

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 3rd Quarter Ended 30 September 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
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	6,503	7,449	16,963	23,489
Cost of sales	(2,343)	(3,048)	(6,791)	(9,361)
<b>Gross profit</b>	<b>4,160</b>	<b>4,401</b>	<b>10,172</b>	<b>14,128</b>
Other income	873	889	1,485	3,010
Distribution and selling expenses	(216)	(109)	(776)	(992)
Administrative expenses	(2,369)	(2,917)	(7,217)	(9,315)
Other expenses	(57)	-	(134)	(31)
Finance income	47	3	63	16
Finance costs	(41)	(2)	(50)	(7)
Share of loss of equity-accounted joint venture	(171)	-	(540)	-
<b>Profit before taxation</b>	<b>2,226</b>	<b>2,265</b>	<b>3,003</b>	<b>6,809</b>
Taxation	(631)	(249)	(1,032)	(1,362)
<b>Profit for the year</b>	<b>1,595</b>	<b>2,016</b>	<b>1,971</b>	<b>5,447</b>
Other comprehensive income	(11)	-	5	-
<b>Total comprehensive income for the year</b>	<b>1,584</b>	<b>2,016</b>	<b>1,976</b>	<b>5,447</b>
<b>Profit for the year</b>				
- Owner of the Company	1,586	2,016	1,967	5,447
- Minority interest	9	-	4	-
	<b>1,595</b>	<b>2,016</b>	<b>1,971</b>	<b>5,447</b>
<b>Total comprehensive income for the year</b>				
- Owner of the Company	1,575	2,016	1,972	5,447
- Minority interest	9	-	4	-
	<b>1,584</b>	<b>2,016</b>	<b>1,976</b>	<b>5,447</b>
<b>Earnings per share (sen)</b>				
(a) Basic	0.63	0.79	0.78	2.14
(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 3rd Quarter Ended 30 September 2020

### CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

( the figures have not been audited)

	AS AT 30.09.2020 RM'000	AS AT 31.12.2019 RM'000
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	70,201	66,038
<i>Investment property</i>	16,110	16,110
<i>Goodwill on consolidation</i>	1,625	584
<i>Investment in a joint venture</i>	473	1,018
	<u>88,409</u>	<u>83,750</u>
<b>CURRENT ASSETS</b>		
<i>Investment in unit trusts</i>	17,262	22,837
<i>Inventories</i>	228	236
<i>Trade receivables</i>	6,852	6,694
<i>Other receivables</i>	1,574	1,334
<i>Amount owing by a joint venture</i>	420	394
<i>Tax recoverable</i>	285	-
<i>Deposits, cash and bank balances</i>	6,834	6,280
	<u>33,455</u>	<u>37,775</u>
<b>CURRENT LIABILITIES</b>		
<i>Borrowings</i>	1,512	1,584
<i>Trade payables</i>	87	208
<i>Other payables</i>	1,560	2,436
<i>Tax payable</i>	-	25
	<u>3,159</u>	<u>4,253</u>
<b>NET CURRENT ASSETS</b>	<u>30,296</u>	<u>33,522</u>
	<u>118,705</u>	<u>117,272</u>
<b>REPRESENTED BY:</b>		
<i>Share capital</i>	26,387	26,387
<i>Treasury shares</i>	(1,354)	(1,111)
<i>Foreign exchange reserve</i>	24	29
<i>Retained profits</i>	82,222	80,255
<i>Minority interest</i>	704	-
<i>Shareholders' Equity</i>	<u>107,983</u>	<u>105,560</u>
<i>Borrowings</i>	8,403	9,288
<i>Deferred tax liabilities</i>	2,319	2,424
<i>Non-current liabilities</i>	10,722	11,712
	<u>118,705</u>	<u>117,272</u>
<b>Net assets per share (sen)</b>	<u>42.65</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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Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 3rd Quarter Ended 30 September 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
<b>At 1 January 2020</b>		26,387	(1,111)	29	80,255	105,560	-	105,560
Addition of non-controlling interest of subsidiaries		-	-	-	-	-	700	700
Purchase of treasury shares		-	(243)	-	-	(243)	-	(243)
Profit for the period		-	-	-	1,967	1,967	4	1,971
Total comprehensive income for the period		-	-	(5)	-	(5)	-	(5)
<b>At 30 September 2020</b>		<u>26,387</u>	<u>(1,354)</u>	<u>24</u>	<u>82,222</u>	<u>107,279</u>	<u>704</u>	<u>107,983</u>
<b>At 1 January 2019</b>		26,257	(1,469)	-	76,810	101,598	-	101,598
Issuance of Employees' Share Scheme ("ESS")		130	1,000	-	-	1,130	-	1,130
Purchase of treasury shares		-	(568)	-	-	(568)	-	(568)
Total comprehensive income for the period		-	-	-	5,447	5,447	-	5,447
Appropriation:								
Interim dividend paid for the financial year ended 31 December 20		-	-	-	(1,530)	(1,530)	-	(1,530)
<b>At 30 September 2019</b>		<u>26,387</u>	<u>(1,037)</u>	<u>-</u>	<u>80,727</u>	<u>106,077</u>	<u>-</u>	<u>106,077</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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(Incorporated in Malaysia)

## Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,003	6,809
Adjustments for:		
Depreciation of property, plant and equipments	2,638	2,578
Allowance for expected credit losses - net	(206)	152
Changes in fair value of investment	(478)	(645)
Bad debts written off - net	84	(773)
Inventory written off	-	20
Gain on investment in unit trust	(176)	(751)
Gain on disposal of investment in unit trust	(150)	-
Gain on disposal of property, plant and equipments	*	(14)
Share of loss of equity-accounted joint venture	540	-
Unrealised loss on foreign exchange	(8)	-
Employees' Share Scheme ("ESS") expenses	-	1,130
Interest expense	49	7
Interest income	(63)	(16)
Operating profit before working capital changes	<u>5,233</u>	<u>8,497</u>
Increase in inventories	8	-
(Increase)/Decrease in trade receivables	(36)	2,413
Increase in other receivables	(240)	(1,738)
(Decrease)/Increase in trade payables	(122)	144
(Decrease)/Increase in other payables	(876)	665
Cash generated from operations	<u>3,967</u>	<u>9,981</u>
Interest paid	(49)	(7)
Tax paid	(1,451)	(1,315)
Tax refunded	5	1,324
<b>Net cash generated from operating activities</b>	<u>2,472</u>	<u>9,983</u>

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Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date	Preceding Year
	30.09.2020	Corresponding Period
	RM'000	30.09.2019
	RM'000	RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	2	16
Proceeds from disposal of property, plant and equipments	43	253
Net changes in investment in unit trust	6,380	(2,116)
Purchase of property, plant and equipments	(4,232)	(2,310)
Investment in subsidiaries	(2,954)	-
Investment in a joint venture	-	(1,574)
<b>Net cash used in investing activities</b>	<u>(761)</u>	<u>(5,731)</u>
<b>CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		
Advances to a joint venture	35	(394)
Repayment of term loan	(874)	(1,096)
Repayment of hire purchase and finance lease payable	(83)	(184)
Purchase of treasury shares	(243)	(568)
Dividend paid	-	(1,530)
<b>Net cash used in financing activities</b>	<u>(1,165)</u>	<u>(3,772)</u>
<b>Effect of foreign exchange</b>	8	-
<b>Net increase in cash and cash equivalents</b>	546	480
<b>Cash and cash equivalents at beginning of period</b>	6,280	5,504
<b>Cash and cash equivalents at end of period (Note A15)</b>	<u>6,834</u>	<u>5,984</u>

\* 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.

# TEX CYCLE TECHNOLOGY (M) BERHAD

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Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

## 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 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

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.

# TEX CYCLE TECHNOLOGY (M) BERHAD

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Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

## 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 <sup>A</sup> RM'000	Eliminations RM'000	Total RM'000
<b>Current Year Quarter</b>								
<b>30.09.2020</b>								
<b>Revenue</b>								
External sales	-	6,020	2	19	180	282	-	6,503
Inter-segment sales	-	-	7	-	-	-	(7)	-
Total revenue	-	6,020	9	19	180	282	(7)	6,503
<b>Results</b>								
Segment results	159	2,646	(4)	85	(37)	258	-	3,107
Finance income	*	46	-	-	1	-	-	47
Finance cost	-	*	-	-	(41)	-	-	(41)
Depreciation	-	(719)	(4)	(104)	(60)	-	-	(887)
Profit before taxation	159	1,973	(8)	(19)	(137)	258	-	2,226
<b>Current Year To Date</b>								
<b>30.09.2020</b>								
<b>Revenue</b>								
External sales	-	16,067	2	158	226	510	-	16,963
Inter-segment sales	-	-	7	-	-	-	(7)	-
Total revenue	-	16,067	9	158	226	510	(7)	16,963
<b>Results</b>								
Segment results	361	5,037	(26)	217	(394)	431	-	5,626
Finance income	*	62	-	-	-	-	-	62
Finance cost	-	*	-	-	(47)	-	-	(47)
Depreciation	-	(2,239)	(12)	(312)	(75)	-	-	(2,638)
Profit before taxation	361	2,860	(38)	(95)	(516)	431	-	3,003
<b>Preceding Year Corresponding Quarter</b>								
<b>30.09.2019</b>								
<b>Revenue</b>								
External sales	-	7,181	-	-	-	268	-	7,449
Inter-segment sales	1,530	-	-	-	-	-	(1,530)	-
Total revenue	1,530	7,181	-	-	-	268	(1,530)	7,449
<b>Results</b>								
Segment results	227	2,291	(24)	356	-	242	-	3,092
Finance income	1	2	-	-	-	-	-	3
Finance cost	-	(1)	-	(1)	-	-	-	(2)
Depreciation	-	(720)	(3)	(105)	-	-	-	(828)
Profit before taxation	228	1,572	(27)	250	-	242	-	2,265
<b>Preceding Year Corresponding Period</b>								
<b>30.09.2019</b>								
<b>Revenue</b>								
External sales	-	22,673	-	12	-	804	-	23,489
Inter-segment sales	1,530	-	1	-	-	-	(1,531)	-
Total revenue	1,530	22,673	1	12	-	804	(1,531)	23,489
<b>Results</b>								
Segment results	586	7,744	(60)	362	-	746	-	9,378
Finance income	6	10	-	-	-	-	-	16
Finance cost	-	(5)	-	(2)	-	-	-	(7)
Depreciation	-	(2,240)	(11)	(327)	-	-	-	(2,578)
Profit before taxation	592	5,509	(71)	33	-	746	-	6,809

\* Negligible

<sup>A</sup> This segment represents the rental of investment property.

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Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

## NOTES

### A9 Segment information

	Malaysia RM'000	United Kingdom RM'000	Eliminat- ions RM'000	Total RM'000
<b>Current Year Quarter</b>				
<b>30.09.2020</b>				
<b>Revenue</b>				
External sales	6,503	-	-	6,503
Inter-segment sales	7	-	(7)	-
Total revenue	6,510	-	(7)	6,503
<b>Results</b>				
Segment results	3,278	(171)	-	3,107
Finance income	47	-	-	47
Finance cost	(41)	-	-	(41)
Depreciation	(887)	-	-	(887)
Profit before taxation	2,397	(171)	-	2,226
<b>Current Year To Date</b>				
<b>30.09.2020</b>				
<b>Revenue</b>				
External sales	16,963	-	-	16,963
Inter-segment sales	7	-	(7)	-
Total revenue	16,970	-	(7)	16,963
<b>Results</b>				
Segment results	6,166	(540)	-	5,626
Finance income	62	-	-	62
Finance cost	(47)	-	-	(47)
Depreciation	(2,638)	-	-	(2,638)
Profit before taxation	3,543	(540)	-	3,003
<b>Preceding Year Corresponding Quarter</b>				
<b>30.09.2019</b>				
<b>Revenue</b>				
External sales	7,449	-	-	7,449
Inter-segment sales	1,530	-	(1,530)	-
Total revenue	8,979	-	(1,530)	7,449
<b>Results</b>				
Segment results	3,092	-	-	3,092
Finance income	3	-	-	3
Finance cost	(2)	-	-	(2)
Depreciation	(828)	-	-	(828)
Profit before taxation	2,265	-	-	2,265
<b>Preceding Year Corresponding Period</b>				
<b>30.09.2019</b>				
<b>Revenue</b>				
External sales	23,489	-	-	23,489
Inter-segment sales	1,531	-	(1,531)	-
Total revenue	25,020	-	(1,531)	23,489
<b>Results</b>				
Segment results	9,378	-	-	9,378
Finance income	16	-	-	16
Finance cost	(7)	-	-	(7)
Depreciation	(2,578)	-	-	(2,578)
Profit before taxation	6,809	-	-	6,809



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## Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

### NOTES

#### 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 21 October 2020, EFS MYSolar Sdn Bhd has entered into a Share Sale Agreement for the proposed acquisition of 100% shares of 100,000 ordinary shares in Kandis Energy Solaris Sdn Bhd ("KESSB").

#### A12 Contingent liabilities

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

#### A13 Capital commitments

	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
Acquisition of property, plant and equipments:		
Approved and contracted for	2,160	1,906
Approved but yet to be contracted for	-	25
	<u>2,160</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 30.09.2020 RM'000	As at 31.12.2019 RM'000
Cash in hand and at banks	<u>6,834</u>	<u>6,280</u>

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## Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

### 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 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
Revenue	6,503	7,449	16,963	23,489
Profit before taxation	2,226	2,265	3,003	6,809

For the quarter ended 30 September 2020, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM6.5million, a decrease of RM0.9million or 13% compared to the corresponding quarter of the preceding year ended 30 September 2019 as a result of global and domestic economic downturn due to Covid-19 pandemic. However, the Group made a profit before taxation of RM2.2million for the current quarter, a decrease of RM0.1million or 2% compared to the corresponding quarter of the preceding year ended 30 September 2019. There was a share of loss in equity-accounted joint venture amounting to RM170,583 for the operating expenses incurred on the renewable energy project in UK which is then mitigated by the reversal of allowance of expected credit losses and higher fair value gain on investment during this quarter.

##### Recycling and recovery division

For the quarter ended 30 September 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 sales generated from manufacturing division for current quarter ended 30 September 2020 compared to corresponding quarter of the preceding year ended 30 September 2019. The increase is due to the increase in demand from the defence industry.

##### Trading division

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

##### Renewable energy division

For the quarter ended 30 September 2020, the loss before taxation from the division was due to share of loss in equity-accounted joint venture of RM170,583 for the operating expenses (i.e consultation and professional fee, legal fee, rental, utilities and etc) incurred on the renewable energy project in UK.

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## Quarterly Report on Results for the 3rd Quarter Ended 30 September 2020

### NOTES

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

	Current Year Quarter 30.09.2020 RM'000	Previous Quarter 30.06.2020 RM'000
Revenue	6,503	5,036
Profit before taxation	2,226	1,084

The Group's revenue for the current quarter was RM6.5million as compared to the revenue for the preceding quarter of RM5.0million, representing an increase of RM1.5million, or 29%. The Group made a profit before taxation of RM2.2million for the current quarter, an increase of RM1.1million compared to the preceding quarter ended 30 June 2020 resulting from the increase in sales demand in recovery and recycling business after upliftment of the movement control order by the government.

#### 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 Putrajaya for test run from 1 July 2020 to 30 November 2020. However, due to the recent Conditional Movement Control Order ("CMCO"), the Group expects further delay in the commencement of the plant.

On 13 July 2020, Culzean has signed a MoU to work with Medisort Limited ("Medisort") on setting up a facility to process 3,200 tonnes per annum of medical and clinical waste. Culzean has also secured a site at Simonwood Industrial Park, Kirby, United Kingdom ("UK") as the facility site and submitted application for approval of the site to Lancashire County Council of UK.

On 21 October 2020, EFS MYSolar has entered into a Share Sale Agreement for the proposed acquisition of 100% shares of 100,000 ordinary shares in Kandis Energy Solaris Sdn Bhd ("KESSB"). KESSB is principally engaged in provision of equipment and consultancy services related to renewable energy. KESSB is a Feed-In Approval Holder of a solar PV plant in Kelantan 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 RM0.8805 per kWh.

The country's economic growth in the 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.

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

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### NOTES

#### 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 September 2020 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
Income tax				
Estimated tax payable for current period	754	72	1,139	1,185
(Over)/Under provision in prior year	(2)	177	(2)	177
Deferred tax				
Estimated deferred tax for current period	(121)	-	(105)	-
	<u>631</u>	<u>249</u>	<u>1,032</u>	<u>1,362</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 30.09.2020 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	29	101
	1,512	1,584
<i>Long term borrowings:</i>		
Secured - Term loan	8,403	9,278
Unsecured - Hire purchase and finance lease payable	-	10
	8,403	9,288
	<u>9,915</u>	<u>10,872</u>

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### NOTES

#### B8 Material litigation

There is no material litigation as at 12 November 2020.

#### B9 Dividends declared

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

#### B10 Profit before taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2020 RM'000	Preceding Year Corresponding Quarter 30.09.2019 RM'000	Current Year To Date 30.09.2020 RM'000	Preceding Year Corresponding Period 30.09.2019 RM'000
Profit before taxation is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipments	887	828	2,638	2,578
Allowance for expected credit losses - net	(251)	14	(206)	152
Bad debts written off - net	-	(4)	84	(773)
Inventory written off	-	-	-	20
Gain on disposal of property, plant and equipments	32	(13)	*	(14)
Gain on investment in unit trusts	(25)	(110)	(176)	(751)
Judgement sum received from FACT case	-	-	-	(258)
Employees' Share Scheme ("ESS") expenses	-	-	-	1,130
Changes in fair value of unit trusts	(359)	(339)	(478)	(645)
Gain on disposal of investment in unit trusts	(61)	-	(150)	-
Share of loss of equity-accounted joint venture	171	-	540	-
Unrealised loss on foreign exchange	(7)	-	(8)	-
Interest income from deposits placed with licensed banks	(6)	(3)	(6)	(16)
Interest income from loans to joint venture	(41)	-	(57)	-
Interest expenses on loans to joint venture	41	-	41	-
Interest expenses on term loans	*	1	6	5
Interest expenses on finance lease liabilities	-	1	2	2

\* Negligible

# TEX CYCLE TECHNOLOGY (M) BERHAD

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### NOTES

#### 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 30.09.2020	Preceding Year Corresponding Quarter 30.09.2019	Current Year To Date 30.09.2020	Preceding Year Corresponding Period 30.09.2019
Net profit for the period (RM'000)	1,595	2,016	1,971	5,447
Weighted average number of ordinary shares in issue ('000)	253,204	254,322	253,204	254,322
Basic earnings per share (sen)	<u>0.63</u>	<u>0.79</u>	<u>0.78</u>	<u>2.14</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 November 2020