

TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2020

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	5,036	8,083	10,459	16,040
Cost of sales	(1,846)	(2,877)	(4,447)	(6,313)
Gross profit	3,190	5,206	6,012	9,727
Other income	556	1,146	798	2,121
Distribution and selling expenses	(305)	(365)	(560)	(882)
Administrative expenses	(2,058)	(2,633)	(4,833)	(6,400)
Other expenses	(96)	(31)	(279)	(31)
Finance income	16	7	16	13
Finance costs	(7)	(3)	(8)	(6)
Share of loss of equity-accounted joint venture	(212)	-	(370)	-
Profit before taxation	1,084	3,327	776	4,542
Taxation	(235)	(1,052)	(401)	(1,112)
Profit for the year	849	2,275	375	3,430
Other comprehensive income	6	-	17	-
Total comprehensive income for the year	855	2,275	392	3,430
Profit for the year				
- Owner of the Company	845	2,275	387	3,430
- Minority interest	4	-	(12)	-
	849	2,275	375	3,430
Total comprehensive income for the year				
- Owner of the Company	851	2,275	404	3,430
- Minority interest	4	-	(12)	-
	855	2,275	392	3,430
Earnings per share (sen)				
(a) Basic	0.34	0.89	0.15	1.35
(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 2nd Quarter Ended 30 June 2020 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(the figures have not been audited)

	AS AT 30.06.2020 RM'000	AS AT 31.12.2019 RM'000
NON-CURRENT ASSETS		
<i>Property, plant and equipment</i>	69,763	66,038
<i>Investment property</i>	16,110	16,110
<i>Goodwill on consolidation</i>	1,640	584
<i>Investment in a joint venture</i>	632	1,018
	88,145	83,750
CURRENT ASSETS		
<i>Investment in unit trusts</i>	18,833	22,837
<i>Inventories</i>	247	236
<i>Trade receivables</i>	6,157	6,694
<i>Other receivables</i>	1,747	1,334
<i>Amount owing by a joint venture</i>	409	394
<i>Tax recoverable</i>	626	-
<i>Deposits, cash and bank balances</i>	5,797	6,280
	33,816	37,775
CURRENT LIABILITIES		
<i>Borrowings</i>	1,540	1,584
<i>Trade payables</i>	105	208
<i>Other payables</i>	3,205	2,436
<i>Tax payable</i>	-	25
	4,850	4,253
NET CURRENT ASSETS	28,966	33,522
	117,111	117,272
REPRESENTED BY:		
<i>Share capital</i>	26,387	26,387
<i>Treasury shares</i>	(1,354)	(1,111)
<i>Foreign exchange reserve</i>	13	29
<i>Retained profits</i>	80,635	80,255
<i>Minority interest</i>	335	-
<i>Shareholders' Equity</i>	106,016	105,560
<i>Borrowings</i>	8,655	9,288
<i>Deferred tax liabilities</i>	2,440	2,424
<i>Non-current liabilities</i>	11,095	11,712
	117,111	117,272
Net assets per share (sen)	41.87	41.55

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 2nd Quarter Ended 30 June 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		-	(243)	-	-	(243)	-	(243)
Profit for the period		-	-	-	380	380	(5)	375
Total comprehensive loss for the period		-	-	(16)	-	(16)	-	(16)
At 30 June 2020		<u>26,387</u>	<u>(1,354)</u>	<u>13</u>	<u>80,635</u>	<u>105,681</u>	<u>335</u>	<u>106,016</u>
At 1 January 2019		26,257	(1,469)	-	76,808	101,596	-	101,596
Issuance of Employees' Share Scheme ("ESS")		130	1,000	-	-	1,130	-	1,130
Purchase of treasury shares		-	(458)	-	-	(458)	-	(458)
Total comprehensive income for the period		-	-	-	3,430	3,430	-	3,430
Appropriation:								
Interim dividend paid for the financial year ended 31 December 20		-	-	-	(1,526)	(1,526)	-	(1,526)
At 30 June 2019		<u>26,387</u>	<u>(927)</u>	<u>-</u>	<u>78,712</u>	<u>104,172</u>	<u>-</u>	<u>104,172</u>

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 2nd Quarter Ended 30 June 2020

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	776	4,542
Adjustments for:		
Depreciation of property, plant and equipments	1,751	1,578
Amortisation of prepaid land lease	-	172
Allowance for expected credit losses - net	45	6
Changes in fair value of investment	(120)	(641)
Bad debts written off - net	84	4
Inventory written off	-	20
Gain on investment in unit trust	(151)	(306)
Gain on disposal of investment in unit trust	(89)	-
Gain on disposal of property, plant and equipments	(32)	*
Share of loss of equity-accounted joint venture	370	-
Unrealised loss on foreign exchange	1	-
Employees' Share Scheme ("ESS") expenses	-	1,130
Interest expense	7	6
Interest income	(16)	(13)
Operating profit before working capital changes	<u>2,626</u>	<u>6,498</u>
Increase in inventories	(11)	-
Decrease in trade receivables	408	1,134
Increase in other receivables	(413)	(1,666)
Decrease in trade payables	(103)	(34)
Increase in other payables	768	236
Cash generated from operations	<u>3,275</u>	<u>6,168</u>
Interest paid	(7)	(6)
Tax paid	(1,036)	(620)
Tax refunded	-	1,324
Net cash generated from operating activities	<u>2,232</u>	<u>6,866</u>

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	*	13
Proceeds from disposal of property, plant and equipments	32	152
Net changes in investment in unit trust	4,365	(1,846)
Purchase of property, plant and equipments	(2,879)	(1,309)
Investment in subsidiaries	(3,314)	-
Net cash used in investing activities	(1,796)	(2,990)
CASH OUTFLOW FROM FINANCING ACTIVITIES		
Repayment of term loan	(622)	(730)
Repayment of hire purchase and finance lease payable	(55)	(160)
Purchase of treasury shares	(243)	(458)
Dividend paid	-	(1,526)
Net cash used in financing activities	(920)	(2,874)
Effect of foreign exchange	1	-
Net (decrease)/increase in cash and cash equivalents	(484)	1,002
Cash and cash equivalents at beginning of period	6,280	5,504
Cash and cash equivalents at end of period (Note A15)	5,797	6,506

* 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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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2020

NOTES

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 440,500 unit of shares from the open market at an average price of RM0.25 per share and the total repurchase cost was RM111,122. 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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NOTES

A9 Segment information

	Investment holding RM'000	Recovery and recycling services RM'000	Manufacturing RM'000	Trading RM'000	Renewable energy RM'000	Others ^A RM'000	Eliminations RM'000	Total RM'000
Current Year Quarter								
30.06.2020								
Revenue								
External sales	-	4,889	-	141	46	(40)	-	5,036
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	4,889	-	141	46	(40)	-	5,036
Results								
Segment results	436	1,675	(9)	89	(176)	(67)	-	1,948
Finance income	*	16	-	-	-	-	-	16
Finance cost	-	(1)	-	-	(6)	-	-	(7)
Depreciation	-	(750)	(4)	(104)	(15)	-	-	(873)
Profit before taxation	436	940	(13)	(15)	(197)	(67)	-	1,084
Current Year To Date								
30.06.2020								
Revenue								
External sales	-	10,047	-	139	46	228	-	10,460
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	10,047	-	139	46	228	-	10,460
Results								
Segment results	44	2,549	(22)	132	(357)	173	-	2,519
Finance income	-	16	-	-	-	-	-	16
Finance cost	-	(2)	-	-	(6)	-	-	(8)
Depreciation	-	(1,520)	(8)	(208)	(15)	-	-	(1,751)
Profit before taxation	44	1,043	(30)	(76)	(378)	173	-	776
Preceding Year Corresponding Quarter								
30.06.2019								
Revenue								
External sales	-	7,815	-	-	-	268	-	8,083
Inter-segment sales	-	-	1	-	-	-	(1)	-
Total revenue	-	7,815	1	-	-	268	(1)	8,083
Results								
Segment results	336	3,596	(12)	(18)	-	257	-	4,159
Finance income	2	5	-	-	-	-	-	7
Finance cost	-	(2)	-	(1)	-	-	-	(3)
Depreciation	-	(722)	(4)	(110)	-	-	-	(836)
Profit before taxation	338	2,877	(16)	(129)	-	257	-	3,327
Preceding Year Corresponding Period								
30.06.2019								
Revenue								
External sales	-	15,492	-	12	-	536	-	16,040
Inter-segment sales	-	-	1	-	-	-	(1)	-
Total revenue	-	15,492	1	12	-	536	(1)	16,040
Results								
Segment results	359	5,451	(36)	7	-	504	-	6,285
Finance income	5	8	-	-	-	-	-	13
Finance cost	-	(4)	-	(2)	-	-	-	(6)
Depreciation	-	(1,520)	(8)	(222)	-	-	-	(1,750)
Profit before taxation	364	3,935	(44)	(217)	-	504	-	4,542

* Negligible

^A This segment represents the rental of investment property.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2020

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A9 Segment information

	Malaysia RM'000	United Kingdom RM'000	Eliminat- ions RM'000	Total RM'000
Current Year Quarter				
30.6.2020				
Revenue				
External sales	5,036	-	-	5,036
Inter-segment sales	-	-	-	-
Total revenue	5,036	-	-	5,036
Results				
Segment results	2,160	(212)	-	1,948
Finance income	16	-	-	16
Finance cost	(7)	-	-	(7)
Depreciation	(873)	-	-	(873)
Profit before taxation	1,296	(212)	-	1,084
Current Year To Date				
30.6.2020				
Revenue				
External sales	10,460	-	-	10,460
Inter-segment sales	-	-	-	-
Total revenue	10,460	-	-	10,460
Results				
Segment results	2,889	(370)	-	2,519
Finance income	16	-	-	16
Finance cost	(8)	-	-	(8)
Depreciation	(1,751)	-	-	(1,751)
Profit before taxation	1,146	(370)	-	776
Preceding Year Corresponding Quarter				
30.6.2019				
Revenue				
External sales	8,083	-	-	8,083
Inter-segment sales	-	-	-	-
Total revenue	8,083	-	-	8,083
Results				
Segment results	4,159	-	-	4,159
Finance income	7	-	-	7
Finance cost	(3)	-	-	(3)
Depreciation	(836)	-	-	(836)
Profit before taxation	3,327	-	-	3,327
Preceding Year Corresponding Period				
30.6.2019				
Revenue				
External sales	16,040	-	-	16,040
Inter-segment sales	-	-	-	-
Total revenue	16,040	-	-	16,040
Results				
Segment results	6,285	-	-	6,285
Finance income	13	-	-	13
Finance cost	(6)	-	-	(6)
Depreciation	(1,750)	-	-	(1,750)
Profit before taxation	4,542	-	-	4,542

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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 29 July 2020, EFS MYSolar Sdn Bhd has entered into a Share Sale Agreement with EFS Revision Energy Sdn Bhd for the proposed acquisition of 100% shares of 500,000 ordinary shares in Klasik Aktif Sdn Bhd ("KASB").

A12 Contingent liabilities

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

A13 Capital commitments

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Acquisition of property, plant and equipments:		
Approved and contracted for	76	1,906
Approved but yet to be contracted for	500	25
	<u>576</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 30.06.2020 RM'000	As at 31.12.2019 RM'000
Cash in hand and at banks	<u>5,797</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 30.06.2020 RM'000	Preceding Year Corresponding Quarter 30.06.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
Revenue	5,036	8,083	10,459	16,040
Profit before taxation	1,084	3,327	776	4,542

For the quarter ended 30 June 2020, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM5.0million, a decrease of RM3.0million or 38% compared to the corresponding quarter of the preceding year ended 30 June 2019. Accordingly, the Group made a profit before taxation of RM1.1million for the current quarter, a decrease of RM2.2million compared to the corresponding quarter of the preceding year ended 30 June 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 RM211,744 for the operating expenses incurred on the renewable energy project in UK.

Recycling and recovery division

For the quarter ended 30 June 2020, the revenue of the recycling business decreased by RM2.9million or 37% 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 30 June 2020 and corresponding quarter of the preceding year ended 30 June 2019. There is no demand from the defence industry.

Trading division

For the current quarter, the revenue of the trading division decreased by 0.13million or 47% as compared to the corresponding quarter preceding year due to the lower sales demand from customers.

Renewable energy division

For the quarter ended 30 June 2020, renewable energy division has begun to generate revenue for the group from the solar Feed-in-Tariff ("FiT") plant of a newly acquired subsidiary, Revision Solar Sdn Bhd. However, the Company has lower profit before taxation due to share of loss in equity-accounted joint venture of RM211,744 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 30.06.2020 RM'000	Previous Quarter 31.03.2020 RM'000
Revenue	5,036	5,424
Profit/(Loss) before taxation	1,084	(308)

The Group's revenue for the current quarter was RM5.0million as compared to the revenue for the preceding quarter of RM5.4million, representing a decrease of RM0.4million, or 7%. The Group made a profit before taxation of RM1.0million for the current quarter, an increase of RM1.4million compared to the preceding quarter ended 31 March 2020 as a result of increase in fair value gain from investment of unit trusts and lower repair and maintenance cost incurred during current quarter.

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 ("TNB") 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 ("FiT") Commencement Date. To date, the new IOD and FiT Commencement Date are set on 30 November 2020 and 31 December 2020 respectively. In the meantime, the plant has obtained approval from DOE for test run from 1 July 2020 to 30 November 2020.

On 23 June 2020, Tex Cycle P2 has entered into a Memorandum of Understanding ("MOU") with Usaha Strategik Sdn Bhd. This partnership is aimed to facilitate power generation using empty fruit bunch ("EFB") pellets or other form of EFB as biofuel, identify and initiate projects within Malaysia that will allow technical collaboration between both parties and bring in technology and attract investment/funding, work towards scaling successful projects to increase output capacity of producing EFB pellets and also to explore further potential and market value on by-product from gasification process.

On separate note, Pakar B2E Sdn Bhd, a 60%-owned subsidiary of Tex Cycle Technology (M) Bhd has obtained the FiT approval from SEDA on 2 July 2020. The FiT approval is for the biomass project in Gurun, Kedah, to supply 4 MW electricity to TNB for the tenure of 21 years at a fixed tariff rate of RM0.3784 per kWh.

Besides, Culzean W2E Limited ("Culzean") has also entered into a MOU with Medisort Limited ("Medisort") on 13 July 2020. Culzean is setting up a facility to process 3,200 tonnes per annum of medical and clinical waste via high temperature incineration ("HTI Plant"). Medisort have expressed an interest in the supply of up to 3,200 tonnes per annum of waste for high temperature incineration, at a gate fee of £600 per tonne. Culzean will procure, build, commission and operate a number of facilities embedded within hospital or other healthcare setting infrastructure, delivering heat and/or power to the healthcare setting with the first of these sites likely to be installed at the Calderdale and Huddersfield NHS Trust site in Huddersfield, West Yorkshire.

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B3 Prospects (cont'd)

During the current quarter, Tex Cycle Group's renewable energy division has begun to generate revenue for the group from the solar FiT plant of a newly acquired subsidiary, Revision Solar Sdn Bhd. On 27 July 2020, EFS has entered into a Share Sale Agreement with EFS Revision Energy Sdn Bhd for the proposed acquisition of 100% shares of 500,000 ordinary shares in Klasik Aktif Sdn Bhd ("KASB"). KASB is principally engaged in provision of equipment and consultancy services related to renewable energy. KASB is a Feed-In Approval Holder of a solar PV plant in Penang under the Malaysia FiT Programme with a Renewable Energy Power Purchase Agreement ("REPPA") with TNB for the tenure of 21 years at a fixed tariff rate of RM1.1512 per kWh.

The country's economic growth in the first six (6) months of year 2020 has been severely affected by the Covid-19 pandemic. 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 30 June 2020 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2020 RM'000	Preceding Year Corresponding Quarter 30.06.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
Income tax				
Estimated tax payable for current period	221	1,052	387	1,112
(Over) provision in prior year	(2)	-	(2)	-
Deferred tax				
Estimated deferred tax for current period	16	-	16	-
	<u>235</u>	<u>1,052</u>	<u>401</u>	<u>1,112</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 30.06.2020 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	57	101
	1,540	1,584
<i>Long term borrowings:</i>		
Secured-Term loan	8,655	9,278
Unsecured - Hire purchase and finance lease payable	-	10
	8,655	9,288
	<u>10,195</u>	<u>10,872</u>

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B8 Material litigation

There is no material litigation as at 12 August 2020.

B9 Dividends declared

No dividend has been recommended for the current financial period ended 30 June 2020.

B10 Profit before taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.06.2020 RM'000	Preceding Year Corresponding Quarter 30.06.2019 RM'000	Current Year To Date 30.06.2020 RM'000	Preceding Year Corresponding Period 30.06.2019 RM'000
Profit before taxation is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipments	873	742	1,751	1,578
Amortisation for prepaid land lease	-	94	-	172
Allowance for expected credit losses - net	96	(132)	45	6
Bad debts written off - net	-	(266)	84	(758)
Inventory written off	-	-	-	20
Gain on disposal of property, plant and equipments	-	*	(32)	*
Gain on investment in unit trusts	(62)	(203)	(151)	(306)
Judgement sum received from FACT case	-	(258)	-	(258)
Employees' Share Scheme ("ESS") expenses	-	-	-	1,130
Changes in fair value of unit trusts	(603)	(278)	(119)	(641)
Gain on disposal of investment in unit trusts	(17)	-	(89)	-
Share of loss of equity-accounted joint venture	212	-	370	-
Unrealised loss on foreign exchange	6	-	(1)	-
Interest income from deposits placed with licensed banks	(16)	(7)	(16)	(13)
Interest expenses on term loans	7	1	8	2
Interest expenses on finance lease liabilities	-	2	-	4

* 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 30.06.2020	Preceding Year Corresponding Quarter 30.06.2019	Current Year To Date 30.06.2020	Preceding Year Corresponding Period 30.06.2019
Net profit for the period (RM'000)	849	2,275	375	3,430
Weighted average number of ordinary shares in issue ('000)	253,204	254,409	253,204	254,409
Basic earnings per share (sen)	<u>0.34</u>	<u>0.89</u>	<u>0.15</u>	<u>1.35</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: 12 August 2020