

# TEX CYCLE TECHNOLOGY (M) BERHAD

Registration No: 200401004116 (642619-P)

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### 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
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Revenue	8,256	8,474	16,253	17,586
Cost of sales	(2,687)	(2,892)	(6,096)	(5,809)
<b>Gross profit</b>	<b>5,569</b>	<b>5,582</b>	<b>10,157</b>	<b>11,777</b>
Other income	748	4,407	21,091	4,553
Distribution and selling expenses	(112)	(248)	(347)	(476)
Administrative expenses	(3,467)	(3,496)	(20,595)	(6,818)
Finance income	430	123	639	275
Finance costs	(344)	(284)	(694)	(564)
Share of (loss)/profit of equity-accounted associates	(13)	50	(52)	46
<b>Profit before taxation</b>	<b>2,811</b>	<b>6,134</b>	<b>10,199</b>	<b>8,793</b>
Taxation	(292)	(806)	(1,149)	(1,683)
<b>Profit for the year</b>	<b>2,519</b>	<b>5,328</b>	<b>9,050</b>	<b>7,110</b>
Other comprehensive income	-	2	-	2
<b>Total comprehensive income for the year</b>	<b>2,519</b>	<b>5,330</b>	<b>9,050</b>	<b>7,112</b>
<b>Profit for the year</b>				
- Owner of the Company	2,505	5,068	9,106	6,814
- Minority interest	14	260	(56)	296
	<b>2,519</b>	<b>5,328</b>	<b>9,050</b>	<b>7,110</b>
<b>Total comprehensive income for the year</b>				
- Owner of the Company	2,505	5,070	9,106	6,815
- Minority interest	14	260	(56)	297
	<b>2,519</b>	<b>5,330</b>	<b>9,050</b>	<b>7,112</b>
<b>Earnings per share (sen)</b>				
(a) Basic	0.99	2.10	3.57	2.81
(b) Fully diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

Registration No: 200401004116 (642619-P)

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024 CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

( the figures have not been audited)

	AS AT 30.6.2024 RM'000	AS AT 31.12.2023 RM'000
<b>NON-CURRENT ASSETS</b>		
<i>Property, plant and equipment</i>	96,814	97,387
<i>Right of use asset</i>	229	-
<i>Goodwill on consolidation</i>	1,600	1,600
<i>Investment in a joint venture</i>	-	-
<i>Investment in associates</i>	5,592	5,644
<i>Investment in debt securities</i>	20,000	-
	124,235	104,631
<b>CURRENT ASSETS</b>		
<i>Investment in quoted securities</i>	34,696	29,076
<i>Investment in unit trusts</i>	27	-
<i>Inventories</i>	258	281
<i>Trade receivables</i>	7,313	6,065
<i>Other receivables</i>	11,135	8,197
<i>Amount owing by a joint venture</i>	-	4,985
<i>Tax recoverable</i>	1,203	1,016
<i>Deposits, cash and bank balances</i>	8,174	18,141
<i>Asset held for sale</i>	-	6,480
	62,806	74,241
<b>CURRENT LIABILITIES</b>		
<i>Borrowings</i>	3,690	3,657
<i>Trade payables</i>	14	32
<i>Other payables</i>	2,626	4,294
	6,330	7,983
<b>NET CURRENT ASSETS</b>	56,476	66,258
	180,711	170,889
<b>REPRESENTED BY:</b>		
<i>Share capital</i>	26,383	26,383
<i>Treasury shares</i>	(1,051)	(1,051)
<i>Foreign exchange reserve</i>	10	61
<i>Retained profits</i>	123,842	113,121
<i>Minority interest</i>	3,053	1,639
<i>Shareholders' Equity</i>	152,237	140,153
<i>Borrowings</i>	26,963	28,735
<i>Deferred tax liabilities</i>	1,511	2,001
<i>Non-current liabilities</i>	28,474	30,736
	180,711	170,889
<b>Net assets per share (sen)</b>	60.07	55.30

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 December 2023 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

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(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024 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 2024</b>	26,383	(1,051)	61	113,121	138,514	1,639	140,153
Addition of non-controlling interest of subsidiaries	-	-	(51)	1,615	1,564	1,470	3,034
Profit for the year	-	-	-	9,106	9,106	(56)	9,050
<b>At 30 June 2024</b>	<b>26,383</b>	<b>(1,051)</b>	<b>10</b>	<b>123,842</b>	<b>149,184</b>	<b>3,053</b>	<b>152,237</b>
<b>At 1 January 2023</b>	26,383	(1,051)	51	97,678	123,061	1,736	124,797
Profit for the year	-	-	2	6,814	6,816	296	7,112
<b>At 30 June 2023</b>	<b>26,383</b>	<b>(1,051)</b>	<b>53</b>	<b>104,492</b>	<b>129,877</b>	<b>2,032</b>	<b>131,909</b>

\* 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 2023 and the accompanying explanatory notes attached to the interim financial statements.

# TEX CYCLE TECHNOLOGY (M) BERHAD

Registration No: 200401004116 (642619-P)

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.6.2024 RM'000	Preceding Year Corresponding Period 30.6.2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,199	8,793
Adjustments for:		
Depreciation of property, plant and equipments	2,259	2,196
Allowance for expected credit losses - net	214	(21)
Changes in fair value of investment in quoted securities	(5,620)	(2,074)
Changes in fair value of investment in unit trust	-	(147)
Investment written off	6,549	-
Property, plant and equipments written off	6,491	26
Gain on investment in unit trust	(28)	(68)
Loss on disposal of investment in unit trust	-	182
Gain on disposal of property, plant and equipments	(15,039)	(131)
Share of loss/(profit) of equity-accounted associates	52	(46)
Unrealised loss/(gain) in foreign exchange	1	(531)
Interest expense	694	564
Interest income	(639)	(275)
Operating profit before working capital changes	5,133	8,468
Decrease/(Increase) in inventories	23	(11)
(Increase)/Decrease in trade receivables	(1,462)	12
(Increase) in other receivables	(2,299)	(282)
(Decrease) in trade payables	(18)	*
(Decrease) in other payables	(1,668)	(1,200)
Cash (used in)/generated from operations	(291)	6,987
Interest paid	(694)	(564)
Tax paid	(1,826)	(1,296)
Tax refunded	*	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(2,811)</b>	<b>5,127</b>

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(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### CONDENSED CONSOLIDATED CASH FLOW STATEMENT

(The figures have not been audited)

	Current Year To Date 30.6.2024 RM'000	Preceding Year Corresponding Period 30.6.2023 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	*	6
Proceeds from disposal of property, plant and equipments	19,608	131
Net changes in investment in quoted shares	-	12,797
Net changes in investment in debt securities	(20,000)	-
Net changes in investment in unit trust	2	(14,596)
Purchase of property, plant and equipments	(6,495)	(3,431)
Investment in associate	-	(1,188)
<b>Net cash used in investing activities</b>	<b>(6,885)</b>	<b>(6,281)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advances to a joint venture	-	(1,027)
Addition of non-controlling interest	1,470	*
Repayment of term loan	(1,718)	(201)
Repayment of hire purchase and finance lease payable	(22)	(19)
<b>Net cash used in from financing activities</b>	<b>(270)</b>	<b>(1,247)</b>
<b>Effect of foreign exchange</b>	<b>(1)</b>	<b>531</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(9,966)</b>	<b>(2,401)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18,141</b>	<b>9,750</b>
<b>Cash and cash equivalents at end of period (Note A15)</b>	<b>8,174</b>	<b>7,880</b>

\* Negligible

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the audited financial statements for the year ended 31 December 2023 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 2024

### 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 2023. 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 2023.

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 2023.

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 2023 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.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

## NOTES

### A9 Segment information

	Investment holding RM'000	Recovery and recycling services RM'000	Manufactur- ing RM'000	Trading RM'000	Renewable energy RM'000	Others^ RM'000	Eliminat- ions RM'000	Total RM'000
<b>Current Year Quarter</b>								
<b>30.6.2024</b>								
<b>Revenue</b>								
External sales	-	6,999	-	(45)	1,302	-	-	8,256
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	6,999	-	(45)	1,302	-	-	8,256
<b>Results</b>								
Segment gross profit/(loss)	-	4,832	-	(46)	783	-	-	5,569
<b>Current Year To Date</b>								
<b>30.6.2024</b>								
<b>Revenue</b>								
External sales	-	13,773	-	(90)	2,570	-	-	16,253
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	13,773	-	(90)	2,570	-	-	16,253
<b>Results</b>								
Segment gross profit/(loss)	-	8,692	-	(90)	1,555	-	-	10,157
<b>Preceding Year Corresponding Quarter</b>								
<b>30.6.2023</b>								
<b>Revenue</b>								
External sales	-	7,117	-	7	1,034	316	-	8,474
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	7,117	-	7	1,034	316	-	8,474
<b>Results</b>								
Segment gross profit	-	4,647	-	6	613	316	-	5,582
<b>Preceding Year Corresponding Period</b>								
<b>30.6.2023</b>								
<b>Revenue</b>								
External sales	-	15,001	-	14	1,939	632	-	17,586
Inter-segment sales	-	-	-	-	-	-	-	-
Total revenue	-	15,001	-	14	1,939	632	-	17,586
<b>Results</b>								
Segment gross profit	-	9,937	-	13	1,195	632	-	11,777

\* Negligible

^ This segment represents the rental of investment property.

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Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

## NOTES

### A9 Segment information

	Malaysia RM'000	United Kingdom RM'000	Eliminat- Thailand ions RM'000 RM'000		Total RM'000
<b>Current Year Quarter</b>					
<b>30.6.2024</b>					
<b>Revenue</b>					
External sales	8,256	-	-	-	8,256
Inter-segment sales	-	-	-	-	-
Total revenue	<u>8,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,256</u>
<b>Results</b>					
Segment gross profit	<u>5,569</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,569</u>
<b>Current Year To Date</b>					
<b>30.6.2024</b>					
<b>Revenue</b>					
External sales	16,253	-	-	-	16,253
Inter-segment sales	-	-	-	-	-
Total revenue	<u>16,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,253</u>
<b>Results</b>					
Segment gross profit	<u>10,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,157</u>
<b>Preceding Year Corresponding Quarter</b>					
<b>30.6.2023</b>					
<b>Revenue</b>					
External sales	8,474	-	-	-	8,474
Inter-segment sales	-	-	-	-	-
Total revenue	<u>8,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,474</u>
<b>Results</b>					
Segment gross profit	<u>5,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,582</u>
<b>Preceding Year Corresponding Period</b>					
<b>30.6.2023</b>					
<b>Revenue</b>					
External sales	17,586	-	-	-	17,586
Inter-segment sales	-	-	-	-	-
Total revenue	<u>17,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,586</u>
<b>Results</b>					
Segment gross profit	<u>11,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,777</u>



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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### NOTES

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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 7 June 2024, the Company has disposed off the shares of its' 50% joint venture company, Culzean W2E Limited.

#### A12 Contingent liabilities

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

#### A13 Capital commitments

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
Acquisition of property, plant and equipments: Approved and contracted for	50,288	6,510

#### 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 30.6.2024 RM'000	As at 30.6.2023 RM'000
Cash in hand and at banks	8,174	7,880

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### 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 30.6.2024 RM'000	Preceding Year Corresponding Quarter 30.6.2023 RM'000	Current Year To Date 30.6.2024 RM'000	Preceding Year Corresponding Period 30.6.2023 RM'000
Revenue	8,256	8,474	16,253	17,586
Profit before taxation	2,811	6,134	10,199	8,793

For the quarter ended 30 June 2024, Tex Cycle and its subsidiaries ("Group") generated total revenue of RM8.3million, a decrease of RM0.2million or 3% and profit before taxation of RM2.8million, a decrease of RM3.3million or 54% compared to the corresponding quarter of the preceding year ended 30 June 2023 due to fair value gain on quoted securities and unit trust, and unrealised gain in foreign exchange in corresponding quarter of the preceding year ended 30 June 2023.

##### Recycling and recovery division

For the quarter ended 30 June 2024, the revenue of the recycling business decreased by RM0.1million or 2% as compared to that of the corresponding quarter preceding year. The decrease was mainly due to decrease in sales demand.

##### Manufacturing division

There was no sales generated from manufacturing division for current quarter ended 30 June 2024 and the corresponding quarter of the preceding year ended 30 June 2023.

##### Trading division

For the quarter ended 30 June 2024, the revenue of the trading business decreased by RM0.05million as compared to that of the corresponding quarter preceding year. The decrease was mainly due to decrease in sales demand.

##### Renewable energy division

For the quarter ended 30 June 2024, the renewable energy division has continued to generate revenue for the group from the solar Feed-in-Tariff ("FiT") plant and Corporate Renewable Energy Power Purchase Agreement ("CREPPA") projects. The revenue of the renewable energy division has increased by RM0.3million as compared to the corresponding quarter preceding year due to the commencement of new solar CREPPA projects, which brings 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 2024

## NOTES

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

	Current Year	Previous Quarter
	Quarter	31.3.2024
	30.6.2024	RM'000
	RM'000	
Revenue	8,256	7,998
Profit before taxation	2,811	9,003

The Group's revenue for the current quarter was RM8.3million as compared to the revenue for the preceding quarter of RM8.0million, an increase of RM0.3million or 3% due to increase in sales demand from recovery and recycling division. Besides, the Group made a lower profit before taxation of RM2.8million for the current quarter, a decrease of RM6.2million or 69% compared to the preceding quarter ended 31 March 2024 due to gain on disposal of property, plant and equipment in the previous quarter.

### B3 Prospects

In view of the current economic sentiment, there seems to be more positive signs in the market especially on the scheduled waste management business arena with much more emphasis given by the Malaysian Government through the Ministry of Environment, Natural Resources and Climate Change in terms of spearheading and pushing for compliance of waste generators and promoting the renewable energy space in order to achieve Malaysia's 2050 net zero target. Tex Cycle being already one of the key players to this ESG sector would definitely be of support towards this directive and work towards this agenda especially with the drive from BURSA and many of the financial institutions. The rejuvenated Board hereby wishes to emphasise that the Group has more appetite and open to undertake Mergers & Acquisitions ("M&As") for the greater good of all stakeholders. As such the Board and Management aim to drive Tex Cycle into becoming a stronger player in the ESG market space with its involvement in scheduled waste management and renewable energy as well as other related activities which would be a great traction in the near future.

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

- 1 On 10 April 2024, the biogas power plant of GLT BP Power Sdn Bhd which is located in Bukit Pasir, Johor, had commenced its operations. This development signifies a transformative step in sustainable energy solutions for Malaysia, utilising advanced technology to convert palm oil mill effluent into clean energy.
- 2 On 31 May 2024, the Company proposes to undertake a private placement of up to 25,618,949 new ordinary shares, representing up to approximately 10% of the total number of issued shares to independent third party investor(s) to be identified, at an issue price to be determined at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Act.

The Proposed Private Placement will enable the Group to raise additional funds primarily for the Sabah Integrated Scheduled Waste Management Facility.

On 22 July 2024, the Company has resolved to fix the issue price for the Private Placement at RM1.25 per Placement Share. Subsequently, the Company has announced that there will be 18,190,000 units of shares issued under this corporate proposal on 31 July 2024. On 9 August 2024, the Company has issued another 6,810,000 unit of shares.

A cumulative total of 25,000,000 Placement Shares were issued pursuant to the Private Placement and were listed and quoted on the ACE Market of Bursa Securities, thus marking the completion of the Private Placement.

- 3 On 12 June 2024, the Company is proposing an establishment of an employees' share option scheme ("ESOS") involving up to 15.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries.

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### NOTES

#### B3 Prospects

As of the date of this quarterly report, some of the predominant progress of the Group are as follows (cont'd):

All the resolutions related to the Proposed ESOS as set out in the Notice of Extraordinary General Meeting ("EGM") dated 26 July 2024 were duly passed at the EGM held on 2 August 2024.

- 4 On 13 June 2024, the Company had entered into a binding term sheet with Yang Wu-Hsiung, Amia Co Ltd, Beltrax Engineering Sdn Bhd, Good Credentials Sdn Bhd, Panbright Holdings Sdn Bhd, Peninsular Accord Sdn Bhd, Scientidex Sdn Bhd, Sunrise Majusama Sdn Bhd, Wong Mei Hwa and Yang Chueh-Kuang to negotiate the detailed terms and conditions to be contained in a definitive share sale agreement ("SSA") in relation to the proposed acquisition of the entire equity interest comprising 1,600,000.00 ordinary shares in the Meridian Group of Companies ("Sale Shares") for a purchase consideration of RM55,000,000.00 to be fully satisfied in cash.

The Proposed Acquisition allows the Company to expand its product and service offerings to a boarder range, including but not limited to, chemical processing of waste, provision of waste water treatment facilities, waste recycling services and trading of industrial chemicals and also to expand its geographical reach.

- 5 On 9 July 2024, Tex Cycle (P2) Sdn Bhd ("TCP2"), a wholly-owned subsidiary of Tex Cycle Sdn Bhd ("TCSB") which in turn is a wholly-owned subsidiary of the Company, had entered into a collaboration agreement ("the Agreement") with Econas Resource To Energy Sdn Bhd ("ER2E") to maximise business opportunities in scheduled waste management.

The collaboration between TCP2 and ER2E marks a significant advancement in combining expertise to maximise business opportunities in scheduled waste management, where it is expected to have a positive impact on Tex Cycle's revenue streams and complements the Group's existing business model, while enhancing the ability to provide comprehensive services in this sector.

Progressive announcements on the projects and M&A of the Group will be made in due course.

#### 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 2024 comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2024 RM'000	Preceding Year Corresponding Quarter 30.6.2023 RM'000	Current Year To Date 30.6.2024 RM'000	Preceding Year Corresponding Period 30.6.2023 RM'000
Income tax				
Estimated tax payable for current period	855	735	1,069	1,202
Deferred tax				
Estimated deferred tax for current period	(563)	72	(490)	482
Over provision in prior year	-	(1)	-	(1)
Real property gain tax	-	-	570	-
	<u>292</u>	<u>806</u>	<u>1,149</u>	<u>1,683</u>

# TEX CYCLE TECHNOLOGY (M) BERHAD

Registration No: 200401004116 (642619-P)

(Incorporated in Malaysia)

## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### NOTES

#### B6 Status of corporate proposals

- 1 On 31 May 2024, the Company proposes to undertake a private placement of up to 25,618,949 new ordinary shares, representing up to approximately 10% of the total number of issued shares to independent third party investor(s) to be identified, at an issue price to be determined at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Act.

The Proposed Private Placement will enable the Group to raise additional funds primarily for the Sabah Integrated Scheduled Waste Management Facility.

On 22 July 2024, the Company has resolved to fix the issue price for the Private Placement at RM1.25 per Placement Share. Subsequently, the Company has announced that there will be 18,190,000 units of shares issued under this corporate proposal on 31 July 2024. On 9 August 2024, the Company has issued another 6,810,000 unit of shares.

A cumulative total of 25,000,000 Placement Shares were issued pursuant to the Private Placement and were listed and quoted on the ACE Market of Bursa Securities, thus marking the completion of the Private Placement.

- 2 On 12 June 2024, the Company is proposing an establishment of an employees' share option scheme ("ESOS") involving up to 15.0% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries.

All the resolutions related to the Proposed ESOS as set out in the Notice of Extraordinary General Meeting ("EGM") dated 26 July 2024 were duly passed at the EGM held on 2 August 2024.

- 3 On 13 June 2024, the Company had entered into a binding term sheet with Yang Wu-Hsiung, Amia Co Ltd, Beltrax Engineering Sdn Bhd, Good Credentials Sdn Bhd, Panbright Holdings Sdn Bhd, Peninsular Accord Sdn Bhd, Scientidex Sdn Bhd, Sunrise Majusama Sdn Bhd, Wong Mei Hwa and Yang Chueh-Kuang to negotiate the detailed terms and conditions to be contained in a definitive share sale agreement ("SSA") in relation to the proposed acquisition of the entire equity interest comprising 1,600,000.00 ordinary shares in the Meridian Group of Companies ("Sale Shares") for a purchase consideration of RM55,000,000.00 to be fully satisfied in cash.

The Proposed Acquisition allows the Company to expand its product and service offerings to a boarder range, including but not limited to, chemical processing of waste, provision of waste water treatment facilities, waste recycling services and trading of industrial chemicals and also to expand its geographical reach.

#### B7 Borrowings and debt securities

	As at 30.6.2024 RM'000	As at 30.6.2023 RM'000
<i>Short term borrowings:</i>		
Secured - Term loan	3,613	2,794
Unsecured - Hire purchase and finance lease payable	77	88
	3,690	2,882
<i>Long term borrowings:</i>		
Secured - Term loan	26,769	25,037
Unsecured - Hire purchase and finance lease payable	194	220
	26,963	25,257
	<u>30,653</u>	<u>28,139</u>

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## NOTES

### B8 Material litigation

There is no material litigation as at 13 August 2024.

### B9 Dividends declared

No dividend has been recommended for the current financial period ended 31 December 2024.

### B10 Profit before taxation

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2024 RM'000	Preceding Year Corresponding Quarter 30.6.2023 RM'000	Current Year To Date 30.6.2024 RM'000	Preceding Year Corresponding Period 30.6.2023 RM'000
Profit before taxation is arrived at after the following charges/(credits):				
Depreciation of property, plant and equipments	1,030	1,140	2,259	2,196
Allowance for expected credit losses - net	214	(46)	214	(21)
Property, plant and equipments written off	6,863	-	6,491	-
Gain on disposal of property, plant and equipments	-	(79)	(15,039)	(131)
Gain on investment in unit trusts	(28)	(15)	(28)	(68)
Changes in fair value of quoted securities	-	(2,074)	(5,620)	(2,074)
Changes in fair value of unit trusts	-	(713)	-	(147)
Gain on disposal of investment in unit trusts	-	515	-	182
Investment written off	-	-	6,549	-
Share of loss of equity-accounted associates	13	(50)	52	(46)
Unrealised gain on foreign exchange	2	(502)	1	(531)
Interest income from deposits placed with licensed banks	*	(5)	*	(6)
Interest income from investment in debt securities	(375)	-	(530)	-
Interest income from loans to associates	(55)	(51)	(109)	(136)
Interest income from loans to joint venture	-	(70)	-	(133)
Interest expenses on term loans	340	279	685	552
Interest expenses on finance lease liabilities	4	6	9	12

\* Negligible

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## Quarterly Report on Results for the 2nd Quarter Ended 30 June 2024

### 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	Preceding Year	Current Year To	Preceding Year
	Quarter	Corresponding	Date	Corresponding
	30.6.2024	Quarter	30.6.2024	Period
		30.6.2023		30.6.2023
Net profit for the period (RM'000)	2,519	5,328	9,050	7,110
Weighted average number of ordinary shares in issue ('000)	253,442	253,442	253,442	253,442
Basic earnings per share (sen)	0.99	2.10	3.57	2.81

##### (b) Diluted earnings per ordinary share

Not applicable to the Company.

#### By Order of the Board

Lee Hai Peng

Executive Director

Selangor Darul Ehsan

Date: 13 August 2024