

TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 1st Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000	Current Year To Date 31.3.2020 RM'000	Preceding Year Corresponding Period 31.3.2019 RM'000
Revenue	5,424	7,957	5,424	7,957
Cost of sales	(2,602)	(3,383)	(2,602)	(3,383)
Gross profit	2,822	4,574	2,822	4,574
Other income	493	1,113	493	1,113
Distribution and selling expenses	(255)	(518)	(255)	(518)
Administrative expenses	(2,633)	(3,785)	(2,633)	(3,785)
Other expenses	(576)	(177)	(576)	(177)
Finance income	*	6	-	6
Finance costs	(1)	(3)	(1)	(3)
Share of loss of equity-accounted joint venture	(158)	-	(158)	-
(Loss)/Profit before taxation	(308)	1,210	(308)	1,210
Taxation	(166)	(60)	(166)	(60)
(Loss)/Profit for the year	(474)	1,150	(474)	1,150
Other comprehensive income	11	-	11	-
Total comprehensive (loss)/income for the year	(463)	1,150	(463)	1,150
(Loss)/Profit for the year				
- Owner of the Company	(465)	1,150	(465)	1,150
- Minority interest	(9)	-	(9)	-
	(474)	1,150	(474)	1,150
Total comprehensive (loss)/income for the year				
- Owner of the Company	(454)	1,150	(454)	1,150
- Minority interest	(9)	-	(9)	-
	(463)	1,150	(463)	1,150
Earnings per share (sen)				
(a) Basic	(0.19)	0.45	(0.19)	0.45
(b) Fully diluted	N/A	N/A	N/A	N/A

* Negligible

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 1st Quarter Ended 31 March 2020 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(the figures have not been audited)

	AS AT 31.3.2020 RM'000	AS AT 31.12.2019 RM'000
NON-CURRENT ASSETS		
<i>Property, plant and equipment</i>	67,594	66,038
<i>Investment property</i>	16,110	16,110
<i>Goodwill on consolidation</i>	584	584
<i>Investment in a joint venture</i>	850	1,018
	<u>85,138</u>	<u>83,750</u>
CURRENT ASSETS		
<i>Investment in unit trusts</i>	15,450	22,837
<i>Inventories</i>	190	236
<i>Trade receivables</i>	5,336	6,694
<i>Other receivables</i>	1,931	1,334
<i>Amount owing by a joint venture</i>	394	394
<i>Tax recoverable</i>	325	-
<i>Deposits, cash and bank balances</i>	11,320	6,280
	<u>34,946</u>	<u>37,775</u>
CURRENT LIABILITIES		
<i>Borrowings</i>	1,568	1,584
<i>Trade payables</i>	147	208
<i>Other payables</i>	1,752	2,436
<i>Tax payable</i>	-	-
	<u>3,467</u>	<u>4,253</u>
NET CURRENT ASSETS	<u>31,479</u>	<u>33,522</u>
	<u>116,617</u>	<u>117,272</u>
REPRESENTED BY:		
<i>Share capital</i>	26,387	26,387
<i>Treasury shares</i>	(1,244)	(1,111)
<i>Foreign exchange reserve</i>	18	29
<i>Retained profits</i>	79,790	80,255
<i>Minority interest</i>	331	-
<i>Shareholders' Equity</i>	<u>105,282</u>	<u>105,560</u>
<i>Borrowings</i>	8,911	9,288
<i>Deferred tax liabilities</i>	2,424	2,424
<i>Non-current liabilities</i>	11,335	11,712
	<u>116,617</u>	<u>117,272</u>
Net assets per share (sen)	<u>41.58</u>	<u>41.55</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report on Results for the 1st Quarter Ended 31 March 2020 CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(The figures have not been audited)

Note	Share Capital RM'000	Treasury Shares RM'000	Foreign Exchange Reserve RM'000	Retained Profits RM'000	Total RM'000	Minority interest RM'000	Total RM'000
At 1 January 2020	26,387	(1,111)	29	80,255	105,560	-	105,560
Addition of non-controlling interest of subsidiaries	-	-	-	-	-	340	340
Purchase of treasury shares	-	(133)	-	-	(133)	-	(133)
Loss for the period	-	-	-	(465)	(465)	(9)	(474)
Total comprehensive loss for the period	-	-	(11)	-	(11)	-	(11)
At 31 March 2020	26,387	(1,244)	18	79,790	104,951	331	105,282
At 1 January 2019	26,257	(1,468)	-	76,808	101,597	-	101,597
Issuance of Employees' Share Scheme ("ESS")	130	1,000	-	-	1,130	-	1,130
Purchase of treasury shares	-	(386)	-	-	(386)	-	(386)
Total comprehensive income for the period	-	-	-	1,150	1,150	-	1,150
At 31 March 2019	26,387	(854)	-	77,958	103,491	-	103,491

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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Quarterly Report on Results for the 1st Quarter Ended 31 March 2020

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 31.3.2020 RM'000	Preceding Year Corresponding Period 31.3.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before taxation	(308)	1,210
Adjustments for:		
Depreciation of property, plant and equipments	878	828
Amortisation of prepaid land lease	-	86
Allowance for expected credit losses - net	(51)	138
Changes in fair value of investment	484	(363)
Bad debts written off - net	84	(496)
Inventory written off	-	20
Gain on investment in unit trust	(89)	(103)
Gain on disposal of investment in unit trust	(72)	-
Gain on disposal of property, plant and equipments	(32)	-
Share of loss of equity-accounted joint venture	158	-
Unrealised loss on foreign exchange	(7)	-
Employees' Share Scheme ("ESS") expenses	-	1,130
Interest expense	1	3
Interest income	*	(6)
Operating profit before working capital changes	<u>1,046</u>	<u>2,447</u>
Decrease in inventories	47	-
Decrease in trade receivables	1,325	2,967
Increase in other receivables	(597)	(343)
Decrease in trade payables	(61)	(35)
Decrease in other payables	(685)	(329)
Cash generated from operations	<u>1,075</u>	<u>4,707</u>
Interest paid	(1)	(3)
Tax paid	(518)	(368)
Net cash generated from operating activities	<u>556</u>	<u>4,336</u>

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Company's No.: 642619-P

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date	Preceding Year
	31.3.2020	Corresponding Period
	RM'000	31.3.2019
		RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	*	6
Proceeds from disposal of property, plant and equipments	32	-
Net changes in investment in unit trust	7,065	(1,600)
Purchase of property, plant and equipments	(2,434)	(840)
Investment in subsidiaries	340	-
Net cash generated from used in investing activities	5,003	(2,434)
CASH OUTFLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	(366)	(325)
Repayment of hire purchase and finance lease payable	(27)	(27)
Purchase of treasury shares	(133)	(386)
Net cash used in financing activities	(526)	(738)
Effect of foreign exchange	7	-
Net increase in cash and cash equivalents	5,033	1,164
Cash and cash equivalents at beginning of period	6,280	5,504
Cash and cash equivalents at end of period (Note A15)	11,320	6,668

* Negligible

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial statements.

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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 2019. 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 2019.

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 2019.

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 preceding annual financial statements

The auditors' report on the financial statements for the year ended 31 December 2019 was not qualified.

A3 Seasonal or cyclical factors

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

A4 Unusual items affecting assets, liabilities, equity, net income or cash flows

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.

A5 Material changes in estimates

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

A6 Debt and equity securities

During the current quarter, the Company repurchased 693,100 unit of shares from the open market at an average price of RM0.19 per share and the total repurchase cost was RM133,108. 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.

A7 Dividend paid

There were no dividends paid during the current financial period.

A8 Valuation of property, plant and equipments

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

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A9 Segment information

	Investment holding RM'000	Recovery and recycling services RM'000	Manufacturing RM'000	Trading RM'000	Renewable energy RM'000	Others [^] RM'000	Eliminations RM'000	Total RM'000
Current Year Quarter								
31.3.2020								
Revenue								
External sales	-	5,158	-	(2)	-	268	-	5,424
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	5,158	-	(2)	-	268	-	5,424
Results								
Segment results	(234)	716	(13)	43	(158)	217	-	571
Finance income	*	*	-	-	-	-	-	-
Finance cost	-	(1)	-	-	-	-	-	(1)
Depreciation	-	(770)	(4)	(104)	-	-	-	(878)
(Loss)/Profit before taxation	(234)	(55)	(17)	(61)	(158)	217	-	(308)
Current Year To Date								
31.3.2020								
Revenue								
External sales	-	5,158	-	(2)	-	268	-	5,424
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	5,158	-	(2)	-	268	-	5,424
Results								
Segment results	(234)	716	(13)	43	(158)	217	-	571
Finance income	*	*	-	-	-	-	-	-
Finance cost	-	(1)	-	-	-	-	-	(1)
Depreciation	-	(770)	(4)	(104)	-	-	-	(878)
(Loss)/Profit before taxation	(234)	(55)	(17)	(61)	(158)	217	-	(308)
Preceding Year Corresponding Quarter								
31.3.2019								
Revenue								
External sales	-	7,677	-	12	-	268	-	7,957
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	7,677	-	12	-	268	-	7,957
Results								
Segment results	23	1,850	(24)	25	-	247	-	2,121
Finance income	3	3	-	-	-	-	-	6
Finance cost	-	(2)	-	(1)	-	-	-	(3)
Depreciation	-	(798)	(4)	(112)	-	-	-	(914)
Profit before taxation	26	1,053	(28)	(88)	-	247	-	1,210
Preceding Year Corresponding Period								
31.3.2019								
Revenue								
External sales	-	7,677	-	12	-	268	-	7,957
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	7,677	-	12	-	268	-	7,957
Results								
Segment results	23	1,850	(24)	25	-	247	-	2,121
Finance income	3	3	-	-	-	-	-	6
Finance cost	-	(2)	-	(1)	-	-	-	(3)
Depreciation	-	(798)	(4)	(112)	-	-	-	(914)
Profit before taxation	26	1,053	(28)	(88)	-	247	-	1,210

* Negligible

[^] This segment represents the rental of investment property.

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A9 Segment information

	Malaysia RM'000	United Kingdom RM'000	Eliminat- ions RM'000	Total RM'000
Current Year Quarter				
31.3.2020				
Revenue				
External sales	5,424	-	-	5,424
Inter-segment sales	-	-	-	-
Total revenue	<u>5,424</u>	<u>-</u>	<u>-</u>	<u>5,424</u>
Results				
Segment results	729	(158)	-	571
Finance income	-	-	-	-
Finance cost	(1)	-	-	(1)
Depreciation	(878)	-	-	(878)
Loss before taxation	<u>(150)</u>	<u>(158)</u>	<u>-</u>	<u>(308)</u>
Current Year To Date				
31.3.2020				
Revenue				
External sales	5,424	-	-	5,424
Inter-segment sales	-	-	-	-
Total revenue	<u>5,424</u>	<u>-</u>	<u>-</u>	<u>5,424</u>
Results				
Segment results	729	(158)	-	571
Finance income	-	-	-	-
Finance cost	(1)	-	-	(1)
Depreciation	(878)	-	-	(878)
Loss before taxation	<u>(150)</u>	<u>(158)</u>	<u>-</u>	<u>(308)</u>
Preceding Year Corresponding Quarter				
31.3.2019				
Revenue				
External sales	7,957	-	-	7,957
Inter-segment sales	-	-	-	-
Total revenue	<u>7,957</u>	<u>-</u>	<u>-</u>	<u>7,957</u>
Results				
Segment results	2,121	-	-	2,121
Finance income	6	-	-	6
Finance cost	(3)	-	-	(3)
Depreciation	(914)	-	-	(914)
Profit before taxation	<u>1,210</u>	<u>-</u>	<u>-</u>	<u>1,210</u>
Preceding Year Corresponding Period				
31.3.2019				
Revenue				
External sales	7,957	-	-	7,957
Inter-segment sales	-	-	-	-
Total revenue	<u>7,957</u>	<u>-</u>	<u>-</u>	<u>7,957</u>
Results				
Segment results	2,121	-	-	2,121
Finance income	6	-	-	6
Finance cost	(3)	-	-	(3)
Depreciation	(914)	-	-	(914)
Profit before taxation	<u>1,210</u>	<u>-</u>	<u>-</u>	<u>1,210</u>

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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

On 9 March 2020, Tex Cycle Sdn Bhd ("Tex Cycle"), the wholly owned subsidiary of Tex Cycle Technology (M) Bhd, incorporated a 60% owned subsidiary in Malaysia, named Pakar B2E Sdn Bhd ("Pakar B2E") with Pakar Go Green Sdn Bhd and KLPK Niaga Sdn Bhd. The principle activity of Pakar B2E is development of renewable energy powerplant, procurement and processing of biomass solid fuel for renewable energy generation, trading and/or export the by-products obtained from the process.

While on 20 March 2020, Tex Cycle has entered into a shareholder agreement with EFS Revision Energy Sdn Bhd ("EFS") intend for TC Champ Sdn Bhd, a 70% owned subsidiary to be the joint venture vehicle for identifying, evaluating and executing strategic business opportunities in the solar renewable energy sector. On 13 May 2020, TC Champ Sdn Bhd also entered into a Share Sale Agreement with EFS for the proposed acquisition of 100% shares of 500,000 ordinary shares in Revision Solar Sdn Bhd ("RSSB").

A12 Contingent liabilities

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

A13 Capital commitments

	As at 31.3.2020 RM'000	As at 31.12.2019 RM'000
Acquisition of property, plant and equipments:		
Approved and contracted for	-	1,906
Approved but yet to be contracted for	150	25
	<u>150</u>	<u>1,931</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 31.3.2020 RM'000	As at 31.12.2019 RM'000
Cash in hand and at banks	<u>11,320</u>	<u>6,280</u>

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

B1 Review of performance

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000	Current Year To Date 31.3.2020 RM'000	Preceding Year Corresponding Period 31.3.2019 RM'000
Revenue	5,424	7,957	5,424	7,957
(Loss)/Profit before taxation	(308)	1,210	(308)	1,210

For the quarter ended 31 March 2020, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM5.4million, a decrease of RM2.5million or 32% compared to the corresponding quarter of the preceding year ended 31 March 2019. Accordingly, the Group made a loss before taxation of RM0.3million for the current quarter, a decrease of RM1.5million compared to the corresponding quarter of the preceding year ended 31 March 2019 as a result of global and domestic economic downturn due to Covid-19 pandemic and share of loss in equity-accounted joint venture amounting to RM158,034 for the operating expenses incurred on the renewable energy project in UK.

Recycling and recovery division

For the quarter ended 31 March 2020, the revenue of the recycling business decreased by RM1.2million or 16% as compared to that of the corresponding quarter preceding year. The decrease is mainly due to global and domestic economic downturn arising from Covid-19 pandemic.

Manufacturing division

There is no revenue generated from manufacturing division for both current quarter ended 31 March 2020 and corresponding quarter of the preceeding year ended 31 March 2019. There is no demand from the defence industry.

Trading division

For the current quarter, the revenue of the trading division decreased as compared to the corresponding quarter preceding year due to the lower sales demand from customers.

Renewable energy division

For the quarter ended 31 March 2020, the Company has loss of taxation due to share of loss in equity-accounted joint venture of RM158,034 for the operating expenses (i.e consultation and professional fee, legal fee, overseas travelling fee, rental, utilities and etc) incurred on the renewable energy project in UK.

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B2 Material changes in quarterly results compared to the results of the preceding quarter

	Current Year Quarter 31.3.2020 RM'000	Previous Quarter 31.12.2019 RM'000
Revenue	5,424	7,081
(Loss)/Profit before taxation	(308)	102

The Group's revenue for the current quarter was RM5.4million as compared to the revenue for the preceding quarter of RM7.1million, representing a decrease of RM1.6million, or 23%. The Group made a loss before taxation of RM0.3million for the current quarter, a decrease of RM0.4million compared to the preceding quarter ended 31 December 2019 as a result of global and domestic economic downturn due to Covid-19 pandemic and share of loss in equity-accounted joint venture amounting to RM158,034 for the operating expenses incurred on the renewable energy project in UK.

B3 Prospects

Tex Cycle (P2) plant ("Tex Cycle P2"), a wholly-owned subsidiary of Tex Cycle Technology (M) Berhad, 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 had obtained approval from Sustainable Energy Development Authority Malaysia (SEDA) in 2016 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") signed on 2 February 2017 at a fixed tariff rate of RM0.4766 per kWh for sixteen (16) years.

However, on 30 April 2019 while TCP2 was doing Initial Operation Date ("IOD") testing, the Company was informed by the DOE Putrajaya that the Company was required to carry out an Environmental Impact Assessment ("EIA") under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015 followed by a letter from Department of Environment dated 21 June 2019 to update its existing EIA and including new Terms of Reference. As such, the Company had to stop its IOD testing and proceed with its application to SEDA for a further extension of time for the IOD and Feed-in Tariff Commencement Date. Subsequently on 20 February 2020, TCP2 has received a letter from SEDA on the approval of extension of time for the IOD and Feed-in Tariff Commencement Date. The new IOD and Feed-in Tariff Commencement Date will be set on 15 June 2020 and 27 July 2020 respectively.

Tex Cycle Sdn Bhd ("Tex Cycle"), a wholly-owned subsidiary of Tex Cycle Technology (M) Berhad, has entered into a shareholder agreement with EFS Revision Energy Sdn Bhd ("EFS") intend for TC Champ Sdn Bhd, a 70% owned subsidiary to be the joint venture vehicle for identifying, evaluating and executing strategic business opportunities in the solar renewable energy sector. TC Champ Sdn Bhd will enter into projects in Malaysia relating to the acquisition and/or development of solar power plant and enter into corporate renewable energy power purchase agreement or equipment or solar leasing agreement.

On 13 May 2020, TC Champ Sdn Bhd has entered into a Share Sale Agreement with EFS for the proposed acquisition of 100% shares of 500,000 ordinary shares in Revision Solar Sdn Bhd ("RSSB"). RSSB is principally engaged in provision of equipment and consultancy services related to renewable energy. RSSB is a Feed-In Approval Holder of a solar photovoltaic ("solar PV") plant in Penang under the Malaysia Feed-In-Tariff Programme with a Renewable Energy Power Purchase Agreement ("REPPA") with Tenaga Nasional Berhad ("TNB") for the tenure of 21 years.

On a separate note, Tex Cycle P2 has entered into a Memorandum of Understanding with MyBamboo Sdn Bhd on 21 May 2020. This partnership is aimed to facilitate power generation using bamboo as biofuel, identify and initiate projects within Malaysia that will allow technical collaboration between both parties and bring in technology and attract investment/funding and also work towards scaling successful projects to create a viable bamboo biomass-based economy.

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B3 Prospects (cont'd)

The country's economic growth in the first six (6) months of year 2020 has severely affected by the Covid-19 pandemic. The Movement Control Order ("MCO") imposed by Malaysian Government beginning from 18 March 2020 has required the temporary closure of all businesses except for those involved in the provision of essential services and products. The economic conditions in the next 12 months remain very uncertain. The Group is monitoring the development of Covid-19 pandemic closely and actively focusing on cost optimisation and streamlining its existing processes at this juncture. The Directors are cautiously optimistic on longer term prospects that the business will gradually recover amidst the fluid economic environment and stay competitive amongst others.

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 loss for the financial period ended 31 March 2020 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.3.2020 RM'000	Preceding Year Corresponding Quarter 31.3.2019 RM'000	Current Year To Date 31.3.2020 RM'000	Preceding Year Corresponding Period 31.3.2019 RM'000
Income tax				
Estimated tax payable for current period	166	60	166	60
	<u>166</u>	<u>60</u>	<u>166</u>	<u>60</u>

B6 Status of corporate proposals

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

B7 Borrowings and debt securities

	As at 31.3.2020 RM'000	As at 31.12.2019 RM'000
<i>Short term borrowings:</i>		
Secured-Term loan	1,483	1,483
Unsecured - Hire purchase and finance lease payable	85	101
	<u>1,568</u>	<u>1,584</u>
<i>Long term borrowings:</i>		
Secured-Term loan	8,911	9,278
Unsecured - Hire purchase and finance lease payable	-	10
	<u>8,911</u>	<u>9,288</u>
	<u>10,479</u>	<u>10,872</u>

B8 Material litigation

There is no material litigation as at 10 June 2020.

B9 Dividends declared

No dividend has been recommended for the current financial year ended 31 March 2020.

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B10 (Loss)/Profit before taxation

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipments	878	828	878	828
Amortisation for prepaid land lease	-	86	-	86
Allowance for expected credit losses - net	(51)	138	(51)	138
Bad debts written off - net	84	(496)	84	(496)
Inventory written off	-	20	-	20
Gain on disposal of property, plant and equipments	(32)		(32)	
Gain on investment in unit trusts	(89)	(103)	(89)	(103)
Employees' Share Scheme ("ESS") expenses	-	1,130	-	1,130
Changes in fair value of unit trusts	484	(363)	484	(363)
Gain on disposal of investment in unit trusts	(72)	-	(72)	-
Share of loss of equity-accounted joint venture	158	-	158	-
Unrealised loss on foreign exchange	(7)	-	(7)	-
Interest income from deposits placed with licensed banks	*	(6)	*	(6)
Interest expenses on term loans	1	1	1	1
Interest expenses on finance lease liabilities	-	2	-	2

* Negligible

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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 31.3.2020	Preceding Year Corresponding Quarter 31.3.2019	Current Year To Date 31.3.2020	Preceding Year Corresponding Period 31.3.2019
Net (loss)/profit for the period (RM'000)	(474)	1,150	(474)	1,150
Weighted average number of ordinary shares in issue ('000)	253,204	254,034	253,204	254,034
Basic earnings per share (sen)	<u>(0.19)</u>	<u>0.45</u>	<u>(0.19)</u>	<u>0.45</u>

(b) Diluted earnings per ordinary share

Not applicable to the Company.

By Order of the Board

Ho Siew Choong

Executive Chairman

Selangor Darul Ehsan

Date: 10 June 2020