference between the net disposal proceeds and the carrying amount is recognised in the statements of comprehensive income.

Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to the statements of comprehensive income to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Investment in Subsidiary Companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated at cost less any impairment losses in the Company's financial statements.

Investment in Structured Funds

Investment in structured funds is stated at fair value.

Investment in Unit Trusts

Investment in unit trusts is stated at fair value.

Investment in Perpetual Bond Fund

Investment in perpetual bond fund is stated at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation

Goodwill on consolidation represents the excess of the cost of acquisition of subsidiary companies over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary companies at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statements of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statements of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Inventories

Inventories are valued at the lower of cost (determined on the "first-in, first-out" basis) and net realisable value. The cost of raw materials comprises the original purchase price plus cost incurred in bringing the inventories to their present location. The cost of work-in-progress and finished goods comprises the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

In arriving at net realisable value, allowance is made for damaged, obsolete or slow moving inventories.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

Receivables are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts. Bad debts are written off in the year in which they are identified.

Provisions

Provisions are made when the Group and the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to a present value where the effect is material.

At the end of each reporting period, provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Group and the Company will be required to settle the obligations.

Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(i) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(ii) Financial Assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and FRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(iii) Held-To-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

(iv) AFS Financial Assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(iv) AFS Financial Assets (cont'd)

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(v) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(vi) Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period ranges from 30 to 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(vi) Impairment of Financial Assets

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(vii) Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities and Equity Instruments Issued by the Group and the Company

(i) Classification of Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

(iii) Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

(iv) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-making; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Liabilities and Equity Instruments Issued by the Group and the Company (cont'd)

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designated eliminates or significant reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statements of comprehensive income.

(v) Other Financial Liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(vi) Derecognition of Financial Liabilities

The Group derecognises financial liabilities when and only when, the Group's obligations are discharged, cancelled or expired.

Statements of Cash Flow

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

Cash equivalents are short-term, highly liquid investments that are readily convertible to a known amount of cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as follows:

<u>Impairment of Goodwill</u>

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating unit to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the end of the reporting period was RM583,937 and no impairment loss was recognised during the current financial year. Details of the value-in-use calculation are provided in Note 3.

<u>Fair Value of Investment Property</u>

The fair value of the investment property of the Group as disclosed in Note 14 was estimated at RM7,340,000 based on a valuation by an independent professional firm of valuers, City Valuers & Consultants Sdn. Bhd. dated December 31, 2009. The valuation was based on current prices in an active market for the property. As of December 31, 2010, the directors of the Company assessed the fair value of the investment property of the Group based on the current prices in the market of properties of similar conditions and locations and the directors are of the view that the carrying amount of the investment property of the Group approximates its current fair value.

<u>Allowance for Doubtful Debts</u>

The Group makes allowance for doubtful debts based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.

5. REVENUE

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Provision of waste recovery and recycling services	**14,416,044**	11,267,559	**-**	-
Sales of goods	**323,595**	2,807,801	**-**	-
Rental of recycled products	**887,144**	1,575,912	**-**	-
Trading of chemicals and other products	**22,426**	12,677,894	**-**	-
Gross dividend income from subsidiary companies	**-**	-	**1,200,000**	1,818,200
	15,649,209	28,329,166	**1,200,000**	1,818,200

6. OPERATING COSTS APPLICABLE TO REVENUE

The operating costs, classified by nature, applicable to revenue are as follows:

	Note	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Direct costs on services rendered		**3,260,440**	2,589,860	**-**	-
Purchase of chemicals		**-**	12,031,244	**-**	-
Raw materials and consumables used		**198,460**	1,199,403	**-**	-
Changes in inventories of work-in-progress and finished goods		**(38,052)**	652	**-**	-
Directors' remuneration	9	**1,135,672**	991,310	**126,250**	116,250
Staff costs		**1,819,018**	1,666,453	**-**	-
Depreciation of property, plant and equipment	12	**1,353,013**	1,251,121	**-**	-
Amortisation of prepaid lease payments	13	**86,518**	86,518	**-**	-
Other operating expenses		**3,273,173**	2,690,272	**139,683**	108,375
		11,088,242	22,506,833	**265,933**	224,625

Staff costs include salaries, bonuses, contributions to EPF and all other staff related expenses. Contributions to EPF by the Group during the financial year amounted to RM154,114 (2009: RM141,234).

7. PROFIT FROM OPERATIONS

Profit from operations is arrived at after the following charges/(credits):

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Loss on foreign exchange:				
Realised	**457,275**	238,644	**-**	-
Unrealised	**2,455**	2,868	**-**	-
Rental of premises	**300,720**	15,020	**-**	-
Decrease in fair value of perpetual bond fund	**134,872**	-	**-**	-
Auditors' remuneration:				
Current year	**62,500**	62,500	**23,000**	23,000
Other services	**5,000**	5,000	**-**	-
Allowance for doubtful debts	**48,417**	218,600	-	-
Bad debts written off	**44,648**	27,566	**-**	-
Loss/(Gain) on investment in structured funds	**5,429**	-	**(148)**	-
Property, plant and equipment written off	**4,419**	-	**-**	-
Rental income from investment property	**(729,024)**	(676,800)	**-**	-
Government grant recognised:				
Relating to property, plant and equipment	**(240,000)**	(100,000)	**-**	-
Relating to prescribed expenditure	-	(303,340)	**-**	-
Interest income from:				
Fixed deposits	**(157,323)**	(86,177)	**(68,265)**	(30,953)
Investment in structured funds	**(133,618)**	(214,918)	**(23,187)**	(77,459)
Investment in perpetual bond fund	**(79,800)**	-	**-**	-
Gain on investment in unit trusts	**(135,899)**	-	**(39,683)**	-
Increase in fair value of:				
Structured fund	**(4,697)**	-	**-**	-
Unit trusts	**(300)**	-	**(13,015)**	-
Investment property	**-**	(1,110,000)	**-**	-
Gain arising from insurance claim on loss of property, plant and equipment	**(1,185)**	(89,150)	**-**	-

8. FINANCE COST

	The Group 2010 RM	The Group 2009 RM
Interest on hire-purchase	**13,686**	13,566

9. DIRECTORS' REMUNERATION

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Executive directors:				
Directors of the Company:				
Fees	**25,500**	25,000	**25,500**	25,000
Other emoluments	**16,000**	10,500	**16,000**	10,500
	41,500	35,500	**41,500**	35,500
Directors of the subsidiary companies:				
Fees	**24,000**	96,000	**-**	-
Salaries and other emoluments	**886,470**	723,620	**-**	-
Contributions to EPF	**98,952**	55,440	**-**	-
	1,009,422	875,060	**-**	-
Non-executive directors:				
Fees	**62,250**	70,250	**62,250**	70,250
Other emoluments	**22,500**	10,500	**22,500**	10,500
	84,750	80,750	**84,750**	80,750
Total	**1,135,672**	991,310	**126,250**	116,250

The number of directors of the Company whose total remuneration during the year falls within the following bands are as follows:

	Number of Directors 2010	Number of Directors 2009
Executive directors:		
Above RM150,000	**3**	3
RM50,001 to RM150,000	**2**	2
Non-executive directors:		
Below RM50,000	**3**	3

10. TAX EXPENSE

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Estimated tax payable:				
Current year	**1,728,848**	1,898,500	**261,847**	419,550
Under/(Over)provision in prior years	**66,632**	(38,472)	**-**	(27,714)
	1,795,480	1,860,028	**261,847**	391,836
Deferred tax liabilities (Note 26):				
Current year	**(18,086)**	14,645	**-**	-
(Over)/Underprovision in prior years	**(8,972)**	6,609	**-**	-
	(27,058)	21,254	-	-
	1,768,422	1,881,282	**261,847**	391,836

A numerical reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before tax	**6,253,980**	8,461,256	**1,078,366**	1,701,987
Tax at the applicable tax rate of 25%	**1,563,495**	2,115,314	**269,592**	425,497
Tax effect of:				
Expenses that are not deductible in determining taxable profit	**179,180**	129,060	**25,423**	18,847
Income not subject to tax	**(124,365)**	(331,229)	**(33,168)**	(24,794)
Deferred tax assets not recognised	**92,452**	-	**-**	-
Under/(Over)provision of current tax in prior years	**66,632**	(38,472)	**-**	(27,714)
(Over)/Underprovision of deferred tax in prior years	**(8,972)**	6,609	**-**	-
	1,768,422	1,881,282	**261,847**	319,836

As mentioned in Note 3, the unused tax losses and unabsorbed capital allowances, which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unabsorbed capital allowances can be utilised. As of December 31, 2010, the unused tax losses and unabsorbed capital allowances of the Group for which the related deferred tax assets have not been recognised in the financial statements due to uncertainty of its realisation are as follows:

10. TAX EXPENSE

	The Group	
	2010 RM	2009 RM
Unused tax losses	**60,688**	-
Unabsorbed capital allowances	**309,120**	-
	369,808	-

The unused tax losses and unabsorbed capital allowances are subject to agreement with the tax authorities.

11. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the financial year as follows:

Basic

	The Group	
	2010 RM	2009 RM
Profit for the year (RM)	**4,485,558**	6,579,974
Weighted average number of ordinary shares in issue (units of RM0.10 each)	**170,793,000**	170,793,000
Basic earnings per share (sen)	**2.63**	3.85

Diluted

The basic and diluted earnings per share are the same as the Company has no potentially dilutive ordinary shares.

12. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land and building RM	Leasehold building RM	Office equipment and furniture and fittings RM	Factory equipment and electrical installation RM	Motor vehicles RM	Computers RM	Capital work-in-progress RM	Total RM
Cost								
As of January 1, 2009	1,565,371	2,063,236	395,537	3,550,333	2,565,763	101,895	15,361	10,257,496
Additions	-	-	43,579	1,383,699	-	21,297	-	1,448,575
Disposals	-	-	-	-	-	(10,026)	-	(10,026)
As of December 31, 2009	1,565,371	2,063,236	439,116	4,934,032	2,565,763	113,166	15,361	11,696,045
As of January 1, 2010	**1,565,371**	**2,063,236**	**439,116**	**4,934,032**	**2,565,763**	**113,166**	**15,361**	**11,696,045**
Additions	**-**	**-**	**49,860**	**368,342**	**278,262**	**9,572**	**49,584**	**755,620**
Write-offs	**-**	**-**	**(8,788)**	**(178,457)**	**(296,580)**	**(7,545)**	**-**	**(491,370)**
As of December 31, 2010	**1,565,371**	**2,063,236**	**480,188**	**5,123,917**	**2,547,445**	**115,193**	**64,945**	**11,960,295**
Accumulated depreciation								
As of January 1, 2009	58,672	78,325	191,594	1,563,981	821,483	69,749	-	2,783,804
Charge for the year	14,668	21,554	49,880	579,398	562,984	22,637	-	1,251,121
Disposals	-	-	-	-	-	(10,026)	-	(10,026)
As of December 31, 2009	73,340	99,879	241,474	2,143,379	1,384,467	82,360	-	4,024,899
As of January 1, 2010	**73,340**	**99,879**	**241,474**	**2,143,379**	**1,384,467**	**82,360**	**-**	**4,024,899**
Charge for the year	**14,668**	**21,554**	**54,315**	**718,358**	**525,006**	**19,112**	**-**	**1,353,013**
Write-offs	**-**	**-**	**(8,788)**	**(174,037)**	**(296,580)**	**(7,546)**	**-**	**(486,951)**
As of December 31, 2010	**88,008**	**121,433**	**287,001**	**2,687,700**	**1,612,893**	**93,926**	**-**	**4,890,961**
Net book value								
As of December 31, 2010	**1,477,363**	**1,941,803**	**193,187**	**2,436,217**	**934,552**	**21,267**	**64,945**	**7,069,334**
As of December 31, 2009	1,492,031	1,963,357	197,642	2,790,653	1,181,296	30,806	15,361	7,671,146

Included in property, plant and equipment of the Group are motor vehicles acquired under hire-purchase arrangements with net book value amounting to RM359,943 (2009: RM463,504).

Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment with an aggregate cost of approximately RM3,402,968 (2009: RM2,460,519) which are still in use as of December 31, 2010.

13. PREPAID LEASE PAYMENTS

	The Group	
	2010	**2009**
	RM	**RM**
Cost		
At beginning of year	**8,330,915**	8,330,915
Addition	**-**	-
At end of year	**8,330,915**	8,330,915
Accumulated amortisation		
At beginning of year	**202,436**	115,918
Charge for the year	**86,518**	86,518
At end of year	**288,954**	202,436
Net	**8,041,961**	8,128,479

As of December 31, 2010, the unexpired lease periods of the said leasehold lands range from 82 years to 95 years (2009: 83 years to 96 years).

14. INVESTMENT PROPERTY

	The Group	
	2010	**2009**
	RM	**RM**
At fair value:		
At beginning of year	**7,340,000**	6,230,000
Changes in fair value	**-**	1,110,000
At end of the year	**7,340,000**	7,340,000

The fair value of the investment property was estimated at RM7,340,000 based on a valuation by an independent professional firm of valuers, City Valuers & Consultants Sdn. Bhd. dated December 31, 2009. The valuation was based on current prices in an active market for the property. As of December 31, 2010, the directors of the Company assessed the fair value of the investment property of the Group based on the current prices in the market of properties of similar conditions and locations and the directors are of the view that the carrying amount of the investment property of the Group approximates its current fair value.

Rental income from investment property of the Group has been disclosed in Note 7. Direct operating expenses arising on the investment property of the Group during the financial year amounted to RM67,469 (2009: RM43,388).

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2010 RM	2009 RM
Unquoted shares - at cost	**10,579,285**	10,579,285

Details of the subsidiary companies, which are all incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest 2010 %	2009 %	Principal Activities
Tex Cycle Sdn. Bhd.	**100**	100	Recovery and recycling of Scheduled Waste and trading of chemicals
Metro Koats Technology Sdn. Bhd.	**100**	100	Manufacturing and marketing of chemical products
Metro Envy Sdn. Bhd.	**100**	100	Rental of investment property
Tex Cycle (P2) Sdn. Bhd.	**100**	100	Dormant
TC Chemical Sdn. Bhd. ("TCCSB")	**100**	100	Trading of chemicals and other products

In 2009, the Company incorporated a new subsidiary company, TCCSB, with an issued and fully paid share capital, comprising 3 ordinary shares of RM1.00 each issued at par.

Analysis of assets and liabilities of the subsidiary company acquired are as follows:

	The Company 2009 RM
Net assets acquired	3
Total consideration satisfied by cash	3
Cash flow on acquisition, net of cash and cash equivalents acquired	3

The acquisition effects of the above acquired subsidiary company as of acquisition date are not separately disclosed due to the immateriality of TCCSB's net liabilities acquired.

16. GOODWILL ON CONSOLIDATION

	The Group	
	2010 RM	2009 RM
At beginning and end of year	**583,937**	583,937

17. INVESTMENT IN STRUCTURED FUNDS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Investment in structured funds - Cost	-	4,000,000	-	1,500,000
Less: Amount maturing within 12 months (shown under current assets)	-	(1,000,000)	-	-
Non-current portion	-	3,000,000	-	1,500,000
Investment in structured funds - Fair value	-	4,012,963	-	1,506,041

Investment in structured funds, which was redeemed during the year, earned interest at an average rate of 6.10% per annum.

18. INVESTMENT IN UNIT TRUSTS

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At Fair Value:				
At beginning of year	-	-	-	-
Additions	**4,114,226**	-	**1,539,683**	-
Changes in fair value (Note 7)	**300**	-	**13,015**	-
	4,114,526	-	**1,552,698**	-

Investment in unit trusts is managed by a local financial institution, where approximately 69.8% to 99.8% of the unit trust's net asset value will be invested in medium to long-term government bonds, private debt securities and fixed income instruments. The balance shall be allocated to equity instruments, cash deposits and short-term money market instruments.

19. INVESTMENT IN PERPETUAL BOND FUND

	The Group 2010 RM	The Group 2009 RM
At Fair Value:		
At beginning of year	**-**	-
Additions	**3,603,070**	-
Changes in fair value (Note 7)	**(134,872)**	-
	3,468,198	-

As of December 31, 2010, the investment in perpetual bond fund with a local financial institution is callable on quarterly basis. The said perpetual bond fund earns interest at an average rate of 8.44% per annum during the year and interest subsequent to the current financial year is calculated based on US LIBOR plus 3.60%.

20. INVENTORIES

	The Group 2010 RM	The Group 2009 RM
Raw materials	**483,041**	493,800
Work-in-progress	**11,877**	9,587
Finished goods	**144,744**	108,982
	639,662	612,369

21. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group 2010 RM	The Group 2009 RM
Trade receivables	**5,831,718**	5,146,533
Less: Allowance for doubtful debts	**(698,790)**	(486,897)
	5,132,928	4,659,636

During the financial year, bad debts of RMNil (2009: RM43,117) has been written off against allowance for doubtful debts.

Trade receivables represent amounts receivable for provision of waste recovery and recycling services, rental of recycled products and sales of goods. The credit period granted to customers ranges from 30 to 90 days (2009: 30 to 90 days).

21. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due at the end of the reporting period but where the Group has not recognised an allowance for doubtful receivables as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group fully impaired any receivables due for more than one year and based on estimated irrecoverable amounts and where it does not hold any collateral over these impaired balances. The average age of these receivables is 116 days (2009: 176 days).

Ageing of past due but not impaired

	The Group	
	2010 RM	2009 RM
61 - 90 days	**873,408**	599,079
91 - 120 days	**946,330**	420,283
121 - 150 days	**391,149**	337,377
151 - 180 days	**200,962**	117,721
181 - 210 days	**100,145**	78,630
211 - 240 days	**138,402**	121,406
241 - 270 days	**52,388**	636,550
271 - 300 days	**68,281**	152,824
301 - 330 days	**64,012**	34,935
331 - 365 days	**19,795**	36,284
> 365 days	**-**	194,982
	2,854,872	2,730,071

Movement in allowance for doubtful receivables

	The Group	
	2010 RM	2009 RM
At beginning of year	**486,897**	311,414
Effect of FRS 139 adoption	**163,476**	-
At beginning of year, as restated	**650,373**	311,414
Impairment loss recognised on receivables	**48,417**	218,600
Amount written off	**-**	(43,117)
At end of year	**698,790**	486,897

Ageing of impaired trade receivables

	The Group	
	2010 RM	2009 RM
> 365 days	**698,790**	486,897

21. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES (cont'd)

The foreign currency exposure profile of trade receivables is as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	**5,831,718**	5,069,362
United States Dollar	**-**	77,171
	5,831,718	5,146,533

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other receivables	**3,667,751**	83,992	**-**	-
Refundable deposits	**181,557**	124,824	**1,000**	1,000
Prepaid expenses	**18,388**	33,130	**-**	-
Government grant receivable (Note 27)	**-**	970,800	**-**	-
	3,867,696	1,212,746	**1,000**	1,000

As of December 31, 2010, included in other receivables is an amount of RM2,370,000 paid by a subsidiary company to a solicitor's firm representing the seller to acquire a piece of land and building by the subsidiary company. The related capital commitment thereon amounting to RM3,300,000 is disclosed in Note 34.

The foreign currency exposure profile of other receivables and prepaid expenses is as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	**3,710,699**	1,212,746
United States Dollar	**156,997**	-
	3,867,696	1,212,746

22. RELATED PARTY TRANSACTIONS

Amount owing by subsidiary companies arose mainly from advances and payments on behalf, are unsecured, interest-free and repayable on demand.

During the financial year, significant related party transactions which are negotiated on a basis determined between the parties, are as follows:

	The Group and The Company	
	2010 RM	2009 RM
Related party transaction:		
Printing cost payable to a company in which certain directors of the Company are also directors and have substantial financial interests - Metro Engravers Sdn. Bhd.	**42,749**	26,460

Compensation of key management personnel

The remuneration of key management personnel (excluding directors) during the financial year is as follows:

	The Group	
	2010 RM	2009 RM
Short-term employee benefits	**310,699**	276,530
Contributions to EPF	**36,912**	32,832
	347,611	309,362

23. SHARE CAPITAL

	The Group and The Company	
	2010 RM	2009 RM
Authorised:		
200,000,000 ordinary shares of RM0.10 each	**20,000,000**	20,000,000
Issued and fully paid:		
170,793,000 ordinary shares of RM0.10 each	**17,079,300**	17,079,300

24. RESERVES

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Non-Distributable:				
Share premium	**4,521,517**	4,521,517	**4,521,517**	4,521,517
Distributable:				
Retained earnings	**22,615,488**	19,134,409	**1,722,870**	1,754,275
	27,137,005	23,655,926	**6,244,387**	6,275,792

	The Group and The Company 2010 RM	The Group and The Company 2009 RM
Share Premium		
Public issue of 45,000,000 new ordinary shares of RM0.10 each at a premium of RM0.12 each per share in 2005	**5,400,000**	5,400,000
Listing expenses	**(878,483)**	(878,483)
	4,521,517	4,521,517

Unappropriated profit

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on a company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies without Section 108 tax credit balance will automatically move to the single tier income tax system on January 1, 2008. However, companies with such tax credits are given an irrevocable option to elect for the single tier income tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever comes first.

During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

In 2009, the Company elected to switch to the single tier income tax system and as a result, there are no longer any restrictions on the Company to frank the payment of dividends out of its entire unappropriated profit as of December 31, 2010.

25. HIRE-PURCHASE PAYABLES

	The Group 2010 RM	The Group 2009 RM
Total outstanding	**301,606**	116,127
Less: Interest-in-suspense	**(50,306)**	(5,227)
Principal outstanding	**251,300**	110,900
Less: Amount due within 12 months (shown under current liabilities)	**(63,166)**	(74,867)
Non-current portion	**188,134**	36,033

The non-current portion is payable as follows:

	The Group 2010 RM	The Group 2009 RM
Financial years ending December 31:		
2011	**-**	36,033
2012	**29,503**	-
2013	**31,873**	-
2014	**34,244**	-
2015 - 2017	**92,514**	-
	188,134	36,033

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements. The average term of hire-purchase is approximately 3 years. For the financial year ended December 31, 2010, the effective borrowing rate ranged from 6.70% to 6.76% (2009: 4.61% to 6.76%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The Group's hire-purchase payables are secured by the financial institutions' charge over the assets under hire-purchase.

26. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax asset against current tax liability and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	The Group 2010 RM	The Group 2009 RM
Deferred tax assets	**(176,718)**	(116,492)
Deferred tax liabilities	**616,546**	583,378
At end of year	**439,828**	466,886

The movements during the financial year relating to deferred tax are as follows:

26. DEFERRED TAX LIABILITIES (cont'd)

	The Group	
	2010	**2009**
	RM	**RM**
At beginning of year	**466,886**	445,632
Transfer from/(to) statements of comprehensive income (Note 10):		
Property, plant and equipment	**(61,193)**	72,496
Investment property	**94,361**	-
Trade receivables	**(50,931)**	(51,242)
Unabsorbed capital allowances	**(9,295)**	-
	(27,058)	21,254
At end of year	**439,828**	466,886

The movements in deferred tax assets and liabilities during the year (prior to offsetting of balances) comprise the following:

	The Group	
	2010	**2009**
	RM	**RM**
Deferred tax assets (before offsetting):		
Trade receivables	**(167,423)**	(116,492)
Unabsorbed capital allowances	**(9,295)**	-
	(176,718)	(116,492)
Offsetting	**176,718**	116,492
Deferred tax assets (after offsetting)	**-**	-
Deferred tax liabilities (before offsetting):		
Property, plant and equipment	**522,185**	583,378
Investment property	**94,361**	-
	616,546	583,378
Offsetting	**(176,718)**	(116,492)
Deferred tax liabilities (after offsetting)	**439,828**	466,886

27. DEFERRED INCOME

	The Group 2010 RM	The Group 2009 RM
Government grant relating to property, plant and equipment	**1,200,000**	1,200,000
Accumulated Accretion		
At beginning of year	**(100,000)**	-
Transfer to statements of comprehensive income (Note 7)	**(240,000)**	(100,000)
At end of year	**(340,000)**	(100,000)
Net	**860,000**	1,100,000
Less: Current portion (shown under current liabilities)	**(240,000)**	(240,000)
Non-current portion	**620,000**	860,000
Government grant relating to prescribed expenditure		
At beginning of year	**1,442,660**	1,746,000
Less: Reversal of government grant receivable in prior year (Note 21)	**(970,800)**	-
Unutilised balance to be refunded (Note 28)	**(471,860)**	-
Transfer to statements of comprehensive income (Note 7)	**-**	(303,340)
At end of year	**-**	1,442,660
Total Current Portion	**240,000**	1,682,660

Under an agreement dated May 21, 2009, the Ministry of Science, Technology and Innovation ("the MOSTI") approved an allocation of RM2,946,000 in the form of capital and expenditure grant to a subsidiary company for the purpose of promoting the development of new products or improve the existing products, processes or services either with innovation elements for commercialisation or for the improvement of the quality of life of communities ("the Project").

During the current financial year, the subsidiary company completed the Project and, on January 7, 2011, the MOSTI instructed the subsidiary company to refund the unutilised balance, amounting to RM471,860. As of December 31, 2010, the government grant receivable of RM970,800 has been reversed by the Company because the Project was completed.

28. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables comprise amounts outstanding for trade purchases. The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2009: 30 to 90 days).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Other payables	**873,420**	932,186	**25,300**	28,300
Refundable deposits from tenants	**164,500**	164,500	**-**	-
Accrued expenses	**350,228**	255,644	**-**	-
Amount owing to directors	**146,801**	183,863	**-**	-
	1,534,949	1,536,193	**25,300**	28,300

Amount owing to directors, which arose mainly from advances and payments on behalf, is unsecured, interest-free and repayable on demand.

Included in other payables is an amount of RM471,860 for unutilised balance of government grant to be refunded as disclosed in Note 27.

The foreign currency exposure profile of other payables and accrued expenses is as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	**1,529,946**	1,536,193
United States Dollar	**5,003**	-
	1,534,949	1,536,193

29. DIVIDENDS

A first and final single tier tax exempt dividend of 5.0% amounting to RM853,965 proposed in respect of the previous financial year and dealt with in the previous directors' report was paid by the Company during the financial year. Gross dividend per share during the year is 0.5 sen (2009: 0.5 sen).

The directors have proposed a first and final single tier tax exempt dividend of 5.0% amounting to RM853,965 in respect of the current financial year. The proposed final dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2011.

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flow comprise the following statements of financial position amounts:

	The Group		The Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Cash on hand and at banks	**2,151,415**	7,981,512	**65,256**	33,179
Short-term deposits with:				
Licensed investment bank	**4,306,741**	3,138,709	**3,651,525**	1,689,855
Licensed bank	**239,695**	230,764	**-**	-
	6,697,851	11,350,985	**3,716,781**	1,723,034
Less: Non cash equivalents fixed deposits pledged	**(239,695)**	(230,764)	**-**	-
	6,458,156	11,120,221	**3,716,781**	1,723,034

Short-term deposits with a licensed bank of the Group amounting to RM239,695 (2009: RM230,764) are pledged as security for bank guarantees issued by the bank on behalf of certain subsidiary companies amounting to RM158,244 as of December 31, 2010 (2009: RM158,244).

The short-term deposits with licensed investment bank earn interest at an average rate of 2.80% (2009: 2.50%) per annum and have maturity periods ranging from 7 to 30 days (2009: 7 to 30 days).

The short-term deposits pledged with licensed bank earn interest at rate ranging from 2.75% to 2.85% (2009: 2.00% to 2.50%) per annum and have maturity periods ranging from 30 to 365 days (2009: 30 to 365 days).
The foreign currency exposure profile of cash and bank balances is as follows:

	The Group	
	2010 RM	2009 RM
Ringgit Malaysia	**6,441,439**	6,730,782
United States Dollar	**256,412**	4,620,203
	6,697,851	11,350,985

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

Categories of financial instruments

	The Group 2010 RM	The Group 2009 RM	The Company 2010 RM	The Company 2009 RM
Financial assets				
Cash and cash equivalents	**6,697,851**	11,350,985	**3,716,781**	1,723,034
Fair value through profit and loss				
Investment in unit trusts	**4,114,526**	-	**1,552,698**	-
Investment in perpetual bond fund	**3,468,198**	-	**-**	-
Investment in structured funds	**-**	4,000,000	**-**	1,500,000
	7,582,724	4,000,000	**1,552,698**	1,500,000
Amortised cost				
Trade receivables	**5,132,928**	4,659,636	**-**	-
Other receivables	**3,667,751**	83,992	**-**	-
Amount owing by subsidiary companies	**-**	-	**7,346,978**	9,465,981
	8,800,679	4,743,628	**7,346,978**	9,465,981
Financial liabilities				
Amortised cost				
Trade payables	**121,160**	112,629	**-**	-
Other payables	**873,420**	932,186	**25,300**	28,300
Hire-purchase payables	**251,300**	110,900	**-**	-
Amount owing to directors	**146,801**	183,863	**-**	-
	1,392,681	1,339,578	**25,300**	28,300

Financial risk management objectives and policies

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating acitivities.

Various risk management policies are formulated for observation in the day-to-day operations for controlling and managing the risks associated with financial instruments.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd))

Foreign currency risk management

The Group and the Company is exposed to foreign exchange rate risk as certain trade transactions and investments are denominated in foreign currencies. Exchange rate exposures are managed by maintaining a foreign currency bank account and closely monitoring the fluctuation of the rate.

The carrying amount of the Group's foreign currency denominated in United States Dollars ("USD") monetary assets and liabilities at the reporting date are as follows:

	Assets		Liability	
	2010 RM	2009 RM	2010 RM	2009 RM
Investment in perpetual bond fund	**3,468,198**	-	**-**	-
Cash and bank balances	**256,412**	4,620,203	**-**	-
Trade receivables	**-**	77,171	**-**	-
Other receivables	**156,997**	-	**-**	-
Other payables	**-**	-	**5,003**	-
	3,881,607	4,697,374	**5,003**	-

Foreign currency sensitivity

The Company is mainly exposed to USD.

The following table details the Group's sensitivity to a 10 per cent increase in Ringgit Malaysia against the foreign currency. The 10 per cent is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10 per cent change in foreign currency rates. A negative number below indicates an increase in profit where the Ringgit Malaysia strengthens 10 per cent against the relevant currency. For a 10 per cent weakening for the Ringgit Malaysia against the relevant currency, there would be an equal and opposite impact on the loss, and the balances below would be positive.

	USD Impact The Group	
	2010 RM	2009 RM
Profit or loss	**(387,660)**	(469,737)

Interest rate risk management

The Group and the Company is exposed to interest rate risk through the impact of rate changes on investment in structure funds, unit trust, bond, short-term deposits and hire-purchase arrangements. The Group manages its interest rate risk by fixing the interest rate with its banks.

The interest rates of the Group and the Company's structured funds, unit trust, bond and short-term deposits are disclosed in Notes 17 to 19 and 30 respectively. Interest rates of hire-purchase payables, which are fixed at the inception of the hire-purchase arrangements, are disclosed in Note 25.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT (cont'd))

The carrying amount of liability, the interest rate per annum as at the end of the reporting period and the remaining maturities of hire-purchase payables of the Group are set out as below:

	Effective interest rate %	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	More than 5 years RM
As of December 31, 2010						
Hire-purchase payables	**6.70 - 6.76**	**63,166**	**29,503**	**31,873**	**34,244**	**92,514**

Credit risk management

The Group's and the Company's exposure to credit risk arises from its receivables and the maximum risk associated with recognised financial assets are the carrying amounts as presented in the statements of financial position.

The Group and the Company are exposed to credit risk mainly from trade receivables. The Group and the Company extend credit to customers based upon careful evaluation of the customers' financial condition and credit history.

Liquidity risk management

The Group and the Company practise prudent liquidity risk management to minimise the mismatch of financial assets and financial liabilities. The Group's and the Company's holding of cash and cash equivalents is expected to be sufficient to cover its cash flow needs in the next financial year.

Cash flow risk management

The Group and the Company review its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Fair Values of Financial Assets and Financial Liabilities

The carrying amounts of financial assets and financial liabilities, approximate their fair values because of the short maturity period for these instruments or the discount rate based on the prevailing market interest rate used in estimating fair value has not changed significantly.

Capital risk management policies and procedures

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The capital structure of the Group comprises issued capital and retained earnings.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended December 31, 2010.

The Group is not subject to any externally imposed capital requirements.

32. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reproting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

Business Segments

For management purposes, the Group is organised into the following operating divisions:

Industry Segment	Descriptions
Investment holding	Investment activities in investment property and unquoted securities held by the Group on a long-term basis
Recovery and recycling services	Provision of waste recovery and recycling services, and rental of recycled products
Manufacturing	Manufacturing and marketing of chemical products
Trading	Trading of chemicals and other products
Others	Rental of investment property

Geographical Segments

No information on geographical segments is presented as the Group operates solely in Malaysia.

32. SEGMENT INFORMATION (cont'd)

The Group 2010	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Revenue							
External sales	-	15,303,188	323,595	22,426	-	-	15,649,209
Inter-segment sales	1,200,000	-	55,533	-	-	(1,255,533)	-
Total revenue	1,200,000	15,303,188	379,128	22,426	-	(1,255,533)	15,649,209
Results							
Segment results	(213,086)	6,149,297	(598,505)	12,131	547,088	-	5,896,925
Finance cost							(13,686)
Interest income							370,741
Profit before tax							6,253,980
Tax expense							(1,768,422)
Profit for the year							4,485,558
Consolidated Statements of Financial Position							
Assets							
Segment assets	23,196,742	34,429,691	4,812,664	3,253,310	7,457,981	(26,194,295)	46,956,093
Unallocated corporate assets							479,920
Consolidated total assets							47,436,013
Liabilities							
Segment liabilities	25,300	9,560,085	2,333,388	3,252,730	3,794,851	(16,198,945)	2,767,409
Unallocated corporate liabilities							452,299
Consolidated total liabilities							3,219,708
Other Information							
Capital expenditure (Note 12)	-	476,078	279,542	-	-	-	755,620
Depreciation (Note 12)	-	972,920	335,951	-	44,142	-	1,353,013

32. SEGMENT INFORMATION (cont'd)

The Group 2009	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Revenue							
External sales	-	12,843,471	2,807,801	12,677,894	-	-	28,329,166
Inter-segment sales	1,818,200	-	102,062	-	-	(1,920,262)	-
Total revenue	1,818,200	12,843,471	2,909,863	12,677,894	-	(1,920,262)	28,329,166
Results							
Segment results	(224,625)	5,292,488	1,096,435	382,067	1,627,362	-	8,173,727
Finance cost							(13,566)
Interest income							301,095
Profit before tax							8,461,256
Tax expense							(1,881,282)
Profit for the year							6,579,974
Consolidated Statements of Financial Position							
Assets							
Segment assets	23,269,300	28,016,992	7,155,136	4,806,758	7,475,948	(25,165,836)	45,559,298
Unallocated corporate assets							114,092
Consolidated total assets							45,673,390
Liabilities							
Segment liabilities	28,300	11,487,499	3,762,729	10,525	4,182,815	(15,169,486)	4,302,382
Unallocated corporate liabilities							635,782
Consolidated total liabilities							4,938,164
Other Information							
Capital expenditure (Note 12)	-	205,817	1,242,758	-	-	-	1,448,575
Depreciation (Note 12)	-	1,043,339	163,639	-	44,143	-	1,251,121

33. RENTAL COMMITMENT

As of December 31, 2010, the Group has outstanding rental commitments under non-cancellable operating leases as follows:

	The Group 2010 RM	2009 RM
Within one year	**300,000**	300,000
In the second to fifth years inclusive	**-**	300,000
	300,000	600,000

34. CAPITAL COMMITMENT

As of December 31, 2010, the Group has the following capital commitments:

	The Group 2010 RM	2009 RM
Acquisition of land and building (Note 21)	**3,300,000**	-

35. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS/ LOSSES

On March 25, 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.07 and 2.23 of the Bursa Securities ACE Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On December 20, 2010, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of December 31, 2010 into realised and unrealised profits, pursuant to the directive, is as follows:

	The Group 2010 RM	The Company 2009 RM
Total retained earnings		
Realised	**29,665,606**	1,709,855
Unrealised	**1,445,227**	13,015
	31,110,833	1,722,870
Less: Consolidation adjustments	**(8,495,345)**	-
Total retained earnings as per statements of financial position	**22,615,488**	1,722,870

Comparative information is not presented in the first financial year of application pursuant to the directive issued by Bursa Malaysia on March 25, 2010.

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010. A charge or a credit to the profit or loss of a legal entity is deemed realised when it arises from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information has been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia Securities Berhad and is not made for any other purposes.

Statement By Directors

The directors of **TEX CYCLE TECHNOLOGY (M) BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2010 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 35 to the Financial Statements, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

PERIASAMY A/L SINAKALAI

HO SIEW CHOONG

Puchong
April 15, 2011

Statutory Declaration

I, **GERALDINE HII SIAW WEI**, the Officer primarily responsible for the financial management of **TEX CYCLE TECHNOLOGY (M) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

GERALDINE HII SIAW WEI

Subscribed and solemnly declared by the
abovenamed **GERALDINE HII SIAW WEI**
at PETALING JAYA this 15th day of April 2011.

Before me,

COMMISSIONER FOR OATHS

The interest of the Directors in the shares of the Company (both direct and indirect) as at 29 April 2011 are as follows:

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Ho Siew Choong	7,972,803	4.67	82,413,559	*48.25
Periasamy A/L Sinakalai	7,609,965	4.46	82,826,059	^48.49
Yusseri Bin Said	4,350,130	2.55	-	-
Ho Siew Cheong	4,195,465	2.46	82,221,559	#48.14
Ho Siew Weng	2,168,597	1.27	82,619,059	##48.37
Ravi Markandu	175,000	0.10	3,000	###0.001

* *Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965, his spouse's and his children's direct shareholdings in Tex Cycle Technology (M) Berhad by virtue of Section 134(12)(c) of the Companies Act, 1965.*

^ *Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965, his spouse's and his child's direct shareholdings in Tex Cycle Technology (M) Berhad by virtue of Section 134(12)(c) of the Companies Act, 1965.*

\# *Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.*

\# # *Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965 and his spouse's direct shareholdings in Tex Cycle Technology (M) Berhad by virtue of Section 134(12)(c) of the Companies Act, 1965.*

\### *Deemed interest by virtue of Section 134(12)(c) of the Companies Act, 1965 via his spouse's direct shareholdings in Tex Cycle Technology (M) Berhad.*

Analysis on Shareholdings
As at 29 April 2011

SHARE CAPITAL

Authorised Share Capital	: RM20,000,000.00
Issued and Fully Paid Share Capital	: RM17,079,300.00
Class of Shares	: Ordinary Shares of RM0.10 each
Voting Rights	: One (1) vote per Ordinary Share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	3	0.29	171	0.00
100 to 1,000	89	8.75	64,600	0.04
1,001 to 10,000	484	47.59	2,656,000	1.56
10,001 to 100,000	343	33.73	12,242,800	7.17
100,001 to less than 5% of issued shares	97	9.54	73,607,870	43.10
5% and above of issued shares	1	0.10	82,221,559	48.14
	1,017	100.00	170,793,000	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDINGS AS AT 29 APRIL 2011

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Can Cycle Sdn. Bhd.	82,221,559	48.14	-	-
Ho Siew Choong	7,972,803	4.67	82,413,559	*48.25
Periasamy A/L Sinakalai	7,609,965	4.46	82,826,059	^48.49
Ho Siew Cheong	4,195,465	2.46	82,221,559	#48.14
Ho Siew Weng	2,168,597	1.27	82,619,059	##48.37

* *Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965, his spouse's and his children's direct shareholdings in Tex Cycle Technology (M) Berhad by virtue of Section 134(12)(c) of the Companies Act, 1965.*

^ *Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965, his spouse's and his child's direct shareholdings in Tex Cycle Technology (M) Berhad by virtue of Section 134(12)(c) of the Companies Act, 1965.*

Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965.

#*Deemed interest by virtue of his interests in Can Cycle Sdn. Bhd. pursuant to Section 6A(4) of the Companies Act, 1965 and his spouse's direct shareholdings in Tex Cycle Technology (M) Berhad by virtue of Section 134(12)(c) of the Companies Act, 1965.*

List o Thirty (30) Largest Shareholders
As at 29 April 2011

No.	Name of Shareholders	No. of Shares	%
1	Can Cycle Sdn. Bhd.	82,221,559	48.14
2	Ho Siew Choong	7,818,803	4.58
3	Periasamy A/L Sinakalai	7,609,965	4.46
4	Soong Ik Lin	5,369,600	3.14
5	Yusseri Bin Said	4,350,130	2.55
6	Abdul Aziz Bin Hashim	4,000,000	2.34
7	Ho Siew Cheong	3,899,465	2.28
8	Teo Kwee Hock	3,355,100	1.96
9	Ho Mah Lee @ Ho Chwee Keng	3,301,000	1.93
10	Aiza Binti Abdul Aziz	3,000,000	1.76
11	Fready A/L Joseph	2,437,600	1.43
12	Lee Yuen Kong	1,992,700	1.17
13	Ho Siew Weng	1,867,597	1.09
14	Ho Siew Kee	1,837,670	1.08
15	Jaffar Bin Mohamed	1,655,840	0.97
16	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai (Margin)	1,500,500	0.88
17	Affin Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Meng Leng (TAN0950C)	1,457,500	0.85
18	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Azril Akmar Bin Attan Akmar (CTS-AAA0006C)	785,000	0.46
19	Soong Ik Lin	780,000	0.46
20	Cimsec Nominees (Asing) Sdn. Bhd. CIMB for Crescendo Assets Limited (PB)	670,000	0.39
21	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB for Marinah Binti Mahathir (PB)	655,000	0.38
22	Cheong Yoke Sim	622,800	0.36
23	Fong Yuet Siong	613,400	0.36
24	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chai Yee Wah (M09)	443,200	0.26
25	Teh Siew Lan	397,500	0.23
26	Ho Mei Ling	396,400	0.23
27	Ho Mei Wah	388,400	0.23
28	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Heng Aik Fong (MY0245)	379,900	0.22
29	Chuah Kooi Peng	370,800	0.22
30	See Kien Leong	332,000	0.19

List of Properties
As at 31 December 2010

LOCATION	DESCRIPTION/ EXISTING USE	LAND AREA (SQUARE METRES)	BUILT-UP AREA (SQUARE METRES)	APPROXIMATE AGE OF BUILDING	TENURE	NET BOOK VALUE @ 31 DECEMBER 2010 RM	YEAR OF ACQUISITION	LAST DATE OF VALUATION
TEX CYCLE SDN BHD NO. 8 JALAN TPK 2/3, TAMAN PERINDUSTRIAN KINRARA, 47100 PUCHONG, SELANGOR (PT 24401, HSM 23155 MUKIM AND DISTRICT OF PETALING, SELANGOR)	DOUBLE STOREY FACTORY, WHERE THE UPPER LEVEL IS USED AS OFFICE SPACE / TCSB'S HEADQUARTERS AND RECYCLING FACILITY	2,108.29	1,100	14 YEARS	99 YEARS LEASEHOLD UP TO 18 JANUARY 2093	2,078,219	1999	N/A
NO. 7, JALAN TPK 2/4, TAMAN PERINDUSTRIAN KINRARA, 47100 PUCHONG, SELANGOR (PT 24405, HSM 23159, MUKIM AND DISTRICT OF PETALING, SELANGOR)	DOUBLE STOREY FULLY ENCLOSED FACTORY / RECYCLING AND STORAGE FACILITY	1,980.34	1,980.34	14 YEARS	99 YEARS LEASEHOLD UP TO 18 JANUARY 2093	2,493,617	2002	N/A
METRO KOATS TECHNOLOGY SDN BHD NO. 13 JALAN BP 4/1, PUSAT PERINDUSTRIAN BUKIT PUCHONG, BANDAR BUKIT PUCHONG, 47100 PUCHONG, SELANGOR (PT 43325, HSD 128758, MUKIM AND DISTRICT OF PETALING, SELANGOR)	SINGLE STOREY FACTORY WITH A DOUBLE STOREY OFFICE BUILDING / MKT'S HEADQUARTERS, MANUFACTURING AND STORAGE FACILITY	2,033	550	6 YEAR	FREEHOLD	1,477,365	2003	N/A

LIST OF PROPERTIES AS AT 31 DECEMBER OF 2010

LOCATION	DESCRIPTION/ EXISTING USE	LAND AREA (SQUARE METRES)	BUILT-UP AREA (SQUARE METRES)	APPROXIMATE AGE OF BUILDING	TENURE	NET BOOK VALUE @ 31 DECEMBER 2010 RM	YEAR OF ACQUISITION	LAST DATE OF VALUATION
METRO ENVY LOT 35604, JALAN KUCHAI LAMA, 58200 KUALA LUMPUR (PN 1433, LOT 35604, MUKIM AND DISTRICT OF KUALA LUMPUR, STATE OF WILAYAH PERSEKUTUAN)	TRIPLE STOREY FACTORY CUM OFFICE BUILDING / RENTED TO THIRD PARTY^	4,822.7	3,668.65	14 YEARS	99 YEARS LEASEHOLD UP TO 25 MAY 2065	7,340,000	2005	31.12.2010
TEX CYCLE (P2) SDN BHD PT NO. 119972 HS(D) 117489 MUKIM AND DAERAH KLANG NEGERI SELANGOR	VACANT LEASEHOLD LAND/INTENDED TO BE THE GROUP'S 2ND RECYCLING FACILITY	9,651	N/A	N/A	99 YEARS LEASEHOLD UP TO 11 SEPTEMBER 2105	2,729,014	2008	N/A
PT NO. 119973 HS(D) 117490 MUKIM AND DAERAH KLANG NEGERI SELANGOR	VACANT LEASEHOLD LAND/INTENDED TO BE THE GROUP'S 2ND RECYCLING FACILITY	9,482	N/A	N/A	99 YEARS LEASEHOLD UP TO 11 SEPTEMBER 2105	2,682,915	2008	N/A

^ *Rented for RM64,512 per month. Pursuant to the tenancy agreements, the tenants covenant at all times to keep the demised premises and the appurtenances thereof including the doors plate glass and other windows fixtures fastenings wires waste water drain and other pipes and sanitary and water apparatus therein in good and substantial repair and condition throughout the tenancy period (damage by fire and such other shall be irrecoverable in consequence of any act or default of the tenant their servants or agents only excepted) and to renew and replace from time to time all fixtures fittings and appurtenances in the demised premises and the aforesaid court which may become or be beyond repair at any time during or at the expiration be sooner determination of the tenancy period.*

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of TEX CYCLE TECHNOLOGY (M) BERHAD (Company No.: 642619-P) will be held at 9.00 a.m. on Wednesday, 22 June 2011 at the Bukit Jalil Golf & Country Resort, Langkawi Room, Jalan 3/155B, Bukit Jalil, 57100 Kuala Lumpur for the following purposes:

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Reports of the Directors and Auditors thereon.

2. To declare a First and Final Single Tier Exempt Dividend of 5% per share in respect of the financial year ended 31 December 2010. Resolution 1

3. To approve the payment of Directors' fee for the financial year ended 31 December 2010. Resolution 2

4. To re-elect the following Directors who are retiring under Article 80 of the Articles of Association:

   a) Ho Siew Weng Resolution 3

   b) Ho Siew Cheong Resolution 4

   c) Razali Bin Jantan Resolution 5

5. To re-appoint Messrs Deloitte & Touche as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. Resolution 6

SPECIAL BUSINESS:

6. To consider and, if thought fit, pass with or without modifications, the following Resolutions:

Ordinary Resolution

- **Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965** Resolution 7

"**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities."

Ordinary Resolution

- **Proposed Renewal of Shareholders' Mandate for Share Buy-Back** Resolution 8

"**THAT** subject to the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised purchase and/or hold up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the best interest of the Company and an amount not exceeding the retained profits and share premium reserves of the Company, be allocated by the Company for the Proposed Share Buy-Back. The retained profits and share premium reserves of the Company stood at RM1,722,870 and RM4,521,517 respectively for the financial year ended 31 December 2010.

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel such shares or retain such shares as the Treasury Shares or a combination of both. The Directors of the Company are further authorised to resell the Treasury Shares on Bursa Securities or distribute the Treasury Shares as dividends to the shareholders of the Company or subsequently cancel the Treasury Shares or any combination of the three.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of the Company deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

ANY OTHER BUSINESS:

7. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965. Resolution 9

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single Tier Exempt Dividend of 5% per share in respect of the financial year ended 31 December 2010 will be payable on 22 July 2011 to Depositors registered in the Record of Depositors at the close of business on 8 July 2011.

A Depositor shall qualify for entitlement only in respect of:

a. Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 8 July 2011 in respect of ordinary transfers; and

b. Share bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

NG YIM KONG (LS 0009297)
Company Secretary

Selangor Darul Ehsan
31 May 2011

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting may appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.*

2. *Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.*

3. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*

4. *The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or executed must be deposited at the Registered Office at Strategy Corporate Secretariat Sdn. Bhd., Unit 07-02, Level 7, Persoft Tower, 6B Persiaran Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

5. ***Explanatory Notes on Special Business***

   Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965

   The Resolution 7 proposed under item 6, if passed, will empower the Directors of the Company from the date of the above Annual General Meeting, authority to allot and issue shares in the Company up to an aggregate amount of not exceeding 10% of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company and also to empower Directors to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for additional shares issued. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

   The general mandate sought to grant authority to Directors to allot and issue of shares is a renewal of the mandate that was approved by the shareholders at the Sixth Annual General Meeting held on 23 June 2010. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

   Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the Sixth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

   Ordinary Resolution pursuant to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back

   The Resolution 8 proposed under item 6, is to seek the authority for the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company on Bursa Malaysia Securities Berhad. For further information on the Proposed Renewal of Shareholders' Mandate for Share Buy-Back, please refer to the Circular to Shareholders dated 31 May 2011 enclosed together with the Company's 2010 Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election at the Seventh Annual General Meeting are as follows:

   i. Ho Siew Weng
   ii. Ho Siew Cheong
   iii. Razali Bin Jantan

   The profiles of the Directors who are standing for re-election are set out on page 3 to page 5 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meeting held during the financial year ended 31 December 2010 are disclosed in the Statement in Corporate Governance set out on page 11 of this Annual Report.

3. The details of the Seventh Annual General Meeting are as follows:

   Place: Bukit Jalil Golf & Country Resort
   Langkawi Room, Jalan 3/155B
   Bukit Jalil, 57100 Kuala Lumpur

   Date : Wednesday, 22 June 2011

   Time : 9.00 a.m.

Proxy Form

TEX CYCLE
Tex Cycle Technology (M) Berhad
(642619-P)

Seventh Annual General Meeting

I/We ____

of ____

being a member/members of **TEX CYCLE TECHNOLOGY (M) BERHAD** hereby appoint* the Chairman of the meeting

or____

of____

orfailingwhom____

of____

as my/our proxy(ies) to vote for me/us and on my/our behalf at the Seventh Annual General Meeting of the Company to be held at 9.00 a.m. on Wednesday, 22 June 2011 at the Bukit Jalil Golf & Country Resort, Langkawi Room, Jalan 3/155B, Bukit Jalil, 57100 Kuala Lumpur and at any adjournment thereof.

*My/*Our proxy(ies) is/are to vote as indicated below:-

	RESOLUTIONS		FOR	AGAINST
1	To declare a First and Final Single Tier Exempt Dividend of 5% per share in respect of the financial year ended 31 December 2010.	Resolution 1		
2	To approve the payment of Directors' fee for the financial year ended 31 December 2010.	Resolution 2		
3	To re-elect the following Directors who are retiring under Article 80 of the Company's Articles of Association:-			
	a) Ho Siew Weng	Resolution 3		
	b) Ho Siew Cheong	Resolution 4		
	c) Razali Bin Jantan	Resolution 5		
4	To re-appoint Messrs Deloitte & Touche as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.	Resolution 6		

	SPECIAL BUSINESS			
5	Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	Resolution 7		
6	Shareholders' Mandate for Share Buy-Back	Resolution 8		

[Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his(her) discretion]

Number of shares held

Dated this______day of.______________2011

____

Signature/Common Seal of Shareholder(s)

[Delete if not applicable]*

Notes:

1. A member of the Company entitled to attend and vote at the Meeting may appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
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Please Fold here

STAMP

The Company Secretary

Tex Cycle Technology (M) Berhad (642619-P)
Unit 07-02, Level 7, Persoft Tower
6B Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan

Please Fold here

www.texcycle.com.my

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(642619-P)
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