

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Revenue	9,521	9,265	20,114	18,349
Cost of sales	(3,578)	(4,095)	(8,091)	(7,864)
<b>Gross profit</b>	5,943	5,170	12,023	10,485
Other income	280	292	225	857
Distribution and selling expenses	(538)	(252)	(747)	(426)
Administrative expenses	(1,672)	(1,590)	(3,955)	(2,933)
Other expenses	(1,136)	(715)	(2,412)	(2,308)
Finance income	2	1	2	7
Finance costs	(70)	(12)	(141)	(19)
<b>Profit before taxation</b>	2,809	2,894	4,995	5,663
Taxation	(157)	(267)	(338)	(589)
<b>Profit for the year</b>	2,652	2,627	4,657	5,074
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	2,652	2,627	4,657	5,074
<b>Earnings per share (sen)</b>				
(a) Basic	1.04	1.03	1.83	2.00
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

( the figures have not been audited

	AS AT 30.06.2018 RM'000	AS AT 31.12.2017 RM'000
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	43,289	41,340
<i>Prepaid lease payment on leasehold land</i>	21,194	21,366
<i>Investment property</i>	16,110	15,872
<i>Goodwill on consolidation</i>	584	584
	<u>81,177</u>	<u>79,162</u>
<b>CURRENT ASSETS</b>		
<i>Investment in unit trusts</i>	17,559	12,127
<i>Inventories</i>	225	217
<i>Trade receivables</i>	13,964	12,165
<i>Other receivables</i>	1,963	1,450
<i>Tax recoverable</i>	1,731	2,672
<i>Deposits, cash and bank balances</i>	4,514	5,606
	<u>39,956</u>	<u>34,237</u>
<b>CURRENT LIABILITIES</b>		
<i>Borrowings</i>	1,347	722
<i>Trade payables</i>	1,875	196
<i>Other payables</i>	3,552	2,479
<i>Dividend payable</i>	1,534	-
	<u>8,308</u>	<u>3,397</u>
<b>NET CURRENT ASSETS</b>	<u>31,648</u>	<u>30,840</u>
	<u>112,825</u>	<u>110,002</u>
<b>REPRESENTED BY:</b>		
<i>Share capital</i>	25,619	25,619
<i>Treasury shares</i>	(665)	(1,030)
<i>Retained profits</i>	74,368	71,245
<i>Shareholders' Equity</i>	<u>99,322</u>	<u>95,834</u>
<i>Borrowings</i>	11,831	12,316
<i>Deferred tax liabilities</i>	1,672	1,852
<i>Non-current liabilities</i>	<u>13,503</u>	<u>14,168</u>
	<u>112,825</u>	<u>110,002</u>
<b>Net assets per share (sen)</b>	<u>39.03</u>	<u>37.69</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Note	Share Capital RM'000	Non-Distributable Share Premium RM'000	Treasury Shares RM'000	Retained Profits RM'000	Total RM'000
<b>At 1 January 2018</b>	25,619	-	(1,030)	71,245	95,834
Issuance of Employees' Share Scheme ("ESS")	-	-	758	-	758
Purchase of treasury shares	-	-	(393)	-	(393)
Total comprehensive income for the period	-	-	-	4,657	4,657
Appropriation:					
Interim dividends payable for the financial year ending 31 December 2018	-	-	-	(1,534)	(1,534)
<b>At 30 June 2018</b>	<b>25,619</b>	<b>-</b>	<b>(665)</b>	<b>74,368</b>	<b>99,322</b>
<b>At 1 January 2017</b>	17,079	4,522	(1,018)	64,274	84,857
Purchase of treasury shares	-	-	(12)	-	(12)
Total comprehensive income for the quarter	-	-	-	5,074	5,074
Appropriation:					
Interim dividend paid for the financial year ending 31 December 2017	-	-	-	(845)	(845)
<b>At 30 June 2017</b>	<b>17,079</b>	<b>4,522</b>	<b>(1,030)</b>	<b>68,503</b>	<b>89,074</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,995	5,663
Adjustments for:		
Depreciation of property, plant and equipment	1,552	1,566
Amortisation of prepaid lease payment	172	104
Allowance for doubtful debts - net	445	170
Changes in fair value of investment	508	(179)
Changes in fair value of investment property	(238)	-
Bad debts written off - net	(7)	-
Gain on investment in unit trust	(180)	(104)
Interest expense	141	19
Interest income	(2)	(7)
Operating profit before working capital changes	7,386	7,232
(Increase)/Decrease in inventories	(8)	5
(Increase)/Decrease in trade receivables	(1,354)	(3,253)
(Increase)/Decrease in other receivables	(513)	(1,293)
Increase/(Decrease) in trade payables	1,679	492
Increase/(Decrease) in other payables	1,419	4,496
Cash generated from operations	8,609	7,679
Interest paid	(141)	(19)
Taxes paid	(673)	(502)
Taxes refunded	997	-
<b>Net cash generated from operating activities</b>	<b>8,792</b>	<b>7,158</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	2	7
Investment in unit trust	(5,612)	-
Insurance claims received	-	159
Purchase of property, plant and equipment	(2,932)	(10,435)
<b>Net cash used in investing activities</b>	<b>(8,542)</b>	<b>(10,269)</b>

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Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
<b>CASH OUTFLOW FROM FINANCING ACTIVITY</b>		
Repayment of term loan	(866)	(211)
Repayment of hire purchase and lease financing - net	(83)	(30)
Purchase of treasury shares	(393)	(12)
Dividend paid	-	(845)
<b>Net cash from / used in financing activities</b>	<b>(1,342)</b>	<b>(1,098)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,092)</b>	<b>(4,209)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>5,606</b>	<b>5,666</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note A15)</b>	<b>4,514</b>	<b>1,457</b>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to the interim financial statements.

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### NOTES

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

##### A1 Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with Malaysia Financial Reporting Standards 134 (MFRS134): "Interim Financial Reporting" and Rule 9.22 of ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements also comply with IAS34, Interim Financial Reporting issued by the International Accounting Standards Board.

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2017.

The accounting policies and methods of computation adopted by the Company and its subsidiaries ("Group") in this interim financial statements are consistent with those adopted for the annual audited financial statements for the year ended 31 December 2017 except for the following new/amended MFRS:

MRFS 9	Financial Instruments
MRFS 15	Revenue from Contracts with Customers
MRFS 16	Leases
MRFS 17	Insurance Contracts
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transaction
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 140	Transfers of Investment Property
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
IC Interpretation 23	Uncertainty over Income Tax Payments

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

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

The then external auditors had expressed a qualified opinion on the valuation of an investment property held by the Group in the Audited Financial Statements for the financial year ended 31 December 2017.

Except for the possible effects of the matter described above, Messrs. Deloitte PLT opined that the accompanying financial statements of the Group give a true and fair view of the financial position of the Group as of 31 December 2017 and of its 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, 2016 in Malaysia.

The management stands firm based on the compulsory acquisition valuation report and internal assessments made on the aforementioned matter. As such to justify an unqualified opinion, management has engaged an independent valuer to carry out a valuation report which was dated on 12 June 2018 based on their valuation as at 16 May 2018. The valuers reported a marginally higher value as compared to management's estimation by RM238,300 or 1.5%. This justifies that the directors' estimates were based on reasonable grounds with proper documented evidences, signifying that the auditors had no basis to serve the qualified opinion onto the Company.

##### A3 Seasonal or cyclical factors

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

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

## NOTES

### A4 Segment information

	Investment holding RM'000	Recovery and recycling services RM'000	Manufactur- ing RM'000	Trading RM'000	Others* RM'000	Eliminat- ions RM'000	Total RM'000
<b>Current Year Quarter</b>							
<b>30.06.18</b>							
<b>Revenue</b>							
External sales	-	9,197	2	54	268	-	9,521
Inter-segment sales	-	-	-	-	-	-	-
Total revenue	-	9,197	2	54	268	-	9,521
<b>Results</b>							
Segment results	(81)	3,308	-	27	485	-	3,739
Finance income	2	-	-	-	-	-	2
Finance cost	-	(70)	-	-	-	-	(70)
Depreciation and amortisation	-	(755)	(3)	(104)	-	-	(862)
Profit before taxation	(79)	2,483	(3)	(77)	485	-	2,809
<b>Current Year To Date</b>							
<b>30.06.18</b>							
<b>Revenue</b>							
External sales	-	19,423	5	150	536	-	20,114
Inter-segment sales	-	-	4	-	-	(4)	-
Total revenue	-	19,423	9	150	536	(4)	20,114
<b>Results</b>							
Segment results	(257)	6,278	(1)	114	724	-	6,858
Finance income	2	-	-	-	-	-	2
Finance cost	-	(141)	-	-	-	-	(141)
Depreciation and amortisation	-	(1,509)	(7)	(208)	-	-	(1,724)
Profit before taxation	(255)	4,628	(8)	(94)	724	-	4,995
<b>Preceding Year Corresponding Quarter</b>							
<b>30.06.17</b>							
<b>Revenue</b>							
External sales	-	8,936	1	67	261	-	9,265
Inter-segment sales	-	114	-	-	-	(114)	-
Total revenue	-	9,050	1	67	261	(114)	9,265
<b>Results</b>							
Segment results	(84)	3,514	(16)	41	235	-	3,690
Finance income	-	1	-	-	-	-	1
Finance cost	-	(12)	-	-	-	-	(12)
Depreciation and amortisation	-	(689)	(4)	(92)	-	-	(785)
Profit before taxation	(84)	2,814	(20)	(51)	235	-	2,894
<b>Preceding Year Corresponding Period</b>							
<b>30.06.17</b>							
<b>Revenue</b>							
External sales	-	17,153	14	660	522	-	18,349
Inter-segment sales	-	114	-	3	-	(117)	-
Total revenue	-	17,267	14	663	522	(117)	18,349
<b>Results</b>							
Segment results	(193)	4,151	(34)	120	472	-	4,516
Finance income	1	6	-	-	-	-	7
Finance cost	-	(19)	-	-	-	-	(19)
Depreciation and amortisation	-	1,351	(8)	(184)	-	-	1,159
Profit before taxation	(192)	5,489	(42)	(64)	472	-	5,663

\* This segment represents the rental of investment property.

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

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### NOTES

#### A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

Save for the information disclosed in this interim report, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Company during the quarter under review.

#### A6 Material changes in estimates

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

#### A7 Debt and equity securities

During the current quarter, the Company repurchased 465,100 unit of shares from the open market at an average price of RM0.68 per share and the total repurchase cost was RM317,026. 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 127 of the Companies Act, 2016. Save for the above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter.

#### A8 Dividend paid

There were no dividends paid during the current financial period.

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

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

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

There were no material events subsequent to the current financial period up to the date of this report that would affect the financial results for the current financial period under review.

#### A11 Changes in the composition of the Company

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

#### A12 Contingent liabilities

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

#### A13 Capital commitments

	As at 30.06.2018 RM'000	As at 30.06.2017 RM'000
Acquisition of property, plant and equipment:		
Approved and contracted for	300	1,577
Approved but yet to be contracted for	200	-
	<u>500</u>	<u>1,577</u>

#### A14 Related party transactions

As at the end of the current quarter under review, the Group has not entered into any related party transactions.

#### A15 Cash and cash equivalents

	As at 30.06.2018 RM'000	As at 30.06.2017 RM'000
Cash in hand and at banks	4,514	1,399
Deposits with licensed investment bank	-	58
	<u>4,514</u>	<u>1,457</u>



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### NOTES

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

##### B1 Review of performance

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Revenue	9,521	9,265	20,114	18,349
Profit before taxation	2,809	2,894	4,995	5,663

For the quarter ended 30 June 2018, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM9.5million, an increase of RM0.3million or 3% compared to the corresponding quarter of the preceeding year ended 30 June 2017 as a result of higher demand from the recycling and recovery industry. However, the Group made a profit before taxation of RM2.8million for the current quarter, a marginal decrease of RM0.1million compared to the corresponding quarter of the preceeding year ended 30 June 2017.

##### Recycling and recovery division

For the quarter ended 30 June 2018, the revenue of the recycling business increased by RM0.3million or 3% as compared to that of the corresponding quarter preceeding year. The increase is mainly due to higher demand from the recycling and recovery industry.

##### Manufacturing division

For the current quarter, the revenue of the manufacturing division increased marginally by RM1,000 as compared to the corresponding quarter preceeding year.

##### Trading division

For the current quarter, the revenue of the trading division decreased by RM13,000 as compared to the corresponding quarter preceeding year. The decrease is mainly due to the lower sales demand from customers.

##### B2 Material Changes in Quarterly Results compared to the Results of the preceeding quarter

	Current Year Quarter 30.06.2018 RM'000	Previous Quarter 31.3.2018 RM'000
	Revenue	9,521
Profit/(Loss) before taxation	2,809	2,190

The Group's revenue for the current quarter was RM9.5million as compared to the revenue for the preceeding quarter of RM10.6million, representing a decrease of RM1.1million, or 10%. The decrease is due to lower demand from the recycling and recovery industry. However, the Group made a profit before taxation of RM2.8million for the current quarter, an increase of RM0.6million compared to the preceeding quarter ended 31 March 2018 mainly due to the one-off staff cost for the Employees' Share Scheme ("ESS") of RM0.8million as well as higher treatment cost for certain scheduled waste incurred in the preceeding quarter.

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### NOTES

#### B3 Prospects

Tex Cycle (P2) plant, a wholly-owned subsidiary of Tex Cycle Technology (M) Berhad, had fully operationalised its production in 2015. The plant which is situated on eight and a half acres of industrial land with a built-up area of 160,800 sq.ft., located in Telok Gong, Selangor, is equipped with state of the art equipment. The plant is licensed by the Department of Environment to transport, recycle and recover thirty-one types of scheduled waste.

On 2 August 2016, Tex Cycle (P2) Sdn Bhd had obtained approval from Sustainable Energy Development Authority Malaysia (SEDA) to build and operate a renewable electrical energy power plant with a capacity to supply 2 MW per hour of electricity to Tenaga Nasional Berhad through a power purchase agreement ("PPA").

The PPA with Tenaga Nasional Berhad was signed on 2 February 2017 at a fixed tariff rate of RM0.4766 per kWh for sixteen (16) years. The renewable electrical energy power plant ("REEP") is located at Tex Cycle (P2) plant. The REEP will have an installed capacity of 2.5 MW per hour. Construction of the REEP commenced in January 2017 and the Energy Commission Public License has already been obtained for an operation period of 16 years. The Company is in the midst of applying to SEDA for an extension of time from the originally approved commencement date of 28 August 2018 to 28 January 2019.

As at the date of this report, the relevant authority had finally provided clearance on the switchgear drawings and the Company is now able to proceed with the switchgears manufacturing. However, the Company is still awaiting written permission from the Selangor Department of Environment ("DOE") that has already been approved by the Putrajaya DOE.

With the implementation of the power plant project, it is expected to contribute positively to the Group's results from 2019.

#### B4 Profit forecast and profit guarantee

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

#### B5 Taxation

The taxation is calculated based on the profit for the financial period ended 30 June 2018 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30.06.2018 RM'000	30.06.2017 RM'000	30.06.2018 RM'000	30.06.2017 RM'000
Income tax				
Estimated tax payable for current period	341	229	506	551
Deferred tax				
Estimated deferred tax for current period	(184)	38	(168)	38
	<u>157</u>	<u>267</u>	<u>338</u>	<u>589</u>

The effective tax rate is lower than the statutory tax rate due to the 70% tax exemption on tax payable granted to Tex Cycle (P2).

#### B6 Status of corporate proposals

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

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### NOTES

#### B7 Borrowings and debt securities

	As at 30.06.2018 RM'000	As at 30.06.2017 RM'000
<i>Short term borrowings:</i>		
Secured-Term Loan	1,240	452
Unsecured - Hire purchase and finance lease payables	107	128
	1,347	580
<i>Long term borrowings:</i>		
Secured-Term Loan	11,702	3,292
Unsecured - Hire purchase and finance lease payables	129	-
	11,831	3,292
	<u>13,178</u>	<u>3,872</u>

#### B8 Material litigation

On 28 July 2016, Tex Cycle Technology (M) Berhad ("TCTB") took legal action against Fact System (Malaysia) Sdn Bhd ("FACT") claiming the Defendant had breached the contract in respect of the successful implementation of the FACT System pursuant to TCTB's requirement for the implementation of GST with the deadline and in accordance with TCTB's requirements by 1 April 2015 for a sum of RM1,059,748.34 as damages. On 15 September 2016, the Defendant filed a counterclaim for the sum of RM38,668.80 being the additional 76 hours spent on the implementation of the software.

The Court had sanctioned the parties to mediate on 7 December 2016 but no settlement could be reached. The case management was held on 10 January 2017 to update the Court on mediation and trial of this matter was heard on 24 and 25 May 2017 and subsequently adjourned to 11, 12 and 13 September 2017. The trial of the suit proceeded on 11 and 13 September 2017, 8, 9 and 10 November 2017. The Court has directed parties to file their respective written submissions. This matter is fixed for mention on 9 February 2018. The Skeletal Submissions in Reply were forwarded by the Plaintiff and the Defendant. The Judge requested parties to come back in one month that is on the 14 March 2018 in respect of Clarification and further Oral Submissions, if need be.

On concluding this case, TCTB had proven to the High Court that there was a contract from the emails, meetings and invoice submitted. The learned judge also agreed that the contract included the Good and Services Tax deadline requirement gathered from the emails and also with FACT's registration with the Royal Malaysian Customs Department. The learned judge found that the defendant's denial of this ran contrary to the evidence. Furthermore, the FACT software was not implemented to go live and the evidence tendered by the defendant's Chief Executive Officer was a hearsay as no other witness was being called. As such, the High Court had on 14 May 2018 awarded TCTB's claim for the full refund of the Contract Sum of RM191,572 with interest at 5% per annum from the filing of the statement of claim and general damages of RM100,000 together with costs of RM40,000. However, subsequent to that, on 12 June 2018, FACT had decided to appeal against the whole decision to the Court of Appeal.

#### B9 Dividends declared

Details of dividends under the single-tier system approved and declared by the Board of Directors are as follows:

	As at 30.06.2018	As at 30.06.2017
Interim dividend per share (sen)	0.6	0.6
For financial year ending	31 December 2018	31 December
Approved and declared on	13 June 2018	17 August 2017
Entitlement to dividends based on record of depositors as at	28 June 2018	4 September 2017
Date paid	18 July 2018	25 September 2017

# TEX CYCLE TECHNOLOGY (M) BERHAD

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2018

### NOTES

#### B10 Profit before tax

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Profit before tax is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipment	736	784	1,552	1,566
Amortisation of prepaid lease payment	126	52	172	104
Allowance for doubtful debts - net	101	22	445	170
Bad debts written off - net	-	-	(7)	-
Gain on investment in unit trust	(97)	(71)	(180)	(104)
Changes in fair value of investment property	(238)	-	(238)	-
Decrease/(Increase) in fair value of unit trust	159	(13)	568	(179)
Interest income from deposits placed with licensed banks	(2)	(1)	(2)	(7)
Interest expenses on term loans	67	10	135	15
Interest expenses on hire-purchase	3	2	6	4

#### B11 Earnings per share

##### (a) Basic Earnings Per Ordinary Share

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2018 RM'000	Preceding Year Corresponding Quarter 30.06.2017 RM'000	Current Year To Date 30.06.2018 RM'000	Preceding Year Corresponding Period 30.06.2017 RM'000
Net profit for the period (RM'000)	2,652	2,627	4,657	5,074
Weighted average number of ordinary shares in issue ('000)	254,540	254,253	254,494	254,253
Basic earnings per share (sen)	1.04	1.03	1.83	2.00

##### (b) Diluted Earnings Per Ordinary Share

Not applicable to the Company

#### By Order of the Board

Periasamy A/L Sinakalai

Managing Director

Selangor Darul Ehsan

Date: 21 August 2018