

# TEX CYCLE TECHNOLOGY (M) BERHAD

Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

### CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(The figures have not been audited)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2022 RM'000	Preceding Year Corresponding Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2022 RM'000	Preceding Year Corresponding Period 30.6.2021 RM'000
Revenue	7,321	5,897	14,638	13,823
Cost of sales	(2,582)	(2,195)	(4,977)	(4,536)
<b>Gross profit</b>	<b>4,739</b>	<b>3,702</b>	<b>9,661</b>	<b>9,287</b>
Other income	1,185	247	1,297	393
Distribution and selling expenses	(211)	(163)	(491)	(488)
Administrative expenses	(2,557)	(2,251)	(5,632)	(4,603)
Other expenses	(242)	(221)	(477)	(241)
Finance income	(74)	41	145	77
Finance costs	37	(1)	(90)	(3)
Share of loss of equity-accounted joint venture	-	(286)	-	(539)
<b>Profit before taxation</b>	<b>2,877</b>	<b>1,068</b>	<b>4,413</b>	<b>3,883</b>
Taxation	(774)	(360)	(1,272)	(1,177)
<b>Profit for the year</b>	<b>2,103</b>	<b>708</b>	<b>3,141</b>	<b>2,706</b>
Other comprehensive income	-	*	-	2
<b>Total comprehensive income for the year</b>	<b>2,103</b>	<b>708</b>	<b>3,141</b>	<b>2,708</b>
<b>Profit for the year</b>				
- Owner of the Company	1,800	699	2,835	2,697
- Minority interest	303	9	306	9
	<b>2,103</b>	<b>708</b>	<b>3,141</b>	<b>2,706</b>
<b>Total comprehensive income for the year</b>				
- Owner of the Company	1,800	699	2,835	2,699
- Minority interest	303	9	306	9
	<b>2,103</b>	<b>708</b>	<b>3,141</b>	<b>2,708</b>
<b>Earnings per share (sen)</b>				
(a) Basic	0.83	0.28	1.24	1.07
(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 2021 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 2022 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

( the figures have not been audited)

	AS AT 30.6.2022 RM'000	AS AT 31.12.2021 RM'000
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	87,893	81,784
<i>Investment property</i>	16,110	16,110
<i>Goodwill on consolidation</i>	1,600	1,600
<i>Investment in a joint venture</i>	-	-
	<u>105,603</u>	<u>99,494</u>
<b>CURRENT ASSETS</b>		
<i>Investment in unit trusts</i>	15,154	11,101
<i>Inventories</i>	315	209
<i>Trade receivables</i>	5,668	7,660
<i>Other receivables</i>	1,274	1,204
<i>Amount owing by a joint venture</i>	3,397	3,429
<i>Tax recoverable</i>	381	382
<i>Deposits, cash and bank balances</i>	12,899	6,649
	<u>39,088</u>	<u>30,634</u>
<b>CURRENT LIABILITIES</b>		
<i>Borrowings</i>	1,069	1,028
<i>Trade payables</i>	182	6
<i>Other payables</i>	3,722	6,640
	<u>4,973</u>	<u>7,674</u>
<b>NET CURRENT ASSETS</b>	<u>34,115</u>	<u>22,960</u>
	<u>139,718</u>	<u>122,454</u>
<b>REPRESENTED BY:</b>		
<i>Share capital</i>	26,383	26,387
<i>Treasury shares</i>	(1,051)	(1,354)
<i>Foreign exchange reserve</i>	51	51
<i>Retained profits</i>	92,641	89,806
<i>Minority interest</i>	1,204	653
<i>Shareholders' Equity</i>	<u>119,228</u>	<u>115,543</u>
<i>Borrowings</i>	18,656	5,248
<i>Deferred tax liabilities</i>	1,834	1,663
<i>Non-current liabilities</i>	<u>20,490</u>	<u>6,911</u>
	<u>139,718</u>	<u>122,454</u>
<b>Net assets per share (sen)</b>	<u>47.04</u>	<u>45.71</u>

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022 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 2022</b>		26,387	(1,354)	51	89,806	114,890	653	115,543
Addition of non-controlling interest of subsidiaries		-	-	-	-	-	245	245
Issuance of Employees' Shares Scheme ("ESS")		(4)	303	-	-	299	-	299
Profit for the period		-	-	-	2,835	2,835	306	3,141
<b>At 30 June 2022</b>		<u>26,383</u>	<u>(1,051)</u>	<u>51</u>	<u>92,641</u>	<u>118,024</u>	<u>1,204</u>	<u>119,228</u>
<b>At 1 January 2021</b>		26,387	(1,354)	35	83,581	108,649	663	109,312
Addition of non-controlling interest of subsidiaries		-	-	-	-	-	69	69
Profit for the period		-	-	-	2,697	2,697	*	2,697
Total comprehensive income for the period		-	-	2	-	2	-	2
<b>At 30 June 2021</b>		<u>26,387</u>	<u>(1,354)</u>	<u>37</u>	<u>86,278</u>	<u>111,348</u>	<u>732</u>	<u>112,080</u>

\* Negligible

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.6.2022 RM'000	Preceding Year Corresponding Period 30.6.2021 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	4,413	3,883
Adjustments for:		
Depreciation of property, plant and equipments	1,952	1,740
Allowance for expected credit losses - net	(295)	(154)
Changes in fair value of investment	488	59
Property, plant and equipments written off	-	182
Gain on investment in unit trust	(34)	(66)
Loss on disposal of property, plant and equipments	15	-
Share of loss of equity-accounted joint venture	-	539
Unrealised loss/(gain) in foreign exchange	200	(24)
Employees' Share Scheme ("ESS") expenses	299	-
Interest expense	83	3
Interest income	(145)	(77)
Operating profit before working capital changes	6,976	6,085
(Increase)/Decrease in inventories	(106)	30
Decrease in trade receivables	2,287	1,671
Increase in other receivables	(70)	(215)
Increase/(Decrease) in trade payables	176	(68)
Decrease in other payables	(2,918)	(2,417)
Cash generated from operations	6,345	5,086
Interest paid	(83)	(3)
Tax paid	(1,220)	(1,061)
Tax refunded	120	-
<b>Net cash generated from operating activities</b>	<b>5,162</b>	<b>4,022</b>

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Company's No.: 642619-P

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.6.2022 RM'000	Preceding Year Corresponding Period 30.6.2021 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1	*
Proceeds from disposal of property, plant and equipments	8	-
Net changes in investment in unit trust	(4,507)	(4,122)
Purchase of property, plant and equipments	(8,084)	(2,142)
<b>Net cash generating used in investing activities</b>	<u>(12,582)</u>	<u>(6,264)</u>
<b>CASH OUTFLOW FROM FINANCING ACTIVITIES</b>		
Advances to a joint venture	-	(1,795)
Addition of non-controlling interest	245	60
Drawdown/(Repayment) of term loan	13,310	(502)
Repayment of hire purchase and finance lease payable	139	(10)
<b>Net cash generated from/(used in) financing activities</b>	<u>13,694</u>	<u>(2,247)</u>
<b>Effect of foreign exchange</b>	(24)	24
<b>Net increase/(decrease) in cash and cash equivalents</b>	6,274	(4,489)
<b>Cash and cash equivalents at beginning of period</b>	<u>6,649</u>	<u>9,733</u>
<b>Cash and cash equivalents at end of period (Note A15)</b>	<u>12,899</u>	<u>5,268</u>

\* Negligible

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

## 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 2021. 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 2021.

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 2021.

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 2021 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

Company's No.: 642619-P

(Incorporated in Malaysia)

Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

## 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>30.6.2022</b>								
<b>Revenue</b>								
External sales	-	6,441	-	2	610	268	-	7,321
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	6,441	-	2	610	268	-	7,321
<b>Results</b>								
Segment results	(208)	2,398	(5)	21	1,494	258	-	3,958
Finance income	*	159	-	-	(106)	-	(127)	(74)
Finance cost	-	*	-	-	(90)	-	127	37
Depreciation	-	(684)	(4)	(104)	(252)	-	-	(1,044)
Profit/(Loss) before taxation	(208)	1,873	(9)	(83)	1,046	258	-	2,877
<b>Current Year To Date</b>								
<b>30.6.2022</b>								
<b>Revenue</b>								
External sales	-	13,162	-	12	928	536	-	14,638
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	13,162	-	12	928	536	-	14,638
<b>Results</b>								
Segment results	(350)	4,377	(19)	22	1,786	494	-	6,310
Finance income	*	392	-	-	1	-	(248)	145
Finance cost	-	*	-	-	(338)	-	248	(90)
Depreciation	-	(1,360)	(7)	(208)	(377)	-	-	(1,952)
Profit/(Loss) before taxation	(350)	3,409	(26)	(186)	1,072	494	-	4,413
<b>Preceding Year Corresponding Quarter</b>								
<b>30.6.2021</b>								
<b>Revenue</b>								
External sales	-	5,493	-	-	136	268	-	5,897
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	5,493	-	-	136	268	-	5,897
<b>Results</b>								
Segment results	13	1,744	(16)	65	(160)	256	-	1,902
Finance income	*	89	-	-	-	-	(48)	41
Finance cost	-	*	-	-	(49)	-	48	(1)
Depreciation	-	(722)	(3)	(104)	(45)	-	-	(874)
Profit/(Loss) before taxation	13	1,111	(19)	(39)	(254)	256	-	1,068
<b>Preceding Year Corresponding Period</b>								
<b>30.6.2021</b>								
<b>Revenue</b>								
External sales	-	13,004	2	15	266	536	-	13,823
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	13,004	2	15	266	536	-	13,823
<b>Results</b>								
Segment results	(269)	5,620	(29)	54	(315)	488	-	5,549
Finance income	*	173	-	-	-	-	(96)	77
Finance cost	-	*	-	-	(99)	-	96	(3)
Depreciation	-	(1,435)	(7)	(208)	(90)	-	-	(1,740)
Profit/(Loss) before taxation	(269)	4,358	(36)	(154)	(504)	488	-	3,883

\* Negligible

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

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Company's No.: 642619-P

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

## NOTES

### A9 Segment information

	Malaysia RM'000	United Kingdom RM'000	Eliminat- ions RM'000	Total RM'000
<b>Current Year Quarter</b>				
<b>30.6.2022</b>				
<b>Revenue</b>				
External sales	7,321	-	-	7,321
Inter-segment sales	-	-	-	-
Total revenue	<u>7,321</u>	<u>-</u>	<u>-</u>	<u>7,321</u>
<b>Results</b>				
Segment results	3,958	-	-	3,958
Finance income	53	-	(127)	(74)
Finance cost	(90)	-	127	37
Depreciation	(1,044)	-	-	(1,044)
Profit before taxation	<u>2,877</u>	<u>-</u>	<u>-</u>	<u>2,877</u>
<b>Current Year To Date</b>				
<b>30.6.2022</b>				
<b>Revenue</b>				
External sales	14,638	-	-	14,638
Inter-segment sales	-	-	-	-
Total revenue	<u>14,638</u>	<u>-</u>	<u>-</u>	<u>14,638</u>
<b>Results</b>				
Segment results	6,310	-	-	6,310
Finance income	393	-	(248)	145
Finance cost	(338)	-	248	(90)
Depreciation	(1,952)	-	-	(1,952)
Profit/(Loss) before taxation	<u>4,413</u>	<u>-</u>	<u>-</u>	<u>4,413</u>
<b>Preceding Year Corresponding Quarter</b>				
<b>30.6.2021</b>				
<b>Revenue</b>				
External sales	5,897	-	-	5,897
Inter-segment sales	-	-	-	-
Total revenue	<u>5,897</u>	<u>-</u>	<u>-</u>	<u>5,897</u>
<b>Results</b>				
Segment results	2,155	(253)	-	1,902
Finance income	89	-	(48)	41
Finance cost	(49)	-	48	(1)
Depreciation	(874)	-	-	(874)
Profit/(Loss) before taxation	<u>1,321</u>	<u>(253)</u>	<u>-</u>	<u>1,068</u>
<b>Preceding Year Corresponding Period</b>				
<b>30.6.2021</b>				
<b>Revenue</b>				
External sales	13,823	-	-	13,823
Inter-segment sales	-	-	-	-
Total revenue	<u>13,823</u>	<u>-</u>	<u>-</u>	<u>13,823</u>
<b>Results</b>				
Segment results	6,088	(539)	-	5,549
Finance income	173	-	(96)	77
Finance cost	(99)	-	96	(3)
Depreciation	(1,740)	-	-	(1,740)
Profit/(Loss) before taxation	<u>4,422</u>	<u>(539)</u>	<u>-</u>	<u>3,883</u>



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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

## 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 28 June 2022, EFS MYSolar Sdn Bhd ("EFS MYSolar"), the 70% indirect subsidiary of Tex Cycle Technology (M) Bhd, has entered into a shareholder agreement with EFS-CTP Energy (Thailand) Co., Ltd. and EFS-CTP Engineering Co., Ltd. intend for EFS MYSolar (Thailand) Co. Ltd. ("EFS Thai"), a 49% owned company to be the joint venture vehicle for developing photovoltaic systems under Power Purchase Agreement arrangement with various commercial and industrial customers in Thailand.

On 12 July 2022, Lestari G2E Sdn Bhd ("Lestari"), the indirect subsidiary of Tex Cycle Technology (M) Bhd, has entered into a shareholder agreement with Green Lagoon Technology Sdn Bhd ("GLT") for the proposed acquisition of 450,000 ordinary shares in GLT BP Power Sdn Bhd ("GLT BP Power"), representing 30% equity interest in GLT BP Power. GLT BP Power is principally engaged in engineering, design and technology for palm oil mill effluent anaerobic 1 lagoon clean development mechanism ("CDM") projects, preliminary assessment and feasibility services before the commencement of CDM projects, construction management of CDM projects, maintenance, monitoring and operation of CDM.

Also, on 15 July 2022, Lestari incorporated a 70% owned subsidiary in Malaysia, named TC Plus Energy Sdn Bhd ("TC Plus") with Bioplus Sdn Bhd. The principal activity of TC Plus 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.

### A12 Contingent liabilities

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

### A13 Capital commitments

	As at 30.6.2022 RM'000	As at 31.12.2021 RM'000
Acquisition of property, plant and equipments:		
Approved and contracted for	8,491	6,780
Approved but yet to be contracted for	-	312
	<u>8,491</u>	<u>7,092</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 30.6.2022 RM'000	As at 31.12.2021 RM'000
Cash in hand and at banks	12,899	6,649

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

## 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	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.6.2022	Quarter	30.6.2022	Period
	RM'000	30.6.2021	RM'000	30.6.2021
		RM'000		RM'000
Revenue	7,321	5,897	14,638	13,823
Profit before taxation	2,877	1,068	4,413	3,883

For the quarter ended 30 June 2022, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM7.3million, an increase of RM1.4million or 24% compared to the corresponding quarter of the preceding year ended 30 June 2021 due to increase in demand from recycling and recovery division. The Group made a profit before taxation of RM2.9million for the current quarter which represent an increase of RM1.8million or 169% compared to the corresponding quarter of the preceding year due to the contribution from the commissioning of the Group's Solar Corporate Renewable Energy Power Purchase Agreement ("CREPPA") projects and increase in reversal of expected credit losses for trade receivables.

#### Recycling and recovery division

For the quarter ended 30 June 2022, the revenue of the recycling business increased by RM0.95 million or 17% as compared to that of the corresponding quarter preceding year. The increase was mainly due to increase in sales demand.

#### Manufacturing division

There was no sales generated from manufacturing division for current quarter ended 30 June 2022 and the corresponding quarter of the preceding year ended 30 June 2021.

#### Trading division

The revenue of the trading division decreased for the current quarter ended 30 June 2022 as compared to the corresponding quarter preceding year ended 30 June 2021 due to lower sales demand from customers.

#### Renewable energy division

For the quarter ended 30 June 2022, the renewable energy division has continued to generate revenue for the group from the solar Feed-in-Tariff ("FiT") plant. The revenue of the renewable energy division has increased by RM0.48 million as compared to the corresponding quarter preceding year due to the commencement of new Solar CREPPA projects in June 2022, which bring in extra revenue generation to the Group in the current quarter.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

## NOTES

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

	Current Year Quarter 30.6.2022 RM'000	Previous Quarter 31.3.2022 RM'000
Revenue	7,321	7,317
Profit before taxation	2,877	1,536

The Group's revenue for the current quarter was RM7.3million as compared to the revenue for the preceding quarter of RM7.3million. Besides, the Group made a higher profit before taxation of RM2.9million for the current quarter, an increase of RM1.3million or 387% compared to the preceding quarter ended 31 March 2022 due to the contribution from the commissioning of the Group's Solar Corporate Renewable Energy Power Purchase Agreement ("CREPPA") projects and increase in reversal of expected credit losses for trade receivables.

### B3 Prospects

The country's economic growth was severely affected by the COVID-19 pandemic since year 2021. The economic conditions for the next 12 months remain uncertain though positive signs are there due to the presence of vaccines. However, the Group is monitoring the development of COVID-19 pandemic closely and actively with much focus on cost optimisation and streamlining its current operations flow.

As of the date of this quarterly report, some of the predominant progress of the Group are as follows:

- 1 Tex Cycle (P2) Sdn Bhd ("Tex Cycle (P2)"), which has a Sustainable Energy Development Authority Malaysia ("SEDA") approved Renewable Electrical Energy Power ("REEP") plant with an export capacity of 2MWh to Tenaga Nasional Berhad, has obtained an extension of time from SEDA of its Initial Operation Date ("IOD") and Feed-In-Tariff ("FIT") Commencement Date which is now set to 30 May 2023 and 30 June 2023 respectively.
- 2 EFS MySolar Sdn Bhd ("EFS MySolar") has secured a total of 8.8MWp of Corporate Renewable Energy Power Purchase Agreement ("CREPPA") cumulatively and 6.0MWp of CREPPA projects has commissioned.

On 28 June 2022, EFS MYSolar Sdn Bhd ("EFS MYSolar"), the 70% indirect subsidiary of Tex Cycle Technology (M) Bhd, has entered into a shareholder agreement with EFS-CTP Energy (Thailand) Co., Ltd. and EFS-CTP Engineering Co., Ltd. intend for EFS MYSolar (Thailand) Co. Ltd. ("EFS Thai"), a 49% owned company to be the joint venture vehicle for developing photovoltaic systems under Power Purchase Agreement ("PPA") arrangement with various commercial and industrial customers in Thailand. Later on 8 July 2022, EFS Thai has entered into a Solar PPA with Bothong Rubber Fund Cooperative Ltd for solar photovoltaic energy generating system ("Solar PV System") with the capacity of 1.0MW of electricity for a period of 20 years.

- 3 On 12 July 2022, Lestari G2E Sdn Bhd ("Lestari"), the indirect subsidiary of Tex Cycle Technology (M) Bhd, has entered into a shareholder agreement with Green Lagoon Technology Sdn Bhd ("GLT") for the proposed acquisition of 450,000 ordinary shares in GLT BP Power Sdn Bhd ("GLT BP Power"), representing 30% equity interest in GLT BP Power. GLT BP Power is principally engaged in engineering, design and technology for palm oil mill effluent anaerobic 1 lagoon clean development mechanism ("CDM") projects, preliminary assessment and feasibility services before the commencement of CDM projects, construction management of CDM projects, maintenance, monitoring and operation of CDM.

Also, on 15 July 2022, Lestari incorporated a 70% owned subsidiary in Malaysia, named TC Plus Energy Sdn Bhd ("TC Plus") with Bioplus Sdn Bhd. The principal activity of TC Plus 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.

# TEX CYCLE TECHNOLOGY (M) BERHAD

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(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 June 2022 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2022 RM'000	Preceding Year Corresponding Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2022 RM'000	Preceding Year Corresponding Period 30.6.2021 RM'000
Income tax				
Estimated tax payable for current period	661	500	1,135	1,204
Under provision in prior year	-	2	-	2
Deferred tax				
Estimated deferred tax for current period	106	(142)	123	(29)
Under provision in prior year	7	-	14	-
	<u>774</u>	<u>360</u>	<u>1,272</u>	<u>1,177</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 30.6.2022 RM'000	As at 31.12.2021 RM'000
<i>Short term borrowings:</i>		
Secured - Term loan	1,017	1,017
Unsecured - Hire purchase and finance lease payable	52	11
	<u>1,069</u>	<u>1,028</u>
<i>Long term borrowings:</i>		
Secured - Term loan	18,393	5,083
Unsecured - Hire purchase and finance lease payable	263	165
	<u>18,656</u>	<u>5,248</u>
	<u>19,725</u>	<u>6,276</u>

# TEX CYCLE TECHNOLOGY (M) BERHAD

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(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

### NOTES

#### B8 Material litigation

There is no material litigation as at 18 August 2022.

#### B9 Dividends declared

No dividend has been recommended for the current financial period ended 30 June 2022.

#### B10 Profit before taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2022 RM'000	Preceding Year Corresponding Quarter 30.6.2021 RM'000	Current Year To Date 30.6.2022 RM'000	Preceding Year Corresponding Period 30.6.2021 RM'000
Profit before taxation is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipments	1,044	874	1,952	1,740
Allowance for expected credit losses - net	(210)	(104)	(295)	(154)
Loss on disposal of property, plant and equipments	23	-	15	-
Gain on investment in unit trusts	(18)	(28)	(34)	(66)
Changes in fair value of unit trusts	243	150	488	59
Share of loss of equity-accounted joint venture	-	253	-	539
Unrealised loss/(gain) on foreign exchange	118	(22)	200	(24)
Interest income from deposits placed with licensed banks	*	*	*	*
Interest income from loans to joint venture	(49)	(36)	(140)	(77)
Interest expenses on term loans	83	9	83	9
Interest expenses on finance lease liabilities	*	*	*	*

\* Negligible

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2022

## 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 30.6.2022	Preceding Year Corresponding Quarter 30.6.2021	Current Year To Date 30.6.2022	Preceding Year Corresponding Period 30.6.2021
Net profit for the period (RM'000)	2,103	708	3,141	2,706
Weighted average number of ordinary shares in issue ('000)	253,442	252,764	253,442	252,764
Basic earnings per share (sen)	0.83	0.28	1.24	1.07

#### (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: 18 August 2022