

TEX  CYCLE

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

**ANNUAL
REPORT
2013**

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CORPORATE INFORMATION

Tex Cycle Technology (M) Berhad

Board Of Directors

Ho Siew Choong, Executive Chairman
Periasamy Sinakalai, Managing Director
Ho Siew Cheong, Executive Director
Ho Siew Weng, Executive Director
Razali Bin Jantan, Independent Non-Executive Director
Ravi Markandu, Independent Non-Executive Director
Alagasan Varatharajoo, 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 : 03-7841 8000
Fax : 03-7841 8008

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

62 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 includes Administration and Finance. He is also one of the members of Tex Cycle's Research and Development ("R&D") team which is working to enhance, improve, design & develop Tex Cycle's methods of recovery and recycling new products and services.

PERIASAMY SINAKALAI Managing Director Member of Remuneration Committee

63 years of age, Malaysian

Periasamy 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. S. Periasamy 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 the member of Working Group of Malaysian Standards for Scheduled Waste (SIRIM) and is the current President for the Association of Scheduled Waste Recyclers, Malaysia (ANSWERS).

HO SIEW CHEONG Executive Director

52 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 responsible for the development and invention of all the products of Metro Koats, 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 has been appointed as the technical director of the Group and mainly be responsible for the R&D of the whole Group.

HO SIEW WENG Executive Director

57 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.



DIRECTORS' PROFILE

Tex Cycle Technology (M) Berhad



RAZALI BIN JANTAN

Independent Non-Executive Director

Chairman of Nomination Committee and Remuneration Committee

Member of Audit Committee and Remuneration Committee

56 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

64 years of age, Malaysian

Ravi Markandu was appointed to the Board of Tex Cycle Technology 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 organizations, 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.

ALAGASAN VARATHARAJOO

Independent Non-Executive Director

Member of Audit Committee, Nomination Committee and Remuneration Committee

62 years of age, Malaysian

Alagasan Varatharajoo was appointed to the Board of Tex Cycle Technology on 31 October 2011. He started his career as a Printing Apprentice with the New Straits Times Group in 1970. He left for England to obtain a Certificate in Photolithographic at the London College of Printing in 1973. Soon after his return to Malaysia in 1975, he joined Rajiv Printers as a Production Supervisor. In 1982 he re-joined The New Straits Times Group as a Production Supervisor and retired after twenty five years as a Senior Production Manager. He has been a member of the Institute of Printing, United Kingdom, Malaysia Branch since 1997 and at present hold the post as their Honorary Treasurer as well as a Lecturer cum Trainer for the Institute and conducts various printing courses. In addition, he's one of the founding Directors of Trendway Graphics Sdn Bhd which is involved in the sales and marketing of printing consumables.

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.

On behalf of The Board of Directors of Tex Cycle Technology (M) Berhad ("Tex Cycle"), I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended ("FYE") 31st December 2013.

Financial Review

For FYE 31 December 2013, the Group profit before taxation ("PBT") increased by 0.4%, from RM9.70 million to RM9.74 million. Accordingly, the Group profit after tax ("PAT") has increased by 8%, from RM7.87 million to RM8.52 million.

Dividends

A final single tier exempt dividend of 5% amounting to RM853,081 proposed in the previous financial year was paid by the Company during the financial year.

In recognition of the Group's satisfactory performance, the Board is proposing a first and final single tier exempt dividend of 5% per share on 170,793,000 ordinary shares, amounting RM853,081 (0.5 sen per share) in respect of the FYE 31 December 2013 subject to shareholders' approval at the forthcoming Annual General Meeting.

Research & Development

Research & Development (R&D) is of vital importance to most company's long term viability. At Tex Cycle, R&D is constantly associated with ways and means to protect and sustain the environment and its natural resources.

For 2013, our R&D was focused on 'micro-bubbles system' which extracts contaminants effectively from the waste water. By doing so, the amount of chemicals as well as the time involved to process the waste water is reduced. In the long run, it may point up significant reduction not only in the processing costs but also in power consumption. Further analysis and study are continuously being undertaken to mark achievements with this system.

It is the view of Tex Cycle's Directors that capital expenditure incurred by the Group for R&D purposes and future allocations for R&D is not expected to have any material financial impact on the Group.

Corporate Responsibility

At Tex Cycle we are obliged towards our employees, investors, customers, suppliers and the community while making conservation of the environment our highest priority. We aim to continually manage the impact of our operations and develop initiatives to improve our environmental footprint. We anticipate that by adopting simple, environmentally friendly initiatives, the company will raise awareness amongst stakeholders and the wider community.

Continuous support and assistance are provided to the less fortunate in various ways. The patients of the Dialysis Centre are given financial aids to lessen their burden in acquiring the much needed medical attention. Tex Cycle too contributed in monetary terms towards an education centre for the underprivileged children. Also, a projector, notebook and computer was donated to a school in a rural area to assist children in IT knowledge.

As an active member of Environmental Management and Research Association of Malaysia (ENSEARCH) Tex Cycle once again participated in the 11th Annual Waste Management Conference and Exhibition where the wrongful disposal of fluorescent bulbs and its' impact to the environment was stressed on and made aware to the public.

Prospect

We expect the year 2014 to be a perplexing year for Malaysia. The Government's decision to abolish the sugar subsidy and reduce subsidy on petrol, diesel, liquefied petroleum gas (LPG) resulted in an increase in food, fuel and electricity tariff. It's action attribute to high inflation and declining standard of living especially for the lower income group. However the Government's quick action to announce generous hand out, wage increase and an unchanged interest rate helps to stabilize the domestic economy.

Moving ahead we foresee a recovery of major economies such as United States, Europe and Japan. The Government expect more foreign direct investment especially from Japan due to sharp increase in cost of production in China as well as stain Sino Japan relationship.

CHAIRMAN'S STATEMENT

Tex Cycle Technology (M) Berhad

With abundant liquidity in our local banking system the Malaysian Government expect the economy to progress on an upward trend and is optimistic to achieve a GDP growth of 5.5% for 2014.

The completion of the Tex Cycle (P2) plant, a wholly own subsidiary of Tex Cycle Technology Berhad in Telok Gong Selangor, on an eight and a half acres industrial land with a build-up of 160,800 sq. ft. With all modern state of the art equipment's installed and are now undergoing test run. We expect the plant to be fully operational by the second quarter of this year to collect and process 31 types of scheduled wastes awarded by The Department of Environment. Looking ahead, Tex Cycle's 2014 recycling business is anticipated to be vastly promising.

Tex Cycle (P2) Sdn Bhd also had on 4 November 2013, obtained an approval from Malaysia Investment Development Authority (MIDA) for the application of pioneer status. We are given 24 months from the date of the approval to further apply for the tax incentive effective date; baring no other unforeseen circumstances, we will be granted with 5 years of 70% tax exemption on Tex Cycle (P2) payable tax.

Appreciation and Acknowledgement

On behalf of the Board of Directors, I would like to convey my appreciation to the Management and staff for their contribution and dedication during the financial year under review. I also wish to take this opportunity to thank the Board of Directors for its wise guidance and advice in directing the management throughout year 2013. My appreciation also goes to our customers and partners in business for their commitment and trust and last but not least our shareholders for their continuous support.

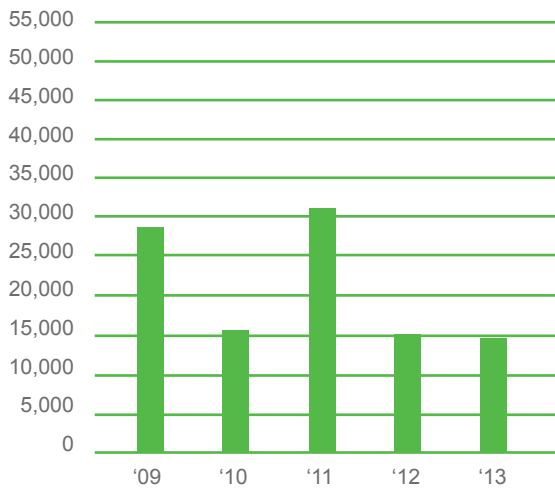
HO SIEW CHOONG
Executive Chairman
17th April 2014

FINANCIAL HIGHLIGHTS

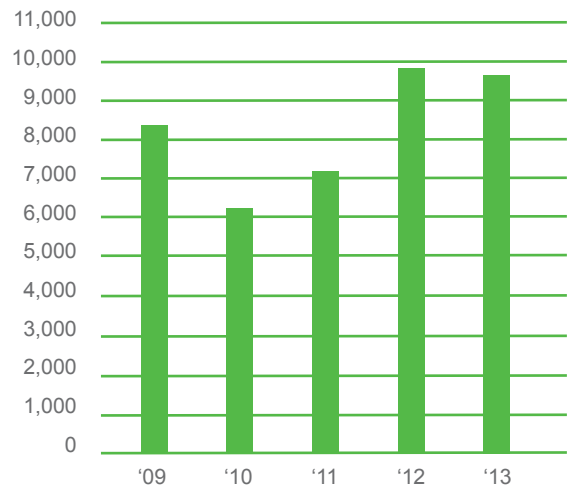
Tex Cycle Technology (M) Berhad

FYE 31 December	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Revenue	28,329	15,469	31,172	15,073	14,930
Profit before tax	8,461	6,254	7,140	9,704	9,740
Profit after tax	6,580	4,486	4,887	7,871	8,517
Net earnings per share (sen)	3.85	2.63	2.86	4.61	5.02

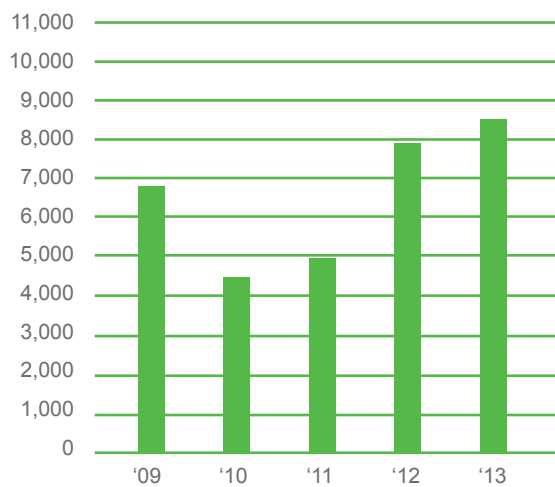
**Revenue
RM (Million)**



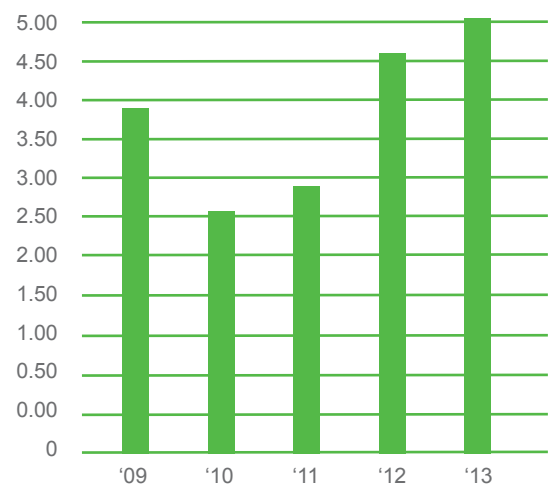
**Profit Before Tax
RM (Million)**



**Profit After Tax
RM (Million)**



**Net Earnings Per share
SEN**

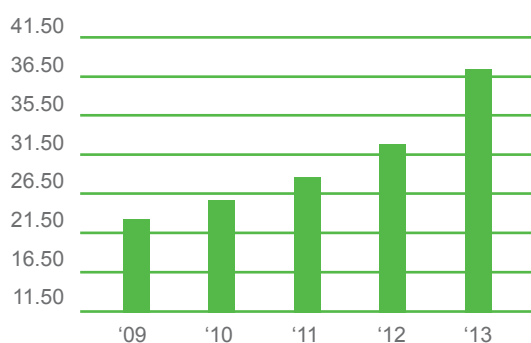


FINANCIAL HIGHLIGHTS

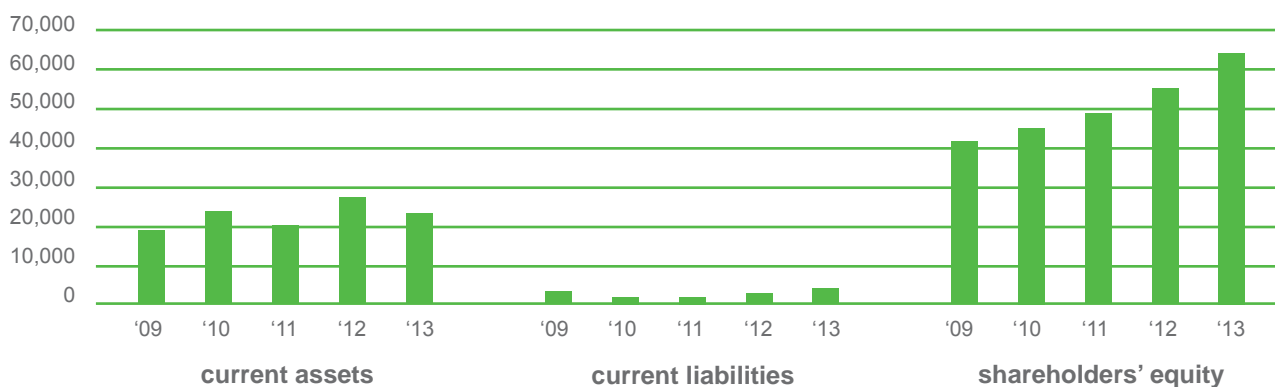
Tex Cycle Technology (M) Berhad

FYE 31 December	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
Current assets	18,950	24,401	19,839	26,940	22,434
Current liabilities	3,575	1,972	2,052	2,495	2,646
Shareholders' equity	40,735	44,216	48,249	55,266	62,456
Net asset per share (sen)	23.85	25.89	28.25	32.36	36.57

Net asset per share SEN



RM'000



STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad

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 the highest standards of Corporate Governance are practiced throughout Tex Cycle, as a fundamental 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 2013 Malaysian Code on 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.

SECTION 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 under 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 currently has seven (7) members, consisting of an Executive Chairman, a Managing Director, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Company complies with the criteria of Bursa Malaysia Securities Berhad’s Listing Requirements (“Listing Requirements”) of having at least one third (1/3) or two (2) of the Board members are Independent Non-Executive Directors. The profiles of each of the Directors are presented on pages 3 to 4 of this Annual Report.

In line with the recommendations of the Code, the Board will formalise its ethical standards through a Code of Conduct.

The current composition of the Board is well balanced with the presence of Independent Non-Executive Directors of the necessary calibre to carry sufficient weight in the Board decision. All Independent Non-Executive Directors are independent of all the management duties and they do not have any family relationship with any of the Board members which could interfere with their exercise of independent judgement during the decision-making process of the Board or the ability to act in the best interest of the Company.

The Executive Director is responsible for the business direction and development of the Group whilst the Management is responsible for the day-to-day management of the operations of the Group.

The Code states that the Board must comprise a majority of independent directors where the Chairman is not an Independent Director. The Executive Chairman, Mr Ho Siew Choong was appointed after taking into account his vast experience in areas of business management such as Human Resource, Finance, Marketing, Research and Development, Sales and Distribution.

In spite of the Executive Chairman not being an Independent Director, the Board believes that the interest of the shareholders and the Company are protected by the strong presence of Independent Directors in the Board who neither have any family relationship with any Director and/or major shareholder of the Company nor have any conflict of interest with the Company.

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 strategies 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.

STATEMENT ON CORPORATE GOVERNANCE

- 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 calibre of the Non-Executive Directors bring an independent judgment in the decision making process.
- f. Ensuring a proper succession plan is in place.

The Board had appropriately delegated specific task to three (3) Board Committees; namely Audit Committee, Nomination Committee and Remuneration Committee. These Board Committees have wide ranging authorities and make recommendations to the Board which holds the ultimate responsibility.

The Company has formalised a Board Charter which sets out a list of specific roles and functions which are reserved to the Board and other matters that are important for good corporate governance and will upload the Company's Board Charter to the Company's website at www.texcycle.com.my

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 seven (7) 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
Executive Directors		
Ho Siew Choong	7/7	100%
Periasamy Sinakalai	7/7	100%
Ho Siew Cheong	7/7	100%
Ho Siew Weng	7/7	100%
Non-Executive Directors		
Razali Bin Jantan	7/7	100%
Ravi Markandu	7/7	100%
Alagasan Varatharajoo	7/7	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.

STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad

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. The Company Secretary provides guidance to the Board on matters pertaining to the Board's responsibilities in order to ensure that they are effectively discharged within relevant legal and regulatory requirements. This includes updating the Board on the Listing Requirements, Companies Act, the Code and other regulatory developments and their impact on the Group and its business.

The Company Secretary or his representatives attends all Board Meetings and Board Committee meetings where he or his representatives records and circulates the minutes of the meetings. He is also responsible for the safekeeping of the minutes by ensuring that they are kept at the registered office of the Company and are available for inspection, if required.

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 candidate is put forward to the Board for consideration and approval.

In line with the Code, the independence of the Board members is reviewed annually. The Code recommends that the tenure of an independent director should not exceed a cumulative nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board subject to director's re-designation as a non-independent director. The Board must justify and seek shareholders' approval in the event that it intends to retain the person who has served in the capacity as independent director for more than (9) years.

RE – ELECTION OF DIRECTORS

In accordance with the Company's Articles of Association and in compliance with the Listing Requirements, all Directors are required to retire from office once at least in each 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. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

The Nomination Committee was established on 19 December 2005. The Nomination Committee shall be responsible of reviewing 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 as follows:

- **Alagasan Varatharajoo**
Chairman, Independent Non-Executive Director
- **Ravi Markandu**
Member, Independent Non-Executive Director
- **Razali Bin Jantan**
Member, Independent Non-Executive Director

STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad

REMUNERATION COMMITTEE

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

- **Razali Bin Jantan**
Chairman, Independent Non-Executive Director
- **Ravi Markandu**
Member, Independent Non-Executive Director
- **Periasamy Sinakalai**
Member, Managing Director
- **Alagasan Varatharajoo**
Member, Independent Non-Executive 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 Director is formulated to attract and retain individuals of the necessary calibre relevant to the achievement of the Company's strategic achievements. 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 2013 are as follows:

Aggregate Remuneration categorized into appropriate components:

	Fees (RM)	Salaries and Allowances, inclusive of EPF contributions (RM)	Bonus (RM)	Benefit in-kind (RM)	Total (RM)
Executive Directors	61,750	1,304,052	163,000	-	1,528,802
Non-Executive Directors	97,750	19,500	-	-	117,250
Total	159,500	1,323,552	163,000	-	1,646,052

STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad

Remuneration Bands

Range of Remuneration	Executive Directors	Non-Executive Directors	Total
RM1-RM50,000	-	3	3
RM50,001-RM100,000	-	-	-
RM101,000-RM150,000	-	-	-
RM150,001-RM200,000	-	-	-
RM200,001-RM250,000	-	-	-
RM250,001-RM300,000	1	-	1
RM300,001-RM350,000	-	-	-
RM350,001-RM400,000	3	-	3
Total	4	3	7

All Directors appointed to the Board have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Board has also completed 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
Ho Siew Choong	2013 Outlook with Hwang & Aiiman Latest Guidelines for Directors	Sharing 2013 world economic
	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia
Periasamy A/L Sinakalai	Seminar Pengurusan Buangan Terjadual Dan Pematuhan Peraturan-Praturan Kualiti Alam Sekeliling (Buangan Terjadual), 2005	Seminar on Scheduled Wastes Management and Kualiti Alam Sekeliling rules, 2005
	Seminar Pematuhan Premis Yang Ditetapkan dan Sistem Pelesenan BLESS	Seminar on Plant/Factory rules and BLESS licensing system
	Implementation and contribution to guidelines for disposal of wastes	Implementation and contribution to guidelines for disposal of laboratory chemical wastes (LCW)
	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia
Ho Siew Weng	2013 Outlook with Hwang & Aiiman	Sharing 2013 world economic
	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia
Ho Siew Cheong	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia	The 4th International Greentech & Eco Products Exhibition & Conference Malaysia

STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad

Directors	Seminar / Conference / Workshop	Details of Programme
Ravi Markandu	Risk Management & Internal Control: Workshop for Audit Committee Members	Further enhance corporate governance practices amongst the public listed companies and to reiterate risk management and internal control as an integral element of good corporate governance
	Director's Liabilities & Its Impact to Business	Director's program on director's liabilities and its impact to business
Razali Bin Jantan	Director's Liabilities & Its Impact to Business	Director's program on director's liabilities and its impact to business
Alagasan Varatharajoo	Nomination Committee Program	Enhance understanding of the governance and related issues about how the nominating should function and other technical issues impacting areas under the purview of the committees
	Director's Liabilities & Its Impact to Business	Director's program on director's liabilities and its impact to business

SECTION 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	Alagasan Varatharajoo
Remuneration Committee	Razali Bin Jantan

SECTION 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 Securities Berhad including the Quarterly Reports;

Annual Financial Statement; and

Shareholders may obtain the Company's latest announcements via Bursa Malaysia Securities Berhad's web site at www.bursamalaysia.com

www.texcycle.com.my

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. There will be commentary by the Chairman at the AGM 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 are held when required.

SECTION 4: ACCOUNTABILITY AND AUDIT FINANCIAL REPORTING

The Directors are responsible to ensure that financial statements prepared are drawn up in accordance with the provision of the Companies Act 1965; and Malaysian Financial Reporting Standard and International Financial Reporting Standards. In presenting the financial statements, the Company has used appropriate accounting policies, consistencies applied and supported by reasonable judgments and estimates.

The quarterly results were reviewed by the Audit Committee and approved by the Board before being released to the Bursa Malaysia Securities Berhad. 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 2013 can be found on pages 41 to 96 of the Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL

Information on the Group’s risk management and internal control is presented in the Statement on Risk Management and 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 on pages 18 to 20 of this Annual Report.

DIRECTORS’ 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 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 financial year then ended.

In preparing the financial statements of the Group and the Company for the year ended 31 December 2013, the Board has:

- where applicable, made judgments and estimates that are reasonable and adopted suitable accounting policies and applied them consistently;
- where applicable, made judgments and estimates that are reasonable and adopted suitable accounting policies and applied them consistently;
- prudent; and
- ensured that applicable approved accounting standards have been followed.

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 enable them to ensure that the financial statements comply with the Act and the applicable approved accounting standards.

STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad



CORPORATE RESPONSIBILITY (“CR”)

The 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 employees’ welfare, community and environment protection. However, the Group endeavours to broaden its scope of CR initiatives over time and will plan accordingly.

The year 2013 saw us undertaking several impactful CR activities. Our efforts are presented on pages 21 to 31 of the Annual Report.

WHISTLE BLOWING POLICY

Following the introduction of the Whistleblower Protection Act, 2010, the Board has formalised its whistle-blowing policy to report on illegal or unethical practices. The Whistle Blowing Policy will be uploaded to the Company’s website at www.texcycle.com.my.

COMPLIANCE WITH BEST PRACTICE

The Board is satisfied that the Company has, in all material aspects, complied with most of the principles of the Code and will continue to adopt the principles and recommendations of the Code. This Statement was approved by the Board on 17 April 2014.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made in accordance with Part A of Appendix 9C of the Listing Requirement of Bursa Malaysia Securities Berhad:-

Status of Utilisation of Proceeds

There were no corporate proposals involving the raising of funds during the financial year ended 31 December 2013.

Share Buy-back

During the year, the Company repurchased 1,097,600 unit of shares from the open market at an average price of 43sen per share and the total repurchase cost was RM473,987.79. The total repurchase consideration, including transaction costs were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirement of Section 67A of the Companies Act, 1965.

Options, Warrants or Convertible Securities

There was no exercise of Options or Convertible Securities or conversion of warrants during the financial year ended 31 December 2013.

American Depository Receipt (“ADR”) or Global Depository Receipt (“GDR”) Programme

The Company did not sponsor any ADR or GDR programme during the financial year ended 31 December 2013.

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 ended 31 December 2013.

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 2013 amounted to RM5,000.

STATEMENT ON CORPORATE GOVERNANCE

Tex Cycle Technology (M) Berhad

Variation in Results

There was no material variance between the financial results and the profit forecast or unaudited results previously made for the financial year ended 31 December 2013.

Profit Guarantee

There was no profit guarantee given by the Company during the financial year ended 31 December 2013.

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 ended 31 December 2013 or entered into since the end of the previous financial year.

Profit Forecast Variance

There was no profit forecast issued in respect of the financial result ended 31 December 2013.

Non-Observance of Malaysian Code of Corporate Governance

There was no Non-observance of Malaysian Code of Corporate Governance ended 31 December 2013.

AUDIT COMMITTEE REPORT

Tex Cycle Technology (M) Berhad



MEMBERSHIP AND MEETINGS

The Audit Committee comprises the following members:

Chairman

Ravindran Markardu
Independent Non-Executive Director

Members

Razali Bin Jantan
Independent Non-Executive Director

Alagasan A/L Varatharajoo
Independent Non-Executive Director

During the year, the Audit Committee held a total of five (5) meetings. 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
Razali Bin Jantan	5/5
Ravindran Markandu	5/5
Alagasan A/L Varatharajoo	5/5

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The main activities undertaken by the Audit Committee during the financial year ended 31 December 2013 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 Berhad ("Bursa Securities").
- b) Reviewed with external auditors on their audit planning memorandum on the statutory audit of the Group for the financial year ended 31 December 2013.
- 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 Market Listing Requirements, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- 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; and
- k) Met with the internal auditors twice during the year without the presence of any executive board members or management.

INTERNAL AUDIT FUNCTION

The Company has appointed Messrs. Smart 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.

The internal audit fee incurred for the financial year ended 31 December 2013 was RM25,000.

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 Audit Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary in the discharge of its duties.

AUDIT COMMITTEE REPORT

Tex Cycle Technology (M) Berhad



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 reappointment;
- 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



STATEMENTS ON RISK MANAGEMENT AND INTERNAL CONTROL

Tex Cycle Technology (M) Berhad

STATEMENTS ON RISK MANAGEMENT AND 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 monitors the effectiveness of the system through periodic reviews.

The system of Internal control is designed to manage rather than eliminate the risk 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 periodically 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 2013.

Control Environment

The Group has an organisation structure that is aligned to its business requirements. The internal control mechanism is embedded in the various work processes at appropriate levels in the Group. The Managing Director is accountable for ensuring the existence and effectiveness of internal control and provides leadership and direction to senior management on the manner the Group 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.

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.

The internal audit fee incurred for the financial year ended 31 December 2013 was RM25,000.

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 Group.

Risk Management

The Group has an on-going 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.

Assurance From The Management

The Board has also received reasonable assurance from the Managing Director and the Financial Controller, that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management model adopted by the Group.

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 measure to strengthen the control environment.

This statement is made in accordance with the resolution of the Board of Directors dated 17 April 2014.

CORPORATE PROFILE

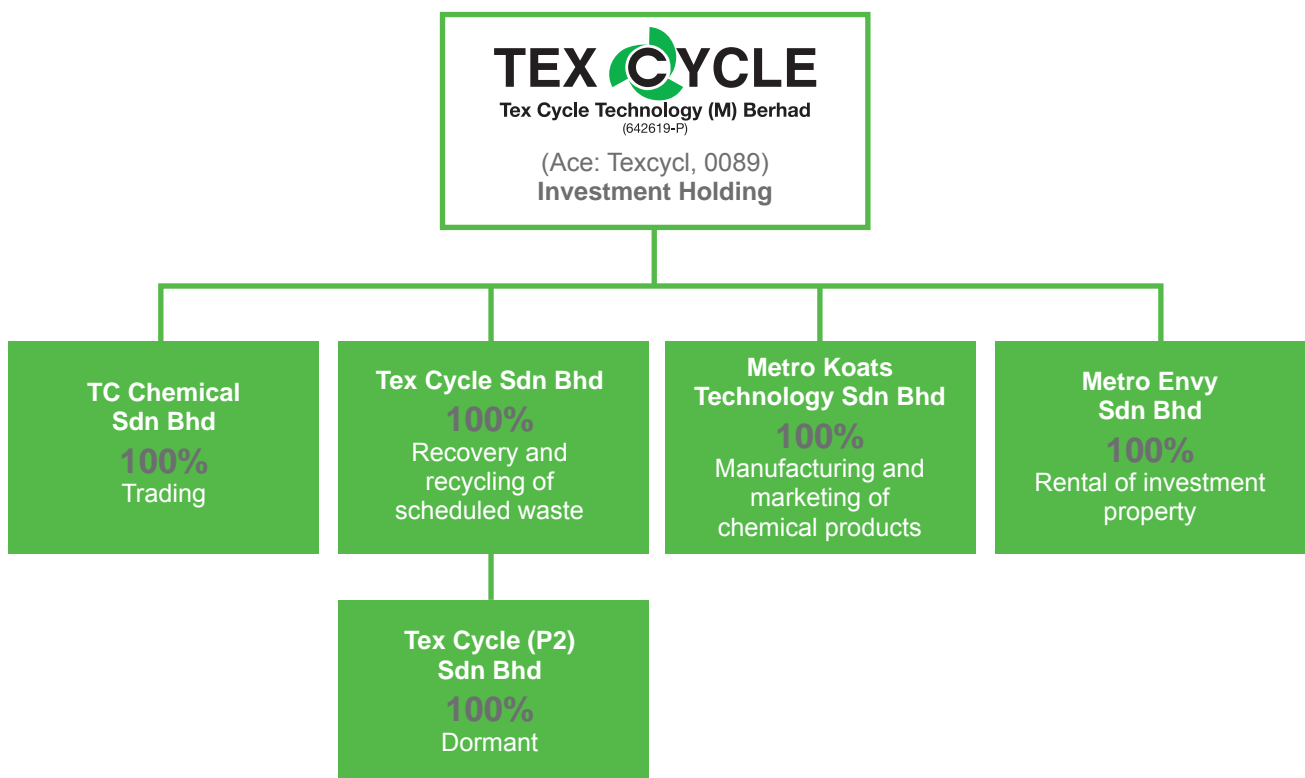
Tex Cycle Technology (M) Berhad



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 of chemical and other related products.

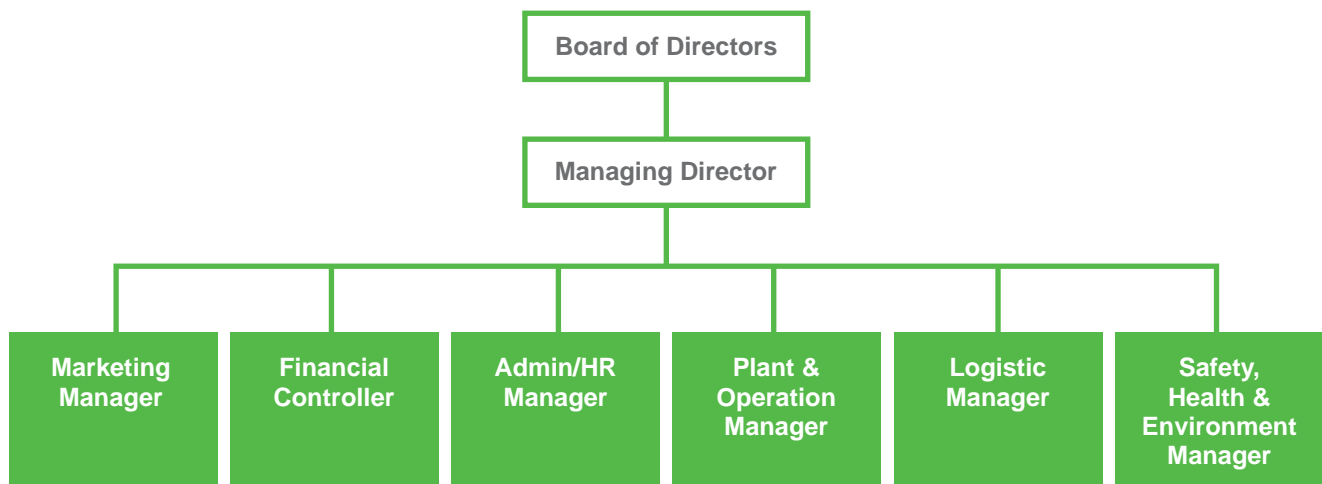
METRO KOATS TECHNOLOGY SDN. BHD

Metro Koats Technology Sdn Bhd was incorporated in 1995. The principal activity is manufacture and marketing of chemical products.

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



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 Organization.
- 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.
- Provide report to the Managing Director on EMS performance.
- Promote Environmental Awareness Activities among the staff.
- Plan and co-ordinate the Environmental Education and Training requirement.
- Centralize the control of the environmental documents and records.



CORPORATE PROFILE

Tex Cycle Technology (M) Berhad

- 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 ISO14001.

Section Head

- Support and involve in all EMS activities.
- Establish relevant EMS documentation.
- Check and control the data changes or revision and co-ordinate 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 require d. Report observations and non-conformance based on the requirements of ISO 14001.

Environment Management Systems Approval Certificate



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;
- Molding the environment in which we operate.



CORPORATE RESPONSIBILITY REPORT

Tex Cycle Technology (M) Berhad



At Tex Cycle, we are obliged towards our employees, investors, customers, suppliers and the community while making conservation of the environment our highest priority. We are constantly engaged in upgrading our processes, procedures and Research and Development to ensure our environment is continuously protected and conserved towards 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 Corporate Responsibility are discussed below.

STAKEHOLDER ENGAGEMENT

Tex Cycle acknowledges the importance of sustainability. As a sustainable company, we continue to provide what is needed and operate in a manner conducive to the long term sustainability and well-being of the communities we serve. For us, stakeholder engagement is at the heart of operation.

Employees

Tex Cycle employees are given awareness on 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 of 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.

It has always been Tex Cycle's belief that the most important investment that a company could make is on its employees. Corporate Responsibility means doing business profitably by first, taking care of the welfare of employees and then followed by providing the best service to customers while preserving 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 employees are evaluated through trainings and supervisor's assessment of their skills, contribution and experiences.

Tex Cycle believes in rewarding and recognizing employees' contribution on a continuous basis 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
- Family Day gathering and activities / Recycling Day / Safety Week

• Staff Recreation



CORPORATE RESPONSIBILITY REPORT

Tex Cycle Technology (M) Berhad



- Overseas Vacation Trips
- Competition on Environmental, Safety and Health issues after trainings
- Recycling Campaign
- Award given to the section/area which complies with the audit checklist
- Promotions / bonus
- Incentives for full attendance
- Competition and activities involving staff members and their family
- Recognition of staffs with long service
- Employees children are given financial assistance for school necessities
- Adequate insurance coverage



• Annual Medical Health Check for Employees



Employees of Tex Cycle during Medical Health Screening

- Heart Disease and Diabetic Talk
- First Aid Training
- Stress Management Talk

CORPORATE RESPONSIBILITY REPORT

Tex Cycle Technology (M) Berhad



Customers

New customers are welcomed to audit the process flow of the recycling and recovery activities in our plant.



Visit by Denso's Japanese Management Personnel

Customers are also given brochures explaining the activities, products and services, environmental programs and further information regarding Scheduled Waste Management and regulations. Tex Cycle also engages in joint activities with Customer's EMP projects.

Community

Environmental programs on awareness are organized to encourage the Community especially students to practice 4Rs in schools and at home. It is important to instill environmental values to individuals at a young age so that they carry its value for life. Tex Cycle also often receives visits from students including those of higher institutions for exposure on Waste Management. Tex Cycle is also regularly involved in community projects.

Tex Cycle contributes financial aid towards Education. In 2013, Tex Cycle donated a projector, notebook and computer to a school in a rural area to assist children in IT knowledge.

• Dialysis Centre



In embracing the role as the main sponsor of the Dialysis Centre, Tex Cycle with the collaboration of an NGO faithfully continues its responsibility towards the less fortunate patients to provide them the much needed medical requirement to carry on with their lives. The Dialysis Centre which also receives support from other kind donors continues to cater for the necessary needs of about 100 of its less privileged patients. Tex Cycle also distributes its profits generously on a continuous basis to other charitable organizations with the aim to lessen poverty and extend help to the needy and the less fortunate.

Regulators

Tex Cycle often receives visits and audits from regulators such as DOE, DOSH and other governing bodies. Occasionally, our facility is used as learning ground for new regulatory officers. We also 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 one of the site for visit by the regulatory bodies for international visitors as well as 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 one of the site for visit by the regulatory bodies for international visitors as well.

• Sustainability & Environment Management Conference and Exhibition by ENSEARCH



The Sustainability & Environment Management Conference and Exhibition (SEM 2013) was organized by Environmental Management and Research Association of Malaysia, (ENSEARCH). Tex Cycle was amongst many other Regulators, Industry Players, Businesses, Researchers, Governments, NGO's and Analysts in this environmental event. Tex Cycle took the opportunity to highlight the awareness on the impact of wrongful disposal of fluorescent bulbs to the environment. It aimed to emphasize this not only to industries but also to domestic users as awareness on this subject is still dim.

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:-



CORPORATE RESPONSIBILITY REPORT

Tex Cycle Technology (M) Berhad



- 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 programs, Tex Cycle also has ongoing programs to convert various wastes to useful products.

Tex Cycle's SHE Department ensures that Contractors attend briefing and trainings on a continuous basis 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 handle (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.

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 regulation 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.

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-crafts are carried out during these events.

Waste as Competition

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 proof themselves that Tex Cycle is aiming high to be a role model in the Scheduled Waste Management Industry.

Awards Achieved Prior 2013

ISO 14001 – Tex Cycle was first awarded with the ISO 14001 certification in March 2003 and has been recertified to-date.

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
- Prime Minister Hibiscus Award 2006/2007 SME Special Award
- 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)
- ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2011 – (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)
- Practice Solution Award 2010 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
- Corporate Responsibility Award 2010 for Marketplace Category for market capitalization below RM1billion from Star Biz ICR Malaysia

KPMG Malaysia

- KPMG Shareholder Value Award 2010 – Winner for Infrastructure



SUSTAINABILITY REPORT

Tex Cycle Technology (M) Berhad

SUSTAINABILITY REPORT

A company cannot exist in isolation but must recognize and manage its wider impact and contribution to the society. At Tex Cycle, we do this by identifying our core values, incorporating them in our business policies and applying it through specific management processes and standards in our daily activities.

Processes

Tex Cycle has its Standard Operating Procedures which are adhered to by the relevant regulations in order to provide the best products and services which are in compliance to the legal requirements. Our services involve a set of 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

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 exposes areas where we can optimize resources, improve energy consumption and 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.

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

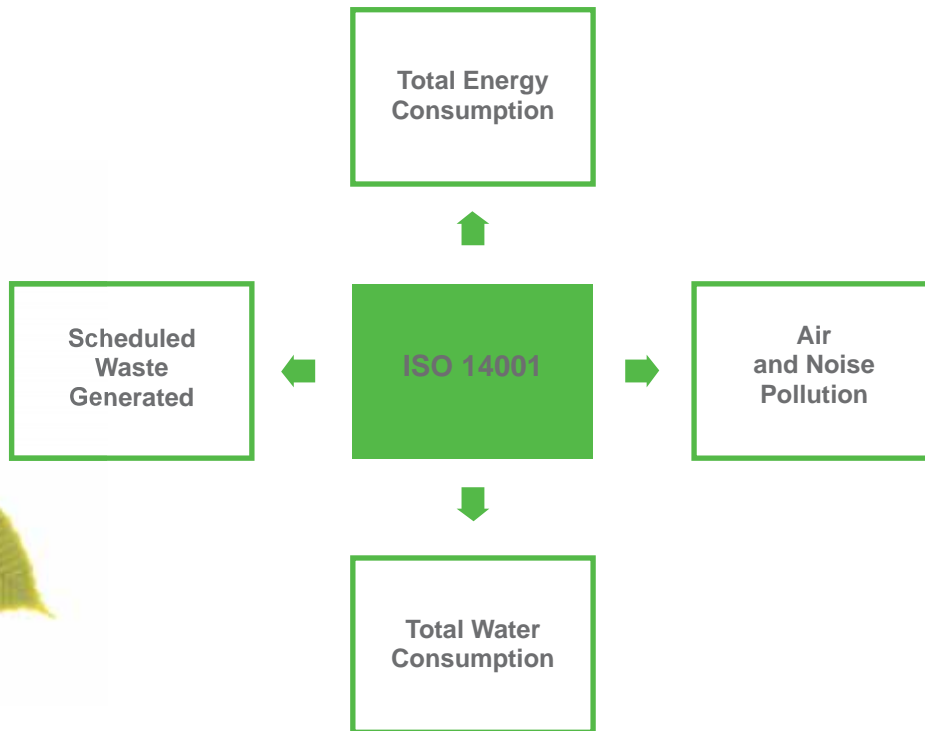
- provide a complete picture of how activities interact with the environment.
- identify major environmental impacts and the hot spot emissions contributing to these impacts.
- identify inefficient processes and improve the system in order to minimize waste.
- compare the environmental benefits and setbacks 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 without pollution, 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 is monitored according to ISO 14001 and Environment Quality Act (EQA) 1974 guidelines.

Operational Monitored Activities



2013	Unit	A1 Garden	A2 Production Area	Malaysian Ambient Air Quality Guidelines
Particulate matter as PM 10	µg/m3	52	74	150
Nitrogen Dioxide, NO2	µg/m3	54	35	320
Sulphur Dioxide, SO2	µg/m3	6.37	5.97	350
Carbon Monoxide, CO	µg/m3	0	0	30

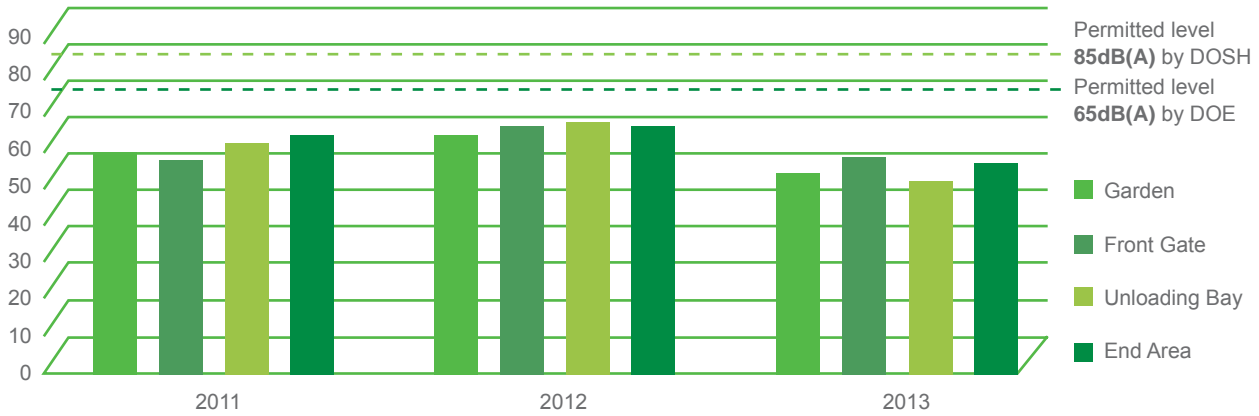
Pollution Control Monitoring – Ambient Air

SUSTAINABILITY REPORT

Tex Cycle Technology (M) Berhad



Noise Level Comparison from 2011 - 2013



Pollution Control Monitoring – Boundary Noise

	Unit	Raw Effluent	1999	2012	2013	Std. B	Std. A
pH Value	-	6.8	6.4	6	5.70	5.5 - 9.0	6.0 - 9.0
COD	mg/l	29400.0	160.0	5	3	100	50
BOD at 20 °C	mg/l	3140.0	50.0	<2	<2	50	20
Oil & Grease	mg/l	372.0	4.0	<1	<0.1	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	<0.1	<0.10	4	1
Suspended Solid	mg/l	1390.0	50.0	6	20	100	50
Cadmium	mg/l	<0.001	0.0	<0.005	<0.002	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	0.005	<0.01	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	0.28	0.09	5	1
Lead	mg/l	<0.05	0.2	<0.01	0.03	0.5	0.1
Manganese	mg/l	0.1	4.2	0.01	0.21	1.0	0.2
Mercury	mg/l	<0.001	<0.01	<0.002	<0.001	0.05	0.05
Nickel	mg/l	<0.01	0.10	<0.01	0.02	1.00	0.20
Phenol	mg/l	0.4	<0.01	<0.0005	<0.001	1	0.001
Sulphine	mg/l	<0.01	<0.1	<0.1	<0.10	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	0.04	2	2

Treated Wastewater Quality Analysis

Corporate Governance

Corporate Governance is Tex Cycle's Boardroom Agenda. 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:



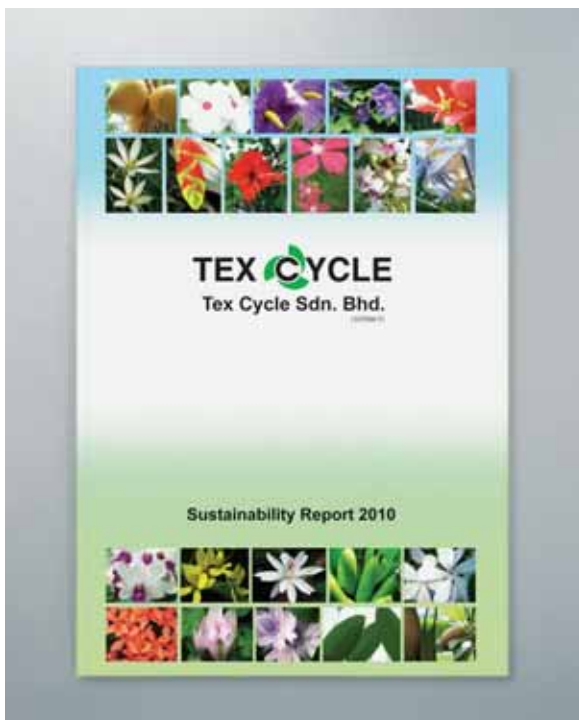
Brochures on products, services, activities and environmental objectives



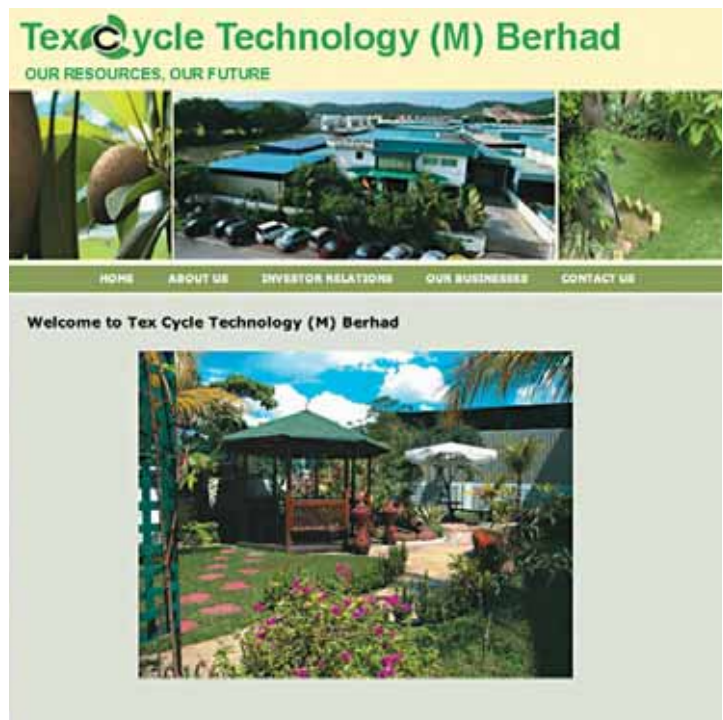
Exhibition and road shows on environmental awareness and community projects



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



Sustainability Report (Environmental Report) according to ACCA guidelines



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

SUSTAINABILITY REPORT

Tex Cycle Technology (M) Berhad

Waste as Resource

Tex Cycle only generates 3% residue as waste through our processes. The remaining 97% 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.

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 for Tex Cycle Employees





• Training on maintenance of trucks and tips on driving safely



SUSTAINABILITY REPORT

Tex Cycle Technology (M) Berhad

- Briefing on LPG use, nature of gas, leakage and action
- Causes of fire, safety tips, extinguishers and practical training



SUSTAINABILITY REPORT

Tex Cycle Technology (M) Berhad

- Practical training with BOMBA
- Training by First Aider on methods, mock emergency medical conditions, treatments and procedures
- In-house training by NIOSH to obtain Contractor Safety Passport



- Training on proper usage of PPE, benefits and hazards on non-PPE by a PPE Supplier.
- Briefing on chemical use, nature of chemicals, handling



SUSTAINABILITY REPORT

Tex Cycle Technology (M) Berhad



Commitments

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.

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 jointly organized.

FINANCIAL STATEMENTS

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REPORT OF THE DIRECTORS

Tex Cycle Technology (M) Berhad

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, 2013.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of 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	9,739,640	1,000,949
Tax expense	<u>(1,222,262)</u>	<u>(239,445)</u>
Profit for the year	<u><u>8,517,378</u></u>	<u><u>761,504</u></u>

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% amounting to RM853,081 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% amounting to RM853,081 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, 2014.

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.

TREASURY SHARES

During the year, the Company purchased 1,097,600 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM473,988 and it has been deducted from equity. The repurchased shares were financed by internally generated funds and the average price paid for the shares was 43 sen per share. The repurchased shares are held as treasury shares in accordance with Schedule 67A of the Companies Act, 1965.

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 profit or loss and other 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 which 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.

REPORT OF THE DIRECTORS

Tex Cycle Technology (M) Berhad

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
Ho Siew Cheong
Ho Siew Weng
Razali bin Jantan
Ravindran Markandu
Alagasan A/L Varatharajoo

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

DIRECTORS' INTERESTS

The shareholdings in the Company and in the 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:

Shares in the Company	Number of ordinary shares of RM0.10 each			
	Balance as of 1.1.2013	Bought	Sold	Balance as of 31.12.2013
Ho Siew Choong				
- Direct	8,069,903	70,000	-	8,139,903
- Deemed (Note 1)	82,392,959	-	-	82,392,959
- Indirect (Note 2)	192,000	-	-	192,000
Periasamy A/L Sinakalai				
- Direct	7,659,865	-	-	7,659,865
- Deemed (Note 1)	82,392,959	-	-	82,392,959
- Indirect (Note 2)	604,500	-	-	604,500
Ho Siew Cheong				
- Direct	4,284,965	-	-	4,284,965
- Deemed (Note 1)	82,392,959	-	-	82,392,959
Ho Siew Weng				
- Direct	2,183,597	15,000	-	2,198,597
- Deemed (Note 1)	82,392,959	-	-	82,392,959
- Indirect (Note 2)	397,500	-	-	397,500
Ravindran Markandu				
- Direct	175,000	-	-	175,000
- Indirect (Note 2)	3,000	-	-	3,000
Alagasan A/L Varatharajoo				
- Direct	5,000	10,000	-	15,000

REPORT OF THE DIRECTORS

Tex Cycle Technology (M) Berhad

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.

By virtue of the above directors' interest in the shares of the Company, the abovementioned directors are deemed to have an interest in the shares of the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, the other director in office at the end of the financial year did not hold shares or had beneficial interest in the shares of the Company or its related companies during or at the beginning and end of the financial year.

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 20 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,

HO SIEW WENG

HO SIEW CHOONG

Puchong
April 17, 2014

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TEXCYCLE TECHNOLOGY (M) BERHAD

Tex Cycle Technology (M) Berhad

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, 2013, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows 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 41 to 96.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 an opinion on these financial statements based on our audit. 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' judgement, 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 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 give a true and fair view of the financial position of the Group and of the Company as of December 31, 2013 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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 accounts 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; and
- (c) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification and did not include any comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TEXCYCLE TECHNOLOGY (M) BERHAD

Tex Cycle Technology (M) Berhad

Other Reporting Responsibilities

The supplementary information set out in Note 34 on page 68 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.

Other Matter

This report is made solely to the members of the Company, 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 towards any other person for the contents of this report.

DELOITTE & TOUCHE
AF 0834
Chartered Accountants

HUANG KHEAN YEONG
Partner - 2993/05/14 (J)
Chartered Accountant

April 17, 2014

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

	Note(s)	The Group		The Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Revenue	5	14,929,678	15,073,329	1,200,000	1,200,000
Cost of sales		(5,676,800)	(4,250,297)	-	-
Gross profit		9,252,878	10,823,032	1,200,000	1,200,000
Other operating income		7,429,144	7,223,329	74,251	183,233
Selling and distribution costs		(373,052)	(352,548)	-	-
Administrative expenses		(4,579,721)	(4,816,263)	(272,199)	(273,378)
Other operating expenses		(2,145,042)	(3,158,085)	(31,425)	(87,452)
Profit from operations		9,584,207	9,719,465	970,627	1,022,403
Finance costs	7	(31,662)	(68,817)	-	-
Interest income		187,095	53,817	30,322	10,321
Profit before tax	8	9,739,640	9,704,465	1,000,949	1,032,724
Income tax expense	10	(1,222,262)	(1,833,835)	(239,445)	(299,290)
Profit for the year		8,517,378	7,870,630	761,504	733,434
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		8,517,378	7,870,630	761,504	733,434
Earnings per ordinary share					
Basic and diluted (sen)	11	5.02	4.61		

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

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

	Note	The Group		The Company	
		2013 RM	2012 RM	2013 RM	2012 RM
ASSETS					
Non-current Assets					
Property, plant and equipment	12	22,163,227	16,636,236	-	-
Prepaid lease payments	13	13,453,569	13,629,801	-	-
Investment property	14	13,000,000	7,620,000	-	-
Goodwill on consolidation	16	583,937	583,937	-	-
Investment in subsidiary companies	15	-	-	10,829,282	10,829,282
Total Non-current Assets		49,200,733	38,469,974	10,829,282	10,829,282
Current Assets					
Inventories	17	704,023	389,099	-	-
Trade receivables	18	5,097,187	7,029,265	-	-
Other receivables and prepaid expenses	18	497,673	457,754	27,181	1,000
Amount owing by subsidiaries	20	-	-	8,772,254	9,947,925
Investment in unit trusts	19	5,060,876	4,928,494	1,860,611	1,817,785
Tax recoverable		833,862	841,236	92,255	184,015
Cash and bank balances	28	10,240,007	13,294,379	1,014,111	374,052
Total Current Assets		22,433,628	26,940,227	11,766,412	12,324,777
Total Assets		71,634,361	65,410,201	22,595,694	23,154,059

(Forward)

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

STATEMENTS OF FINANCIAL POSITION AS OF DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

	Note	The Group		The Company	
		2013 RM	2012 RM	2013 RM	2012 RM
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	21	17,079,300	17,079,300	17,079,300	17,079,300
Treasury shares	21	(473,988)	-	(473,988)	-
Reserves	22	45,850,663	38,186,366	5,951,582	6,043,159
Total Equity		62,455,975	55,265,666	22,556,894	23,122,459
Non-current Liabilities					
Hire-purchase payables - non-current portion	23	129,373	295,499	-	-
Term loans - non-current portion	24	6,277,996	7,210,598	-	-
Deferred tax liabilities	25	125,443	143,388	-	-
Total Non-current Liabilities		6,532,812	7,649,485	-	-
Current Liabilities					
Trade payables	26	118,563	87,280	-	-
Other payables and accrued expenses	26	1,325,180	1,182,746	38,800	31,600
Hire-purchase payables - current portion	23	241,843	266,714	-	-
Term loans - current portion	24	939,876	939,876	-	-
Tax liabilities		20,112	18,434	-	-
Total Current Liabilities		2,645,574	2,495,050	38,800	31,600
Total Liabilities		9,178,386	10,144,535	38,800	31,600
Total Equity and Liabilities		71,634,361	65,410,201	22,595,694	23,154,059

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

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

The Group	Note	Issued capital RM	Treasury shares RM	Non-distributable reserve Share premium RM	Distributable reserve - Retained earnings RM	Total RM
Balance as of January 1, 2012		17,079,300		4,521,517-	26,648,184	48,249,001
Total comprehensive income for the year		-	-	-	7,870,630	7,870,630
Dividend paid	27	-	-	--	(853,965)	(853,965)
Balance as of December 31, 2012		17,079,300		4,521,517-	33,664,849	55,265,666
Balance as of January 1, 2013		17,079,300		4,521,517-	33,664,849	55,265,666
Total comprehensive income for the year		-	-	-	8,517,378	8,517,378
Share buy back		-	(473,988)-	-	-	(473,988)
Dividend paid	27	-	-	-	(853,081)	(853,081)
Balance as of December 31, 2013		17,079,300	(473,988)	4,521,517	41,329,146	62,455,975

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

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

The Company	Note	Issued capital		Non-distributable reserves		Distributable reserve -		Total
		RM	RM	Treasury shares premium	Non-distributable reserve Share premium Treasury shares RM	RM	RM	
Balance as of January 1, 2012		17,079,300	-	-	4,521,517	1,642,173	23,242,990	
Total comprehensive income for the year		-	-	-	-	733,434	733,434	
Dividend paid	27	-	-	-	-	(853,965)	(853,965)	
Balance as of December 31, 2012		17,079,300	-	-	4,521,517	1,521,642	23,122,459	
Balance as of January 1, 2013		17,079,300	-	-	4,521,517	1,521,642	23,122,459	
Total comprehensive income for the year		-	-	-	-	761,504	761,504	
Share buy back		-	(473,988)	-	-	-	(473,988)	
Dividend paid	27	-	-	-	-	(853,081)	(853,081)	
Balance as of December 31, 2013		17,079,300	(473,988)	-	4,521,517	1,430,065	22,556,894	

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

STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit for the year	8,517,378	7,870,630	761,504	733,434
Adjustments for:				
Tax expense recognised in profit or loss	1,222,262	1,833,835	239,445	299,290
Depreciation of property, plant and equipment	1,112,335	1,239,910	-	-
Amortisation of prepaid lease payments	176,232	130,790	-	-
Property, plant and equipment written off	127,784	-	-	-
Changes in fair value of unit trusts	60,875	(427,243)	31,425	(111,922)
Finance costs	31,662	68,817	-	-
Bad debts written off	2,500	74,536	-	-
Changes in fair value of investment property	(5,380,000)	(280,000)	-	-
Gain on investment in unit trusts	(193,257)	(163,443)	(74,251)	(71,311)
Interest income	(187,095)	(53,817)	(30,322)	(10,321)
Allowance for doubtful debts no longer required	(120,610)	-	-	-
Gain arising from insurance claim on loss of property, plant and equipment	(27,071)	(67,658)	-	-
Gain on disposal of property, plant and equipment	(6,803)	(4,000)	-	-
Impairment losses recognised on receivables	-	1,310,229	-	-
Gain on disposal of prepaid lease payment	-	(4,535,004)	-	-
Dividend income	-	-	(1,200,000)	(1,200,000)
Operating Profit/(Loss) Before Working Capital Changes	5,336,192	6,997,582	(272,199)	(360,830)

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

STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
(Increase)/Decrease in:				
Inventories	(314,924)	84,687	-	-
Trade receivables	2,050,188	415,828	-	-
Other receivables and prepaid expenses	(39,919)	105,647	(26,181)	-
Increase/(Decrease) in:				
Trade payables	31,283	10,572	-	-
Other payables and accrued expenses	142,434	(254,123)	7,200	(6,526)
Cash Generated				
From/(Used In) Operations	7,205,254	7,360,193	(291,180)	(367,356)
Income tax refund	486,080	335,553	152,315	37,116
Finance costs paid	(31,662)	(68,817)	-	-
Income tax paid	(1,717,235)	(2,269,190)	(300,000)	(300,000)
Net Cash From/(Used In) Operating Activities	5,942,437	5,357,739	(438,865)	(630,240)
CASH FLOWS FROM/ (USED IN) INVESTING ACTIVITIES				
Decrease/(Increase) in short-term deposits pledged	253,958	(9,993)	-	-
Interest received	187,095	53,817	30,322	10,321
Proceeds from disposal of property, plant and equipment	80,000	4,000	-	-
Proceeds from insurance claim on loss of property, plant and equipment	27,071	67,658	-	-
Acquisition of property, plant and equipment (Note)	(6,614,307)	(4,473,275)	-	-
Proceeds from disposal of prepaid lease payment	-	10,070,000	-	-
Payment of prepaid lease	-	(6,709,165)	-	-
Decrease in amount owing by subsidiary companies	-	-	2,375,671	1,527,488
Net Cash (Used In)/From Investing Activities	(6,066,183)	(996,958)	2,405,993	1,537,809

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

STATEMENTS OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2013

Tex Cycle Technology (M) Berhad

	Note	The Group		The Company	
		2013 RM	2012 RM	2013 RM	2012 RM
CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES					
Repayment of term loan		(932,602)	(879,727)	-	-
Dividends paid		(853,081)	(853,965)	(853,081)	(853,965)
Share buy-back		(473,988)	-	(473,988)	-
Payment of hire-purchase payables		(416,997)	(253,050)	-	-
Drawdown of term loan		-	6,000,000	-	-
Net Cash (Used In)/From Financing Activities		(2,676,668)	4,013,258	(1,327,069)	(853,965)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS					
		(2,800,414)	8,374,039	640,059	53,604
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR					
		13,040,421	4,666,382	374,052	320,448
CASH AND CASH EQUIVALENTS AT END OF YEAR					
	28	10,240,007	13,040,421	1,014,111	374,052

Note:

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

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Payment by cash	6,614,307	4,473,275	-	-
Financed by hire-purchase	226,000	-	-	-
	6,840,307	4,473,275	-	-

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

NOTES TO 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 that of 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 175, 2014.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of revised MFRSs and Amendments to MFRSs

In the current financial year, the Group and the Company adopted the following revised MFRSs and amendments to MFRSs issued by Malaysian Accounting Standards Board that are relevant to their operations and mandatory for financial periods beginning on or after January 1, 2013:

MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures-Offsetting Financial Assets and Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)
MFRS 127	Separate Financial Statements (IAS 27 as amended by the IASB on May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 31 as amended by the IASB on May 2011)
MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

Amendments to MFRSs contained in the document entitled Annual Improvements 2009-2011 cycle

The adoption of these revised MFRSs and amendments to MFRSs has not affected the amounts reported on the financial statements of the Group and of the Company in the current and previous financial year.

MFRS 13: Fair Value Measurement

The Group and the Company have applied MFRS 13 for the first time in the current year. MFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of MFRS 13 is broad; the fair value measurement requirement of MFRS 13 apply to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of MFRS 2

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

Share-based Payment, leasing transactions that are within the scope of MFRS 117 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

MFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under MFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, MFRS 13 includes extensive disclosure requirements.

MFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group and the Company has not made any new disclosures required by MFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of MFRS 13 has not had any material impact on the amounts recognised in these financial statements.

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The Group and the Company have applied the amendments to MFRS 101 for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income. Under the amendments to MFRS 101, the “statement of comprehensive income” is renamed “statement of profit or loss and other comprehensive income”. The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to MFRS 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively, and hence, the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the abovementioned presentation changes, the application of the amendments to MFRS 101 have not resulted in any impact on profit or loss, other comprehensive income and total comprehensive income.

Standards and Amendments in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) ¹
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ¹
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures ¹
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities ²
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets) ²

NOTES TO THE FINANCIAL STATEMENTS

Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting) ²
1	Effective for annual periods beginning on or after January 1, 2015 instead of January 1, 2013 immediately upon the issuance of Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and MFRS 7 relating to “Mandatory Effective Date of MFRS 9 and Transition Disclosures” on March 1, 2012
2	Effective for annual periods beginning on or after January 1, 2014

The directors anticipate that abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group and of 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. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for any share-based payment transactions that are within the scope of MFRS 2, leasing transaction that are within the scope of MFRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value-in-use in MFRS 136.

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 when the Company has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

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

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

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.

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

Interest income is recognised on an accrual basis using the effective interest rate method.

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

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 profit or loss. Once the contributions have been paid, there are no further payment obligations. The approved provident fund is a defined contribution plan.

NOTES TO THE FINANCIAL STATEMENTS

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 year 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 period 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 profit or loss, except when it arises from a transaction which is recognised directly in other comprehensive income, in which case the deferred tax is also charged or credited directly in other comprehensive income, 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, furniture and fittings and renovation	10% - 20%
Factory equipment and electrical installation	10% - 20%
Motor vehicles	20%
Computers	20% - 40%

The estimated useful lives, residual values and depreciation method of property, plant and equipment are reviewed at the end of each reporting period, 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 profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss 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.

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 except for leasehold land classified as investment property.

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 profit or loss 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 from the statements of financial position. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Investment in Subsidiary Companies

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

Investment in Unit Trusts

Investment in unit trusts is stated at fair value.

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 ("CGU") expected to benefit from the synergies of the combination. CGU 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 CGU 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.

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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next one year and extrapolates cash flows for the following two 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.

Impairment of Non-financial Assets Excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets excluding goodwill 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 CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, 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 CGU) 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 CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

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 assets and financial liabilities are recognised when, and only when, the Group and the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets

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 and 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.

(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 MFRS 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.

NOTES TO THE FINANCIAL STATEMENTS

(iii) **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.

(iv) **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.

The 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.

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.

(v) **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.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

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

(i) Classification as 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'.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. The Group's and the Company's significant financial liabilities are classified as other financial liabilities.

(iv) 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, to the net carrying amount on initial recognition.

(v) Derecognition of Financial Liabilities

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

The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

Statements of Cash Flows

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

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.

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

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 of the Group and of the Company.

(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:

Impairment of Goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the CGU 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 CGU 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 (2012: RM583,937) and no impairment loss was recognised during the current financial year. Details of the value-in-use calculation are provided in Note 16.

Fair Value of Investment Property (Note 14)

As of December 31, 2013, the fair value of the investment property was estimated at RM13,000,000 based on valuation by an independent professional firm of valuers, City Valuers & Consultants Sdn. Bhd. dated December 31, 2013. The valuation was based on current prices in an active market for the property.

As of December 31, 2012, the fair value of the investment property was estimated at RM7,620,000. The directors of the Company assessed the fair value of the investment property based on the income approach and after taking into consideration 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. The income approach considers future income and expense data relating to the subject property being valued and estimates its current fair value through a discounting process. In arriving at the fair value, the directors have applied a discount rate of 8.3%.

Allowance for Doubtful Debts (Note 18)

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.

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

5. REVENUE

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Provision of waste recovery and recycling services	12,195,002	13,231,819	-	-
Sales of goods	553,388	726,460	-	-
Rental of recycled products	930,277	955,139	-	-
Trading of chemicals and other products	1,251,011	159,911	-	-
Gross dividend income from subsidiary companies	-	-	1,200,000	1,200,000
	<u>14,929,678</u>	<u>15,073,329</u>	<u>1,200,000</u>	<u>1,200,000</u>

6. OPERATING COSTS APPLICABLE TO REVENUE

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

	Note	The Group		The Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Direct costs on services rendered		3,841,394	3,062,366	-	-
Other operating expenses		3,081,605	5,493,492	112,124	229,580
Staff costs		2,104,123	1,192,385	-	-
Directors' remuneration	9	1,646,052	1,283,310	191,500	131,250
Depreciation of property, plant and equipment	12	1,112,335	1,239,910	-	-
Costs of chemicals and other products sold		575,653	33,139	-	-
Raw materials and consumables used		313,568	187,695	-	-
Amortisation of prepaid lease payments	13	176,232	130,790	-	-
Changes in inventories of work-in-progress and finished goods		(76,347)	(45,894)	-	-
		<u>12,774,615</u>	<u>12,577,193</u>	<u>303,624</u>	<u>360,830</u>

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 RM203,718 (2012: RM185,935).

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

7. FINANCE COSTS

	The Group	
	2013 RM	2012 RM
Interest expense on:		
Hire-purchase	7,044	36,965
Term loan	24,618	31,852
	<u>31,662</u>	<u>68,817</u>

8. PROFIT BEFORE TAX

Profit before tax is arrived at after the following charges/(credits):

	Note	The Group		The Company	
		2013 RM	2012 RM	2013 RM	2012 RM
Direct operating expenses arising from investment property	14	130,648	45,048	-	-
Property, plant and equipment written off		127,784	-	-	-
Auditors' remuneration:					
Current year		80,000	73,500	28,500	25,000
Other services		5,000	5,000	5,000	5,000
Underprovision in prior year		-	4,500	-	500
Changes in fair value of unit trust		60,875	(427,243)	31,425	(111,922)
Realised gain on foreign Exchange		13,518	(2,873)	-	-
Bad debts written off		2,500	74,536	-	-
Changes in fair value of investment property	14	(5,380,000)	(280,000)	-	-
Rental income from investment property	14	(899,265)	(817,833)	-	-
Gain on investment in unit trust		(193,257)	(163,443)	(74,251)	(71,311)
Interest income from fixed deposits		(187,095)	(53,817)	(30,322)	(10,321)
Allowance for doubtful debts no longer required		(120,610)	-	-	-
Gain arising from insurance claim on loss of property, plant and equipment		(27,071)	(67,658)	-	-
Gain arising from disposal of property, plant and equipment		(6,803)	(4,000)	-	-
Gain arising from disposal of prepaid lease payment		-	(4,535,004)	-	-
Impairment losses recognised on receivables		-	1,310,229	-	-
Rental of premises		-	78,700	-	-

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

9. DIRECTORS' REMUNERATION

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Executive directors:				
<i>Paid by the Company:</i>				
Fees	61,750	36,000	61,750	36,000
Other emoluments	12,500	14,000	12,500	14,000
	74,250	50,000	74,250	50,000
<i>Paid by the subsidiary companies:</i>				
Fees	-	133,000	-	-
Salaries and other emoluments	1,266,992	876,620	-	-
Contributions to EPF	187,560	142,440	-	-
	1,454,552	1,152,060	-	-
Non-executive directors:				
Fees	97,750	60,000	97,750	60,000
Other emoluments	19,500	21,250	19,500	21,250
	117,250	81,250	117,250	81,250
Total	1,646,052	1,283,310	191,500	131,250

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

	Number of Directors	
	2013	2012
Executive directors:		
Above RM150,000	4	3
RM50,001 to RM150,000	-	1
Non-executive directors:		
Below RM50,000	3	3

NOTES TO THE FINANCIAL STATEMENTS

10. INCOME TAX EXPENSE

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Estimated tax payable:				
Current year	1,266,563	2,129,648	247,200	300,000
Overprovision in prior years	(26,356)	(92,092)	(7,755)	(710)
	1,240,207	2,037,556	239,445	299,290
Deferred tax liabilities (Note 25):				
Current year	(35,890)	(109,360)	-	-
Under/(Over)provision in prior years	17,945	(94,361)	-	-
	(17,945)	(203,721)	-	-
	1,222,262	1,833,835	239,445	299,290

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

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Profit before tax	9,739,640	9,704,465	1,000,949	1,032,724
Tax at the applicable tax rate of 25%	2,434,910	2,426,116	250,237	258,181
Tax effects of:				
Non-deductible expenses	199,420	670,216	70,110	44,399
Income not subject to tax	(1,388,657)	(1,234,605)	(73,147)	(2,580)
Real property gains tax	-	214,067	-	-
Utilisation of deferred tax not recognised previously	(32,500)	(55,506)	-	-
Deferred tax not recognised	17,500	-	-	-
(Over)/Underprovision of tax in prior years:				
Current tax	(26,356)	(92,092)	(7,755)	(710)
Deferred tax	17,945	(94,361)	-	-
	1,222,262	1,833,835	239,445	299,290

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

As mentioned in Note 3, the deductible temporary differences, unused tax losses and unused tax credits, which would give rise to deferred tax assets are recognised 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. As of December 31, 2013, the estimated deductible temporary differences and unused tax losses for which the related deferred tax assets have not been recognised in the financial statements due to uncertainty of their realisation are as follows:

	The Group	
	2013	2012
Temporary differences arising from:		
Trade receivables	18,900	18,900
Inventories	247,800	247,800
Unused tax losses	672,000	732,000
	<u>938,700</u>	<u>998,700</u>

The unused tax losses are subject to agreement by 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	
	2013	2012
Profit for the year (RM)	<u>8,517,378</u>	<u>7,870,630</u>
Weighted average number of ordinary shares in issue (units of RM0.10 each)	<u>169,581,750</u>	<u>170,793,000</u>
Basic earnings per share (sen)	<u>5.02</u>	<u>4.61</u>

Diluted

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

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

12. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land and building RM	Leasehold building RM	Office equipment, furniture and fittings and renovation RM	Factory equipment and electrical installation RM	Motor vehicles RM	Computers RM	Capital work-in-progress RM	Total RM
Cost								
As of January 1, 2012	1,565,371	4,089,030	827,823	5,345,691	4,032,544	129,765	4,472,520	20,462,744
Additions	-	-	34,785	65,000	-	190,371	4,183,119	4,473,275
Written off	-	-	-	-	(201,500)	-	(196,865)	(398,365)
As of December 31, 2012	1,565,371	4,089,030	862,608	5,410,691	3,831,044	320,136	8,458,774	24,537,654
As of January 1, 2013	1,565,371	4,089,030	862,608	5,410,691	3,831,044	320,136	8,458,774	24,537,654
Additions	-	-	29,179	412,531	734,000	4,313	5,660,284	6,840,307
Disposals	-	-	-	-	(259,262)	-	-	(259,262)
Written off	-	-	(3,730)	-	(526,950)	-	-	(530,680)
As of December 31, 2013	1,565,371	4,089,030	888,057	5,823,222	3,778,832	324,449	14,119,058	30,588,019

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group	Freehold land and building RM	Leasehold building RM	Office equipment, furniture and fittings and renovation RM	Factory equipment and electrical installation RM	Motor vehicles RM	Computers RM	Capital work-in-progress RM	Total RM
Accumulated depreciation								
As of January 1, 2012	102,675	172,647	348,860	3,372,557	2,137,633	100,382	-	6,234,754
Charge for the year	14,667	57,146	110,767	430,330	553,174	73,826	-	1,239,910
Written off	-	-	-	-	(201,500)	-	-	(201,500)
As of December 31, 2012	117,342	229,793	459,627	3,802,887	2,489,307	174,208	-	7,273,164
As of January 1, 2013	117,342	229,793	459,627	3,802,887	2,489,307	174,208	-	7,273,164
Charge for the year	35,592	36,222	108,091	327,439	516,434	88,557	-	1,112,335
Disposals	-	-	-	-	(186,065)	-	-	(186,065)
Written off	-	-	(3,346)	-	(399,550)	-	-	(402,896)
As of December 31, 2013	152,934	266,015	564,372	4,130,326	2,420,126	262,765	-	7,796,538

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group	Freehold land and building RM	Leasehold building RM	Office equipment, furniture and fittings and renovation RM	Factory equipment and electrical installation RM	Motor vehicles RM	Computers RM	Capital work-in-progress RM	Total RM
Accumulated impairment								
As of January 1, 2012 and December 31, 2012	-	-	-	628,254	-	-	-	628,254
As of January 1, 2013 and December 31, 2013	-	-	-	628,254	-	-	-	628,254
Net book value								
As of December 31, 2013	1,412,437	3,823,015	323,685	1,064,642	1,358,706	61,684	14,119,058	22,163,227
As of December 31, 2012	1,448,029	3,859,237	402,981	979,550	1,341,737	145,928	8,458,774	16,636,236

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

Included in property, plant and equipment of the Group as of December 31, 2013 are motor vehicles acquired under hire-purchase arrangements with net book value amounting to RM768,488 (2012: RM556,331).

Included in property, plant and equipment of the Group as of December 31, 2013 are fully depreciated property, plant and equipment with an aggregate cost of RM8,052,000 (2012: RM5,735,000) which are still in use.

As of December 31, 2013, leasehold building with a net book value amounting to RM3,823,015 (2012: RM3,859,237) has been pledged as security for the term loan as mentioned in Note 24.

The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

The accumulated impairment losses were based on the review of the estimated recoverable amounts of the assets of whose profitability were significantly below acceptable levels as determined by the Group.

13. PREPAID LEASE PAYMENTS

	The Group	
	2013 RM	2012 RM
Cost		
At beginning of year	13,956,797	12,830,915
Addition	-	6,709,165
Disposal	-	(5,583,283)
	<u>13,956,797</u>	<u>13,956,797</u>
At end of year	13,956,797	13,956,797
Accumulated amortisation		
At beginning of year	326,996	441,358
Charge for the year	176,232	130,790
Disposal	-	(245,152)
	<u>503,228</u>	<u>326,996</u>
At end of year	503,228	326,996
Net	<u>13,453,569</u>	<u>13,629,801</u>

As of December 31, 2013, the unexpired lease periods of the said leasehold land range from 55 years to 98 years (2012: 56 years to 99 years).

As of December 31, 2013, leasehold land with a carrying amount of RM6,817,820 (2012: RM6,926,283) has been pledged as security for the term loan as mentioned in Note 24. The Group is not allowed to pledge the said leasehold land as security for other borrowings or to sell them to another entity.

14. INVESTMENT PROPERTY

	The Group	
	2013 RM	2012 RM
At fair value:		
At beginning of year	7,620,000	7,340,000
Changes in fair value	5,380,000	280,000
	<u>13,000,000</u>	<u>7,620,000</u>
At end of year	13,000,000	7,620,000

NOTES TO THE FINANCIAL STATEMENTS

As of December 31, 2013, the fair value of the investment property was estimated at RM13,000,000 based on valuation by an independent professional firm of valuers, City Valuers & Consultants Sdn. Bhd. dated December 31, 2013. The valuation was based on current prices in an active market for the property.

As of December 31, 2012, the fair value of the investment property was estimated at RM7,620,000. The directors of the Company assessed the fair value of the investment property based on the income approach and after taking into consideration 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. The income approach considers future income and expense data relating to the subject property being valued and estimates its current fair value through a discounting process. In arriving at the fair value, the directors had applied a discount rate of 8.3%.

Rental income and direct operating expenses arising from investment property of the Company has been disclosed in Note 8.

The fair value of the Group's investment property is classified as a Level 2 fair value item for the purposes of fair value hierarchy disclosures.

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Group	
	2013 RM	2012 RM
Unquoted shares - at cost	10,829,282	10,829,282

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

Name of Company	Effective Equity Interest		Principal Activities
	2013 %	2012 %	
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	Inactive
TC Chemical Sdn. Bhd. ("TCCSB")	100	100	Trading of chemicals and other products

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

16. GOODWILL ON CONSOLIDATION

	The Group	
	2013 RM	2012 RM
At beginning and end of year	583,937	583,937

Goodwill acquired in business combinations is allocated, at acquisition date, to cash-generating units ("CGU") that are expected to benefit from that business combination. Goodwill has been allocated to the recovery and recycling services operations of the Group.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from 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 2 years and extrapolates cash flows for the following 3 years based on estimated growth rate of 5% (2012: 5%) per annum. The discount rate used is 4.4% (2012: 4.4%) per annum.

17. INVENTORIES

	The Group	
	2013 RM	2012 RM
Raw materials	743,065	504,489
Work-in-progress	10,503	9,594
Finished goods	198,335	122,896
	951,903	636,979
Less: Allowance for slow-moving inventories	(247,880)	(247,880)
	704,023	389,099

18. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

Trade receivables consist of:

	The Group	
	2013 RM	2012 RM
Trade receivables	7,556,607	9,609,295
Less: Allowance for doubtful debts	(2,459,420)	(2,580,030)
	5,097,187	7,029,265

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 (2012: 30 to 90 days).

NOTES TO THE FINANCIAL STATEMENTS

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 debts as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group fully impaired all receivables due for more than 545 days (2012: more than 365 days) with serious doubt of recovery and other estimated irrecoverable amounts. It does not hold any collateral over these impaired balances. The average age of these receivables is 205 days (2012: 232 days).

Aging of past due but not impaired

	The Group	
	2013 RM	2012 RM
61 - 90 days	982,920	1,040,010
91 - 120 days	548,985	665,397
121 - 150 days	90,602	280,612
151 - 180 days	79,373	303,179
181 - 210 days	140,530	200,813
211 - 240 days	93,904	276,673
241 - 270 days	134,576	100,050
271 - 300 days	210,278	104,030
301 - 330 days	211,014	68,379
331 - 365 days	306,039	99,216
366 - 545 days	269,496	1,500,000
	3,067,717	4,638,359

Movement in allowance for doubtful debts

	The Group	
	2013 RM	2012 RM
At beginning of year	2,580,030	1,346,401
Allowance for doubtful debts no longer required	(120,610)	-
Bad debts written off	-	(21,600)
Impairment losses recognised on receivables	-	1,255,229
	2,459,420	2,580,030

Aging of impaired trade receivables

	The Group	
	2013 RM	2012 RM
> 565 days (2012: > 365 days)	1,105,224	2,580,030

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

Other receivables and prepaid expenses consist of:

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Other receivables	91,826	278,325	-	-
Refundable deposits	202,478	204,317	1,000	1,000
Prepaid expenses	258,369	30,112	26,181	-
	552,673	512,754	27,181	1,000
Less: Allowance for doubtful debts	(55,000)	(55,000)	-	-
	497,673	457,754	27,181	1,000

19. INVESTMENT IN UNIT TRUSTS

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
At fair value:				
At beginning of year	4,928,494	4,337,808	1,817,785	1,634,552
Additions	193,257	163,443	74,251	71,311
Changes in fair value (Note 8)	(60,875)	427,243	(31,425)	111,922
At end of year	5,060,876	4,928,494	1,860,611	1,817,785

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.

Investment in unit trusts is valued with reference to the latest unit price as of the reporting date as advised by the investment manager.

20. RELATED PARTY TRANSACTIONS

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

During the financial year, significant related party transactions which are negotiated on agreed terms and conditions between the said parties, are as follows:

	The Group	
	2013 RM	2012 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.	285	7,673

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

Compensation of key management personnel

The remuneration of key management personnel (excluding directors whose remuneration are disclosed in Note 9) during the financial year is as follows:

	The Group	
	2013 RM	2012 RM
Short-term employee benefits	415,557	439,900
Contributions to EPF	50,920	54,988
	466,477	494,888

21. SHARE CAPITAL

	The Group and The Company	
	2013 RM	2012 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
Treasury shares:		
At beginning of year	-	-
Repurchased during the year	473,988	-
At end of year	473,988	-

During the year, the Company purchased 1,097,600 units of its own shares through purchases on Bursa Malaysia Securities Berhad. The total amount paid for acquisition of the shares was RM473,988 and it has been deducted from equity. The repurchased shares were financed by internally generated funds and the average price paid for the shares was 43 sen per share. The repurchased shares are held as treasury shares in accordance with Schedule 67A of the Companies Act, 1965.

22. RESERVES

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Non-Distributable:				
Share premium	4,521,517	4,521,517	4,521,517	4,521,517
Distributable:				
Retained earnings	41,329,146	33,664,849	1,430,065	1,521,642
	45,850,663	38,186,366	5,951,582	6,043,159

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group and The Company

	2013 RM	2012 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	<u>(878,483)</u>	<u>(878,483)</u>
	<u>4,521,517</u>	<u>4,521,517</u>

Retained earnings

The Company is currently under the single-tier tax system. The entire unappropriated profit is available for distribution of single-tier dividend under the single-tier tax system.

23. HIRE-PURCHASE PAYABLES

	The Group	
	2013 RM	2012 RM
Total outstanding	386,877	602,715
Less: Interest-in-suspense	<u>(15,661)</u>	<u>(40,502)</u>
Principal outstanding	371,216	562,213
Less: Amount due within 12 months (shown under current liabilities)	<u>(241,843)</u>	<u>(266,714)</u>
Non-current portion	<u>129,373</u>	<u>295,499</u>

The non-current portion is payable as follows:

	The Group	
	2013 RM	2012 RM
Financial years ending December 31:		
2014	-	202,983
2015	76,489	36,614
2016 - 2017	<u>52,884</u>	<u>55,902</u>
	<u>129,373</u>	<u>295,499</u>

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, 2013, the effective borrowing rate ranged from 2.45% to 7.59% (2012: 2.50% to 7.59%) 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.

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

24. TERM LOANS - SECURED

	The Group	
	2013 RM	2012 RM
Principal outstanding	7,217,872	8,150,474
Less: Amount due within 12 months	<u>(939,876)</u>	<u>(939,876)</u>
Non-current portion	<u>6,227,996</u>	<u>7,210,598</u>

The non-current portion is repayable as follows:

	The Group	
	2013 RM	2012 RM
Between 1 - 3 years	1,879,752	1,879,752
Between 3 - 5 years	1,510,454	1,879,752
> 5 years	<u>2,887,790</u>	<u>3,451,094</u>
	<u>6,227,996</u>	<u>7,210,598</u>

The Group has 2 term loans, comprising a term loan of RM6,000,000 obtained in 2012 and another term loan of RM3,300,000 obtained in 2011 from a local licensed bank. The weighted average effective interest rate charged on the term loans net of deposits held with the local licensed bank is 4.4% (2012: 4.4%) per annum.

The term loans are secured by:

- (i) A registered open all monies First Party charge stamped nominally over the leasehold land and building as mentioned under Notes 12 and 13; and
- (ii) A corporate guarantee by the Company.

25. DEFERRED TAX LIABILITIES

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

	The Group	
	2013 RM	2012 RM
At beginning of year	143,388	347,109
Charge/(Credit) to profit or loss (Note 10):		
Temporary differences arising from:		
Property, plant and equipment	(41,994)	(99,910)
Investment property	-	(94,361)
Inventories	(6,103)	37,153
Trade receivables	30,152	(46,603)
	<u>(17,945)</u>	<u>(203,721)</u>
At end of year	<u>125,443</u>	<u>143,388</u>

Deferred tax assets and liabilities provided in the financial statements are in respect of the tax effects of the following:

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

	The Group	
	2013 RM	2012 RM
Deferred tax assets (before offsetting):		
Temporary differences arising from:		
Trade receivables	307,053	346,338
Inventories	326	-
	<u>307,379</u>	<u>346,338</u>
Offsetting	(307,379)	(346,338)
	<u>-</u>	<u>-</u>
Deferred tax assets (after offsetting)		
Deferred tax liabilities (before offsetting):		
Temporary differences arising from:		
Property, plant and equipment	432,822	489,726
	<u>432,822</u>	<u>489,726</u>
Offsetting	(307,379)	(346,338)
	<u>125,443</u>	<u>143,388</u>
Deferred tax liabilities (after offsetting)		

26. 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 (2012: 30 to 90 days).

Other payables and accrued expenses consist of:

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Other payables	609,586	617,429	-	31,600
Refundable deposits from tenants	277,969	236,442	-	-
Accrued expenses	249,668	140,918	38,800	-
Amount owing to directors	187,957	187,957	-	-
	<u>1,325,180</u>	<u>1,182,746</u>	<u>38,800</u>	<u>31,600</u>

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

27. DIVIDENDS

A first and final single tier tax exempt dividend of 5% amounting to RM853,081 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 (2012: 0.5 sen).

The directors have proposed a first and final single tier tax exempt dividend of 5% amounting to RM853,081 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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Cash on hand and at banks	7,351,838	11,513,594	248,566	29,155
Short-term deposits with:				
Licensed investment bank	2,888,169	1,526,827	765,545	344,897
Licensed bank	-	253,958	-	-
	10,240,007	13,294,379	1,014,111	374,052
Less: Fixed deposits pledged	-	(253,958)	-	-
	10,240,007	13,040,421	1,014,111	374,052

Short-term deposits with a licensed bank of the Group amounting to RMNil (2012: RM253,958) are pledged as security for bank guarantees issued by the bank on behalf of certain subsidiary companies amounting to RMNil as of December 31, 2013 (2012: RM158,244).

The short-term deposits with a licensed investment bank earn interest at an average rate of 2.70% (2012: 2.75%) per annum and have maturity periods ranging from 7 to 30 days (2012: 7 to 30 days).

The short-term deposits pledged with a licensed bank in 2012 earned interest at rates ranging from 3.0% to 3.15% per annum and had maturity periods ranging 30 to 365 days.

The foreign currency exposure profile of cash and bank balances is as follows:

	The Group	
	2013 RM	2012 RM
Ringgit Malaysia	10,131,127	13,285,430
United States Dollar	108,880	8,949
	10,240,007	13,294,379

29. 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.

Capital risk management

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.

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

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, 2013.

Under the requirement of Bursa Malaysia Guidance Note No. 3, the Group is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares). The Group has complied with this requirement.

Categories of financial instruments

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial assets				
Loans and receivables:				
Trade receivables	5,907,187	7,029,265	-	-
Other receivables and refundable deposits (Note 18)	239,304	427,642	1,000	1,000
Amount owing by subsidiary companies	-	-	8,772,254	9,947,925
	<u>6,146,491</u>	<u>7,456,907</u>	<u>8,773,254</u>	<u>9,948,925</u>
Designated as at FVTPL:				
Investment in unit trusts	<u>5,060,876</u>	<u>4,928,494</u>	<u>1,860,611</u>	<u>1,817,785</u>
Cash and bank balances	<u>10,240,007</u>	<u>13,294,379</u>	<u>1,014,111</u>	<u>374,052</u>
Financial liabilities				
Amortised cost:				
Trade payables	118,563	87,280	-	-
Other payables and accrued expenses (Note 26)	1,325,180	1,182,746	38,800	31,600
Hire-purchase payables (Note 23)	371,216	562,213	-	-
Term loans (Note 24)	7,217,872	8,150,474	-	-
	<u>9,032,831</u>	<u>9,982,713</u>	<u>38,800</u>	<u>31,600</u>

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 activities.

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

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

Foreign currency risk management

The Group is exposed to foreign exchange rate risk as certain non-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 Dollar ("USD") monetary asset at the reporting date is as follows:

	The Group	
	2013 RM	2012 RM
Cash and bank balances	108,880	8,949

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 positive/(negative) number below indicates an increase/(decrease) in profit and other equity where the relevant currency strengthens/(weakens) by 10% against the Ringgit Malaysia.

	USD Impact The Group	
	2013 RM	2012 RM
Profit or loss	10,880	895

Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on short-term deposits, hire-purchase arrangements and term loans.

The interest rates of the Group's hire purchase agreements, term loans and short-term deposits are disclosed in Notes 23, 24 and 28 respectively. Interest rates of short-term deposits are fixed at the inception of term deposits. Interest rates of hire-purchase payables are fixed at the inception of the hire-purchase arrangements.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate interest bearing borrowings and is prepared assuming the amount of liability outstanding at the reporting period end date was outstanding for the whole year. A 50 basis point increase or decrease is used.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended December 31, 2013 would decrease/increase by approximately RM48,000 (2012: RM44,000). This is mainly attributable to the Group's exposure to interest rates on its term loans.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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.

Financial liabilities

The Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods are disclosed in Note 23 for hire-purchase payables and Note 24 for term loans.

All other financial liabilities are repayable on demand or due within one year from the end of the reporting period.

Fair values of financial assets and financial liabilities

The fair values of financial instruments refer to the amounts at which the instruments could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. Fair values have been arrived at based on prices quoted in an active, liquid market or estimated using certain valuation techniques such as discounted future cash flows based upon certain assumptions. Amounts derived from such methods and valuation techniques are inherently subjective and therefore do not necessarily reflect the amounts that would be received or paid in the event of immediate settlement of the instruments concerned.

On the basis of the amounts estimated from the methods and techniques as mentioned in the preceding paragraph, the carrying amounts of the various financial assets and financial liabilities reflected on the statements of financial position approximate their fair values.

The methodologies used in arriving at the fair values of the principal financial assets and financial liabilities of the Group are as follows:

- **Cash and bank balances, trade and other receivables, refundable deposits, trade and other payables, accrued expenses and amount owing to directors:** The carrying amounts are considered to approximate the fair values as they are either within the normal credit terms or they have short-term maturity period.
- **Other financial assets:** The fair value of investment in unit trusts is calculated based on net asset value published by the fund manager.
- **Hire-purchase payables and term loans:** As the interest rates on hire purchase payables and term loans approximate their prevailing market rate, the carrying values of these financial liabilities approximate their fair value.

Fair value measurements recognised in the statements of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

December 31, 2013	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
The Group				
Financial assets at FVTPL				
Investment in unit trusts	5,060,876	-	-	5,060,876
The Company				
Financial assets at FVTPL				
Investment in unit trusts	1,860,611	-	-	1,860,611
December 31, 2012				
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
The Group				
Financial assets at FVTPL				
Investment in unit trusts	4,928,494	-	-	4,928,494
The Company				
Financial assets at FVTPL				
Investment in unit trusts	1,817,785	-	-	1,817,785

There were no transfers between Levels 1 and 2 during in the year.

30. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting 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.

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

Reportable Segments	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

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

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group 2013	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Revenue							
External sales	-	13,125,279	553,388	1,251,011	-	-	14,929,678
Inter-segment sales	1,200,000	-	3,400	-	-	(1,203,400)	-
Total revenue	1,200,000	13,125,279	556,788	1,251,011	-	(1,203,400)	14,929,678
Results							
Segment results	(229,372)	3,880,291	116,468	(225,966)	6,066,987	-	9,584,207
Finance costs							(31,662)
Interest income							187,095
Profit before tax							9,739,640
Income tax expense							(1,222,262)
Profit for the year							8,517,378

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group 2013	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Assets							
Segment assets	12,258,092	54,946,355	2,302,761	19,846,328	13,447,387	(32,000,424)	70,800,499
Unallocated corporate assets							833,862
Consolidated total assets							71,634,361
Liabilities							
Segment liabilities	38,800	16,759,212	290,690	21,285,559	2,658,994	(32,000,424)	9,032,831
Unallocated corporate liabilities							145,555
Consolidated total liabilities							9,178,386
Other Information							
Additions to capital expenditure (Notes 12 and 13)	-	3,149,802	1,250	3,689,255	-	-	6,840,307
Depreciation and amortisation (Notes 12 and 13)	-	915,165	298,543	74,859	-	-	1,288,567

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group 2013	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Assets							
Segment assets	12,258,092	54,946,355	2,302,761	19,846,328	13,447,387	(32,000,424)	70,800,499
Unallocated corporate assets							833,862
Consolidated total assets							71,634,361
Liabilities							
Segment liabilities	38,800	16,759,212	290,690	21,285,559	2,658,994	(32,000,424)	9,032,831
Unallocated corporate liabilities							145,555
Consolidated total liabilities							9,178,386
Other Information							
Additions to capital expenditure (Notes 12 and 13)	-	3,149,802	1,250	3,689,255	-	-	6,840,307
Depreciation and amortisation (Notes 12 and 13)	-	915,165	298,543	74,859	-	-	1,288,567

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group 2012	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Revenue							
External sales	-	14,186,958	726,460	159,911	-	-	15,073,329
Inter-segment sales	1,200,000	-	5,880	-	-	(1,205,880)	-
Total revenue	1,200,000	14,186,958	732,340	159,911	-	(1,205,880)	15,073,329
Results							
Segment results	(177,597)	10,706,869	322,840	(2,104,554)	971,907	-	9,719,465
Finance costs							(68,817)
Interest income							53,817
Profit before tax							9,704,465
Income tax expense							(1,833,835)
Profit for the year							7,870,630

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

The Group 2012	Investment holding RM	Recovery and recycling services RM	Manufacturing RM	Trading RM	Others RM	Eliminations RM	Total RM
Assets							
Segment assets	22,970,044	51,537,304	2,637,843	18,098,607	7,998,818	(38,673,651)	64,568,965
Unallocated corporate assets							841,236
Consolidated total assets							65,410,201
Liabilities							
Segment liabilities	31,600	14,935,335	720,868	19,620,601	3,102,614	(28,428,305)	9,982,713
Unallocated corporate liabilities							161,822
Consolidated total liabilities							10,144,535
Other Information							
Additions to capital expenditure (Notes 12 and 13)	-	4,468,457	-	6,713,983	-	-	11,182,440
Depreciation and amortisation (Notes 12 and 13)	-	1,054,861	81,514	234,325	-	-	1,370,700

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL COMMITMENT

As of December 31, 2013, the Group has the following capital commitments:

	The Group	
	2013 RM	2012 RM
Approved and contracted for:		
Acquisition of factory plant and equipment	3,559,000	-

32. OPERATING LEASE ARRANGEMENTS

The Group has entered into a number of commercial property lease contracts on its investment property. These lease contracts are non-cancellable and have remaining lease terms of between 1 to 3 years. The lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Future minimum rental income by the Group from its investment property under these non-cancellable operating lease contracts, is as follows:

	2013 RM	2012 RM
Not later than 1 year	708,480	498,816
Later than 1 year and not longer than 5 years	691,200	190,080
	1,399,680	688,896

33. MATERIAL LITIGATION

On October 12, 2012, Metro Koats Technology Sdn. Bhd. ("MKTSB"), a wholly-owned subsidiary of the Company, had filed a claim against Encik Yusseri Bin Said ("Encik Yusseri") to retrieve a vehicle owned by the MKTSB, which was in possession of Encik Yusseri after he resigned as a director of MKTSB according to the minutes of the special board meeting of MKTSB dated December 23, 2011.

On December 3, 2012, Encik Yusseri had filed a counterclaim against MKTSB at the High Court of Malaysia for an arbitrary sum of RM500,000 as a compensation for his alleged removal as a director of MKTSB, a sum of RM45,255 being amount owing to him which has already been provided for in the financial statements of the Group and legal costs amounting to RM2,018. A full trial was heard on April 3, 2013 with judgment reserved on May 17, 2013.

An identical claim was also filed by Encik Yusseri against the Company in another court of the High Court of Malaysia on December 13, 2012 which resulted in a judgement in default served on the Company on April 1, 2013. On April 4, 2013, Company's lawyers had successfully obtained a stay of execution whereby the judgement in default cannot be exercised until the setting aside of the application is heard and decided by the Courts on May 29, 2013.

A full trial was held on November 7, 2013, and on January 7, 2014 the High Court of Malaysia ordered Encik Yusseri's claim to be dismissed with a cost of RM30,000. The judge also held that Encik Yusseri was not dismissed as a director of the MKTSB and that his earlier suit was res judicata and an abuse of court process.

On February 4, 2014, Encik Yusseri has filed an appeal to the Court of Appeal of Malaysia against the decision by the High Court of Malaysia on January 7, 2014. The directors believe that the action can be successfully defended and therefore no provision for losses is required to be made.

NOTES TO THE FINANCIAL STATEMENTS

Tex Cycle Technology (M) Berhad

34. 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, 2013 into realised and unrealised profits, pursuant to the directive, is as follows:

	The Group		The Company	
	2013 RM	2012 RM	2013 RM	2012 RM
Total retained earnings of the Company and its subsidiaries				
Realised	41,991,129	39,663,902	1,323,169	1,383,321
Unrealised	7,833,360	2,496,290	106,896	138,321
	<u>49,824,489</u>	<u>42,160,192</u>	<u>1,430,065</u>	<u>1,521,642</u>
Less: Consolidation adjustments	(8,495,343)	(8,495,343)	-	-
Total retained earnings as per statements of financial position	<u>41,329,146</u>	<u>33,664,849</u>	<u>1,430,065</u>	<u>1,521,642</u>

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, 2011. 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 AND DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

Tex Cycle Technology (M) Berhad

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of 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, 2013 and of the financial performance 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 34 on page 70, 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,

HO SIEW WENG

Puchong
April 17, 2014

HO SIEW CHOONG

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

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 above
named **GERALDINE HII SIAW WEI** at **PETALING
JAYA** this 17th day of April, 2014.

Before me,

COMMISSIONER FOR OATHS

ANALYSIS OF SHAREHOLDINGS AS AT 23 APRIL 2014

Tex Cycle Technology (M) Berhad

SHARE CAPITAL

Authorised Share Capital	: RM20,000,000.00 (200,000,000 Ordinary Shares of RM0.10 each)
Issued and Fully Paid Share Capital	: RM17,079,300.00 (170,793,000 Ordinary Shares of RM0.10 each)
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	4	0.53	211	0.00
100 to 1,000	79	10.53	51,100	0.03
1,001 to 10,000	356	47.47	1,943,200	1.15
10,001 to 100,000	233	31.07	8,264,900	4.87
100,001 to less than 5% of issued shares	77	10.27	77,043,030	45.40
5% and above of issued shares	1	0.13	82,392,959	48.55
Total	750	100.00	169,695,400 *	100.00

* Excluding a total of 1,097,600 shares bought back by the Company and retained as treasury shares.

STATEMENT OF DIRECTORS' SHAREHOLDINGS

Name of Directors	< -----Direct----- >		< -----Indirect----- >	
	No. of Shares	% *	No. of Shares	% *
Ho Siew Choong	8,139,903	4.80	82,584,959	**48.67
Periasamy A/L Sinakalai	7,659,865	4.51	82,997,459	^48.91
Ho Siew Cheong	4,284,965	2.52	82,392,959	#48.55
Ho Siew Weng	2,198,597	1.30	82,790,459	##48.79
Ravindran A/L Markandu	175,000	0.10	3,000	###0.001
Alagasan Varatharajoo	15,000	0.01	-	-

Notes:-

* Excluding a total of 1,097,600 shares bought back by the Company and retained as treasury shares.

** 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.

ANALYSIS OF SHAREHOLDINGS AS AT 23 APRIL 2014

Tex Cycle Technology (M) Berhad

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.

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Directors	< -----Direct----- >		< -----Indirect----- >	
	No. of Shares	%	No. of Shares	% *
Can Cycle Sdn. Bhd.	82,392,959	48.55	-	-
Ho Siew Choong	8,139,903	4.80	82,584,959	**48.67
Periasamy A/L Sinakalai	7,659,865	4.51	82,997,459	^48.91
Ho Siew Cheong	4,284,965	2.52	82,392,959	#48.55
Ho Siew Weng	2,198,597	1.30	82,790,459	###48.79

Notes:-

* Excluding a total of 1,097,600 shares bought back by the Company and retained as treasury shares.

** 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.

THIRTY (30) LARGEST SHAREHOLDERS AS AT 23 APRIL 2014

Tex Cycle Technology (M) Berhad

No.	Name of Shareholders	No. of Shares	% *
1	Can Cycle Sdn. Bhd.	82,392,959	48.55
2	Ho Siew Choong	7,818,803	4.61
3	Periasamy A/L Sinakalai	7,659,865	4.51
4	Teo Kwee Hock	5,785,900	3.41
5	Soong Ik Lin	4,991,400	2.94
6	JF Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Siew Lai (Margin)	4,060,100	2.39
7	Abdul Aziz Bin Hashim	4,000,000	2.36
8	Ho Siew Cheong	3,988,965	2.35
9	Ho Mah Lee @ Ho Chwee Keng	3,301,000	1.95
10	Aiza Binti Abdul Aziz	2,780,000	1.64
11	Fready A/L Joseph	2,436,900	1.44
12	Yusseri Bin Said	2,350,130	1.38
13	Maybank Nominees (Tempatan) Sdn. Bhd. Yusseri Bin Said	2,000,000	1.18
14	Lee Yuen Kong	1,925,900	1.13
15	Fong Yuet Siong	1,907,000	1.12
16	Ho Siew Weng	1,867,597	1.10
17	Ho Siew Kee	1,837,670	1.08
18	AFFIN Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Meng Leng (TAN0950C)	1,457,500	0.86
19	MIDF Amanah Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Azril Akmar Bin Attan Akmar (CTS-AAA0006C)	785,000	0.46
20	Soong Ik Lin	780,000	0.46
21	Chuah Kooi Peng	713,800	0.42
22	Cimsec Nominees (Asing) Sdn. Bhd. CIMB for Crescendo Assets Limited (PB)	670,000	0.39
23	Cimsec Nominees (Tempatan) Sdn. Bhd. CIMB for Marinah Binti Mahathir (PB)	635,000	0.37
24	Cheong Yoke Sim	622,800	0.37
25	HDM Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Chai Yee Wah (MO9)	601,200	0.35
26	Chong Yoke Yin	518,200	0.31
27	Fong Yuet Siong	467,500	0.28
28	CIMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ho Siew Kee (MCFO PJ-CL)	463,400	0.27
29	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB Bank for Heng Aik Fong (MY0245)	450,000	0.27
30	Teh Siew Lan	397,500	0.23
	Total	149,666,089	88.20

* Excluding a total of 1,097,600 shares bought back by the Company and retained as treasury shares.

LIST OF PROPERTIES AS AT 31 DECEMBER 2013

Tex Cycle Technology (M) Berhad

Location	Description/ Existing Use	Land Area (Square Metres)	Built-up Area (Square Metres)	Approximate Age of Building	Tenure	Net Book Value @ 31 December 2013 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	16 years	99 years leasehold up to 18 January 2093	2,007,292	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	16 years	99 years leasehold up to 18 January 2093	2,411,682	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	10 year	Freehold	1,433,362	2003	N/A

LIST OF PROPERTIES AS AT 31 DECEMBER 2013

Tex Cycle Technology (M) Berhad

Location	Description/ Existing Use	Land Area (Square Metres)	Built-up Area (Square Metres)	Approximate Age of Building	Tenure	Net Book Value @ 31 December 2013 RM	Year of Acquisition	Last Date of Valuation
Metro Envoy 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	18 years	99 years leasehold up to 25 May 2065	13,000,000	2005	31.12.2013
TC Chemical Sdn Bhd PT No. 8942 HS(M) 1528 Mukim Klang Negeri Selangor	Single storey detached factory / Recycling and storage facility	12,000	7,708.49	7 years	99 years leasehold up to 28 January 2068	6,200,938	2011	N/A
PT 8960 HS(M) 1380, Mukim Klang, Daerah Klang, Negeri Selangor	Vacant leasehold land/Intended to be the Group's 2 nd recycling plant	19,906	N/A	N/A	99 years leasehold up to 17 December 1968	6,635,748	2012	N/A

[^] Rented for RM77,414 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

Tex Cycle Technology (M) Berhad

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of TEX CYCLE TECHNOLOGY (M) BERHAD (Company No.: 642619-P) will be held at Room Kinrara 1, Kinrara Golf Club Sdn. Bhd., Jalan Kinrara 6, Bandar Kinrara, 47100 Puchong, Selangor Darul Ehsan on Thursday, 19 June 2014 at 9.00 a.m. for the following purposes:

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and Auditors thereon. *Note B*
2. To declare a First and Final Single-Tier Dividend of 5% per share in respect of the financial year ended 31 December 2013. *Resolution 1*
3. To approve the payment of Directors' fee for the financial year ended 31 December 2013. *Resolution 2*
4. To re-elect the following Directors who are retiring under Article 80 of the Company's Articles of Association:
 - a) Ho Siew Cheong *Resolution 3*
 - b) Razali Bin Jantan *Resolution 4*
5. To re-appoint Messrs Deloitte & Touche as the Company's Auditors and to authorise the Board of Directors to fix their remuneration. *Resolution 5*

SPECIAL BUSINESS:

6. To consider and, if thought fit, pass with or without modifications, the following Ordinary Resolutions:
 - (a) **Ordinary Resolution 1** *Resolution 6*
 - **Authority to Directors to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

“**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 **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”
 - (b) **Ordinary Resolution 2** *Resolution 7*
 - **Retention of Independent Non-Executive Director**

“**THAT** subject to the passing of Resolution 4, Encik Razali Bin Jantan who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be and is hereby retained as an Independent Non-Executive Director until the conclusion of the next Annual General Meeting.”
 - (c) **Ordinary Resolution 3** *Resolution 8*
 - **Proposed Renewal of Shareholders' Mandate for Share Buy-Back**

“**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

NOTICE OF ANNUAL GENERAL MEETING

Tex Cycle Technology (M) Berhad

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 RM1,430,065 and RM4,521,517 respectively for the financial year ended 31 December 2013.

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.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single-Tier Dividend of 5% per share in respect of the financial year ended 31 December 2013 will be payable on 25 July 2014 to Depositors registered on the Record of Depositors at the close of business on 8 July 2014.

A Depositor shall qualify for entitlement only in respect of:

1. Shares transferred to the Depositor’s Securities Account before 4.00 p.m. on 8 July 2014 in respect of ordinary transfers; and
2. Shares 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
TEX CYCLE TECHNOLOGY (M) BERHAD**

**NG YIM KONG (LS 0009297)
Company Secretary**

Selangor Darul Ehsan
28 May 2014

NOTICE OF ANNUAL GENERAL MEETING

Tex Cycle Technology (M) Berhad

Notes:

A. PROXY

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 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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company or multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
4. 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.
5. 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.

B. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association do not require a formal approval of the said Audited Financial Statements by the shareholders. Hence, this agenda item is not subject to voting by the shareholders.

C. EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 6 - Section 132D of the Companies Act, 1965

The Resolution 6(a) proposed under item 6, if passed, will give 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 Ninth Annual General Meeting held on 25 June 2013. 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 Ninth Annual General Meeting because there was no need for any fund raising activity for the purpose of investment, acquisition or working capital.

NOTICE OF ANNUAL GENERAL MEETING

Tex Cycle Technology (M) Berhad

Resolution 7 – Retention of Independent Non-Executive Director

Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 recommends that shareholders' approval must be sought in the event that the Company intends to retain the Independent Non-Executive Director who have served in that capacity more than 9 years.

The Nominating Committee has at the annual assessment assessed the independence of Encik Razali Bin Jantan who had served more than 9 years, remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. His length of service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interests of the Company. In addition, Encik Razali Bin Jantan had confirmed and declared in writing that he is an Independent Director and he has satisfied all the criteria of an Independent Director set out in Rule 1.01 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board has therefore recommended that the approval of the shareholders be sought to re-appoint Encik Razali Bin Jantan as Independent Non-Executive Director.

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

The Resolution 8 proposed under item 6(c), 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 Shareholders' Mandate for Share Buy-Back, please refer to the Circular to Shareholders dated 28 May 2014 enclosed together with the Company's 2013 Annual Report.

D. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining whether a member is entitled to attend this meeting, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 55(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 12 June 2014. Only a depositor whose name appears in the Record of Depositors as at 12 June 2014 will be entitled to attend, speak and vote at the Meeting.

STATEMENT ACCOMPANYING NOTICE OF TENTH ANNUAL GENERAL MEETING

Details of the Director standing for re-appointment at the Tenth Annual General Meeting are set out in the profile of Directors in the 2013 Annual Report.

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FORM OF PROXY

Tex Cycle Technology (M) Berhad

Tenth 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 _____
 _____ or failing whom _____
 _____ of _____
 _____ as *my/our proxy(ies) to vote for *me/us and on *my/our behalf at the Tenth Annual General Meeting of the
 Company to be held at Room Kinrara 1, Kinrara Golf Club Sdn. Bhd., Jalan Kinrara 6, Bandar Kinrara, 47100 Puchong,
 Selangor Darul Ehsan on Thursday, 19 June 2014 at 9.00 a.m. and at any adjournment thereof.

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

Resolutions		For	Against
ORDINARY BUSINESS			
1.	To declare a First and Final Single-Tier Dividend of 5% per share in respect of the financial year ended 31 December 2013.	<i>Resolution 1</i>	
2.	To approve the payment of Directors' fee for the financial year ended 31 December 2013.	<i>Resolution 2</i>	
3.	To re-elect the following Directors who are retiring under Article 80 of the Company's Articles of Association:- a) Ho Siew Cheong b) Razali Bin Jantan	<i>Resolution 3</i> <i>Resolution 4</i>	
4.	To re-appoint Messrs Deloitte & Touche as the Company's Auditors and to authorise the Board of Directors to fix their remuneration.	<i>Resolution 5</i>	
SPECIAL BUSINESS			
5.	Ordinary Resolution 1 - Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.	<i>Resolution 6</i>	
6.	Ordinary Resolution 2 - Retention of Independent Non-Executive Director.	<i>Resolution 7</i>	
7.	Ordinary Resolution 3 - Proposed Renewal of Shareholders' Mandate for Share Buy-Back.	<i>Resolution 8</i>	

[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]

Dated thisday of.....2014

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 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. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company or multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
4. 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.
5. 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.
6. For the purpose of determining whether a member is entitled to attend this meeting, the Company shall be requesting from Bursa Malaysia Depository Sdn. Bhd. in accordance with Article 55(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 12 June 2014. Only a depositor whose names appear in the Record of Depositors as at 12 June 2014 will be entitled to attend, speak and vote at the Meeting.

Number of ordinary shares held :

Signature/Common Seal of Shareholder(s)
 [* Delete if not applicable]

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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
Malaysia

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TEX CYCLE TECHNOLOGY (M) BERHAD (642619-P)

8, Jalan TPK 2/3, Taman Perindustrian Kinrara,
47100 Puchong, Selangor Darul Ehsan

Tel :: 603 8076 3816 / 19 / 21 / 23

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